FEDERAL MEDIATION AND CONCILIATION SERVICE

DURING THE ADMINISTRATION OF

PRESIDENT LYNDON B. JOHNSON

November 1963 - January 1969

William E. Simkin
Director

PREFACE

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Despite its obvious imperfections, collective bargaining in my opinion is one of the major successes of the American experience. It has carried democracy to the work place and contributed in no small measure to the Nation's economic progress.

We are too prone to concentrate on the occasional abuses and mistakes made in conducting union-management relations, and too little on the overwhelming number of instances wherein the parties reach amicable solutions to their problems through reason and compromises.

Although it has been a relatively long period since the Congress in 1935 legally sanctioned collective bargaining as the system for conducting relations between employers and employees, the time has been too short to expect that perfection or a reasonable facsimile could be achieved.

The point I wish to make is that progress is being made steadily. Both sides are learning from their experience. This has been evident during the period herein discussed. I believe the Federal Mediation and Conciliation Service has materially assisted in this improvement, as was intended by the Congress.

William E. Simkin
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CHAPTER I.

CHAPTER I - PRELIMINARY STATEMENT OF ACTIVITY

During the five-year period, 1963-68, the Service made notable progress in:

--Improving professional skills of mediators and sharpening their abilities to deal with crisis bargaining disputes.

--Expanding the scope and effectiveness of the preventive mediation program for basic improvement in labor-management relations.

--Familiarizing the public with the Nation's collective bargaining policy, as well as with the mediation process.

--Improving the rapidly expanding arbitration function of the Service.

--Establishing a cooperative, practical system for dealing with long-standing Federal-State differences in administering the mediation function.

--Activating the National Labor-Management Panel as an effective advisory group of knowledgeable private practitioners.

Before discussing these highlights in Service activities more fully, a resume of the functions and responsibilities of the agency is appropriate.

CHAPTER II.

CHAPTER II - BACKGROUND: MISSION OF THE SERVICE

The Service is the agency of Government in which the Congress has entrusted the responsibility for maintaining industrial peace in America (the only exceptions are the airline and railroad industries, for which the National Mediation Board has responsibility). (See Appendix A.)

This responsibility is exclusive. Prior to enactment of the 1947 amendments to the National Labor Relations Act (Taft-Hartley law), the mediation function was vested in the United States Conciliation Service, affiliated with the Department of Labor. The 1947 amendments created the present FMCS as a new independent agency and transferred to it all mediation functions previously exercised by the United States Conciliation Service and the Department of Labor. In fact, the law directed that "The Director and the Service shall not be subject in any way to the jurisdiction or authority of the Secretary of Labor or any official or division of the Department of Labor."

The Director of the Service is appointed by the President with the advice and consent of the Senate. The law also establishes a National Labor-Management Panel. This

Panel, which had never really functioned since authorized in the 1947 amendments, was fully activated in 1962 and has since performed an important advisory function to the Director and the Service.

The Service maintains a small National Office in Washington, seven Regional Offices and some 75 field stations. Over-all employment of the agency is approximately 450. Of this total, two-thirds of available man-woman hours are devoted to active mediation work and only one-third to administrative, supervisory and clerical duties.

The major responsibility of the Service is to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, by assisting labor and management in the resolution of disputes through conciliation and mediation.

The law contemplates that the Service will be primarily concerned with disputes over negotiation of new labor contracts. It discourages mediation of grievance disputes, except in rare and unusual cases. It encourages the parties to adopt their own effective grievance settlement procedures. By and large, reliance on the parties for grievance resolution has succeeded. The Service does concentrate on problems

connected with negotiating initial contracts or renewal of existing contracts.

In short, the disputes function is to stimulate settlements without strikes and to act in an energetic and imaginative way to seek to shorten those strikes that do occur.

The Service has a continuing task--one that does not end with the signing of a new labor agreement. It has a preventive function, in which it seeks, by working with the parties during the term of the contract period, to improve the basic labor-management relationship and thereby ease or avoid conflict at the next contract renegotiation time.

The Service has an educational, or public relations, function. Acquainting the labor-management community, and the public, with the usefulness and voluntary nature of the mediation function is important in obtaining acceptance and confidence in third-party assistance. Moreover, the Service is in the best possible position to appraise current bargaining trends and problems. Discussion of these developments within the labor-management community assists the bargaining process.

The Service also has an important arbitration function. Grievance handling by the parties without Government assistance is encouraged by the law. The Service employs no arbitrators but maintains a roster of qualified private citizens. It assists parties to grievance disputes in the selection of an arbitrator.

CHAPTER III.

CHAPTER III - DISPUTES MEDIATION

A major goal of the Service during the tenure of Director William E. Simkin concentrated on developing the Federal mediation process into a more effective, hard-hitting instrument for dealing effectively with the most serious labor-management problem--negotiation of an initial contract or renewal of an existing contract. These are the "strike deadline" cases, commonly referred to as crisis bargaining.

Mr. Simkin was appointed to head the Agency in January 1961, at the inception of the Administration of President John F. Kennedy. He continued in the post during the Administration of President Lyndon B. Johnson.

Mediation is a voluntary process. Its success depends upon the confidence which the parties place in the Service's mediators and upon mediator skills in handling the complicated human relations problems and issues involved in labor-management controversies.

A. Bolstering the Mediation Process

Every effort was pursued to demonstrate through mediation activity that employers and labor organizations

can have confidence and assurance in the impartiality and dedication of the individual mediators. Training of new and senior mediation Commissioners in all phases of labor relations problems and mediation techniques was carried forward at an accelerated pace.

While solo mediation continued to prevail generally in the bulk of cases handled, greater use of panels consisting of several mediators was employed to increase effectiveness of the mediation process. A small corps of National Office Representatives, commonly called "troubleshooters," was assembled and assigned to assist local mediators in the more difficult and persistent cases. The use of mediator recommendations or "suggestions" for settlement was increased within the privacy of collective bargaining chambers.

The labor-management community responded favorably to this more aggressive approach to third-party assistance. Many employers and unions, who had previously balked at mediation as a form of Government intervention into their private affairs, accepted FMCS proffers of aid. Substantial progress was made in convincing disputing parties that mediation is not dictation, nor involves any abandonment of their right to make the ultimate decisions.

B. Minimizing Emergency Action

It is noteworthy that this growth in reliance on FMCS assistance was accompanied by a declining number of instances involving Government efforts to settle labor disputes at the White House, Department of Labor or special panel level.

President Johnson was required to invoke the National Emergency procedures of the National Labor Relations Act on only five occasions* (see Appendix B). In only two of these instances--those involving the Atlantic-Gulf longshore industry in 1964 and the West Coast shipyards in 1967--were substantial portions of industries involved. The other three occasions involved single defense plants whose production was urgently needed for military procurement; i.e., General Electric Company's plant at Evendale, Ohio, in 1966; Union Carbide Company's plant at Kokomo, Indiana, in 1966, and Avco Corporation's plant at Stratford, Connecticut, in 1967. This small number of Emergency actions, during a five-year period of general labor-management unrest, is one indication of effective dispute mediation work. It also reflects a commendable restraint on the part of the Administration in utilizing the Emergency provisions which are intended to be invoked only in the most urgent circumstances.

* Actually six, with the longshore case now in progress. Change will be made in January.

C. Strike Activity

The Nation was emerging from a period of higher-than-optimum unemployment at the start of the five-year time span under discussion here. Wages and prices remained fairly stable. However, toward the end of the period, the tempo of rising price and wage levels began to quicken. These inflationary pressures had important effects on the labor relations situation. Time lost due to strikes rose substantially from the low levels that had marked the early years of the Kennedy and Johnson Administrations.

The best single measure of strike incidence is the Bureau of Labor Statistics data showing man-days lost due to strikes in relation to time worked. For the five Johnson Administration calendar years (1963 through 1967) and for the first half of 1968, these percentages were:

Strike Time Lost
As a Percentage of Time Worked

Calendar Year	Percentage
1963	.13
1964	.18
1965	.18
1966	.19
1967	.30
1968 (first half)	.35

Source: BLS

Despite the upward trend, strike time losses for the period have been substantially below the comparable figures for other periods since World War II. By five-year periods, the data are:

Strike Time Lost
As a Percentage of Time Worked

Time Period	Percentage
1946 through 1950	.65
1951 through 1955	.31
1956 through 1960	.29
1961 through 1965	.16
1966 to July 1, 1968	.27

Source: BLS

NOTE: Above two tables will be corrected when second half, 1968, data are available.

Mediator dispute activity may be illustrated in terms of an average week. Based on fiscal year 1968 statistics, mediators actively participated in 145 contract dispute settlements weekly, including an average 38 strike cases. The agency considers "active" cases to be those in which the mediator participates in joint bargaining sessions with the disputing parties.

There were an additional 215 dispute settlements per week handled by mediators which did not fall into the "active" category. These non-active cases are those in which

the mediator kept close touch with developments, often making strategic suggestions, and otherwise preparing for possible "active" mediation, but not finding it necessary to participate in joint bargaining sessions.

Mediators participated in an average 575 dispute mediation conferences weekly. Of course, this data was in addition to the Preventive Mediation and Public Relations activity which also extensively occupied mediator time.

Mounting pressures on employer-union relationships in calendar years 1967 and 1968 could be attributed at least in part to the Nation's major defense production effort. Effective mediation helped avoid many potential strikes and helped shorten numerous actual stoppages. Had not the tempering influence of effective mediation helped solve many hotly disputed issues facing employers and unions in the 1967-68 era, it is reasonably certain that the Nation would have had to resort to special disputes settlement machinery of the general type utilized during World War II and the Korean War.

D. Economic Guideposts

The economic "guideposts" initiated during the Kennedy Administration and continued during the early years

of the Johnson Administration had the desirable goal of attempting to stabilize the economy by keeping wages and prices in step with productivity, through the voluntary cooperation of management and labor.

However, the effort to limit annual labor cost increases to a single percentage rate, based on recent productivity trends, tended to seriously complicate the bargaining process. Labor organizations that might have been willing to settle for less than the "guideposts" sometimes considered the "guidepost" rate to be the "floor" to which they were automatically entitled. Employers who might otherwise be willing to pay, and could afford, settlements somewhat higher than the "guideposts," without an inflationary effect, considered them to be a ceiling. While the "guideposts" may have had some over-all restraining effect, the experience proved that our economy is too diverse to be contained within any single formula.

E. Significant Dispute Cases - 1963-68

The mediation activity of the Service is detailed in the Annual Reports covering this period. Only a few specific cases will be noted here briefly.

In the 1965 steel industry dispute, Director Simkin suggested and obtained agreement of the industry and union on a four-month extension of the existing contract, coupled with an interim escrow payment arrangement. This avoided a strike and made possible an eventual industry-wide agreement, with White House assistance, later that year.

Considerable difficulty developed in negotiation of 1965 aerospace industry contracts. However, unlike the 1962-63 round of aerospace negotiations, agreements were reached this time without the need for the Government to resort to extraordinary measures such as special boards or invocation of the emergency provisions of the Labor Management Relations Act. In 1965, the Government's efforts in aerospace negotiations were confined to the normal mediation procedures of the Service. (Mention will be made in final draft of 1968 aerospace bargaining.)

A nationwide trucking strike was avoided in 1967 with the assistance of the Service. Limited work stoppages did develop, particularly in the Chicago area, but agreements were ultimately reached without the crippling economic impact that a nationwide stoppage would have caused in this vital transportation industry.

Through the five-year period the Service was successful in mediating numerous disputes in important defense plants. The agency was informed by the Department of Defense that no strike occurred during this period that resulted in an actual supply shortage to the armed forces. Some fifty or more defense plant negotiations each year were potential Taft-Hartley cases. However, as noted earlier, only three such injunctions became necessary in the five-year period.

An example was the strike in 1967 at the Colt Firearms plant at Hartford, Connecticut, sole supplier at that time of the M16 rifle required for field infantrymen. The Defense Department advised the Service that unless this strike was terminated at an early date, it would be compelled to seek Taft-Hartley emergency action. A representative of the National Office was sent to assist local mediators in meetings at Hartford. The negotiations were transferred to Washington where intensive efforts resulted in a strike settlement, avoiding any resort to extraordinary measures.

An outstanding development during this period was the practice of coordinated bargaining, or joint bargaining efforts on the part of a number of unions representing workers at various plants of one industry or one company. Examples

were the General Electric and Union Carbide negotiations in 1966, the copper industry negotiations in 1967-68 and the Campbell Soup negotiations in 1968. All except the GE situation resulted in impasse and strikes. Insistence by unions in these situations on common goals, stoutly resisted by the managements involved, led to mediation complications. The Campbell Soup strike was settled in time to save a substantial portion of the tomato crop.

In contrast to coordinated bargaining problems--with unions in the same company or industry teaming up to seek common goals (and not, by any means, always succeeding)--another troublesome situation was the case of union bargaining competition. Examples of this were the 1968 bargaining in the telephone and aluminum industries. In each case settlements were made with the unions representing the largest number of employees, only to have unions with smaller employee representation engage in prolonged strikes seeking still higher settlements.

A developing trend is a tendency of union memberships to reject the terms of tentative settlements agreed upon by their negotiators with representatives of management (further discussed in Chapter VIII, Training). (See Appendix C.)

An example was the 1965 negotiations involving the McDonnell Aircraft Company, St. Louis, and the Machinists Union. McDonnel was an important military aircraft producer. At least three rejections of tentative agreements developed during these negotiations, yet the actual strike loss period was limited to only a few days. Intensive negotiations "around the clock" held in the Washington offices of the Service produced the accepted agreement.

CHAPTER IV.

CHAPTER IV - PREVENTIVE MEDIATION

A major accomplishment during the 1963-68 period was the development and expansion of the agency's Preventive Mediation program. This is a program directed primarily at improving the basic relationship between an employer and union in order to avoid crises and to encourage development of an orderly system of resolving inevitable problems.

While the Service had been engaged in preventive work since 1947, it was not until the period covered by this report that PM was accorded the emphasis of a major policy in which every mediation Commissioner was expected to play an active role.

This increased activity proved to be rewarding in many respects. The acceptance, dedication and enthusiasm of the mediation staff, and of labor and management, reached a high level. Of course, the task of achieving maturity, reasonableness and cooperation in labor-management relations never will be accomplished completely. Steady improvement is possible, and it is occurring.

The PM caseload volume increased rapidly. In the 1962 fiscal year, the Service counted only 83 cases. In 1963

the number jumped to 375, then to 478 in 1964, to 494 in 1965, to 922 in 1966, to 1175 in 1967, and to 1322 in fiscal year 1968.

Especially gratifying are the "early bird" contracts. These occur when an employer and union, in trying to avoid the danger of permitting contract renewal problems to lag until they culminate in a strike threat crisis, succeed in reaching a new agreement well ahead of a scheduled expiration. Mediators of the Service have succeeded in building a sizeable number of such early negotiations to fruition--frequently many months ahead of a crisis date.

Every PM program is tailored to the particular needs of any given labor-management relationship. A mediator learns a great deal about an employer and union in assisting settlement of contract negotiations. He is able to spot potential trouble spots in a union-employer relationship and to help devise a program designed to remedy the problem.

This may take the form of labor-management committees meeting regularly to discuss whatever problems may arise. Consultation with the mediator on specific problems encountered during the contract term is another form of preventive mediation activity. In still other situations, the mediator will

conduct training sessions in areas of human relations, communications, leadership or responsible grievance handling to assist either one or both sides toward an improved relationship.

There are a number of factors responsible for the encouraging and sizeable increase in Preventive Mediation activity. Among them were the continued emphasis by the Director and an agency functional reorganization, made effective on January 1, 1966, which placed the Deputy Director, Robert H. Moore, in charge of preventive services. Endorsement and encouragement, by the National Labor-Management Panel, of the agency work in this area was extremely helpful.

Greater Government support for this emerging new approach to solving labor-management problems is warranted. More and more unions and employers recognize that present-day collective bargaining problems cannot all be solved at the bargaining table once every two or three years.

They increasingly realize that some form of continuing dialogue is required to air developing problems and to prevent their accumulation into an explosive situation at the start of new contract negotiations. Evidence is piling up in the preventive case files of the Service that mutual

attempts to find a better way to conduct labor-management relations are paying off for those willing to invest the time and effort. Following are a few brief examples of PM activities:

--A long, costly and violent strike involved the Yale & Towne Manufacturing Company and the Machinists Union at Philadelphia in 1961. Since then, a Federal mediator has slowly and persistently cultivated a much more amicable and problem-solving-oriented relationship. The result is that the parties in 1968 negotiated their third amicable contract settlement since the long strike.

(In reporting this situation, the Philadelphia Regional Director of the Service stated in a confidential memorandum, "As the cast of characters (company and union) have changed, /the mediator/ has been a stable element in the situation, bending his every effort to maintain the entire operation on an even keel. No amount of statistical analysis of the number of meetings or the man-hours spent on this case can represent the effort involved. /The mediator's/ intensive devotion to the best interests of the parties and the public in this assignment has been recognized by all participants).

--Following the rapid unionization of employees of Milwaukee County, Wisconsin, the County was interested in training employee supervisors in the techniques of labor-management relations. The Service conducted two six-week training programs, each program consisting of twice daily, two-hour sessions. Similar training programs are frequently carried on to remedy private industry plant personnel problems.

--When the Department of Defense decided to reactivate an ammunition plant at Parsons, Kansas, the Army Engineers requested the Service to assist in handling any labor relations problems. Updating plant facilities required a 65 percent rebuilding and remodeling job, which had a high priority. Mediators held a pre-job conference and evolved a system for handling labor relations problems as they arose. After 10 months of active FMCS participation in solving the numerous grievances and disputes that did arise, the Service withdrew participation, with the work over 50 percent completed, proceeding smoothly and ahead of schedule.

--A large manufacturing plant in Tennessee was involved in a 150-day strike in 1965, leaving company-union relations in a bitter state. The employees engaged in 19 wildcat strikes through mid-1967. A mediator went to work to try to improve the situation, drastically reducing the work stoppages and finally getting the parties to establish a joint Labor-Management Committee. The result was a successor labor contract negotiated well ahead of the deadline.

--An example of a community-wide Preventive Mediation effort is an experience in Cleveland, Ohio. For several years the Service has planned and sponsored with St. John's College a series of labor relations seminars, designed to provide a forum for problem discussion and for union and management participants to get to know each other better. The 1968 program consisted of seven consecutive weekly evening seminars, attracting 270 representatives of over 100 companies, unions and institutions. Similar seminars have been promoted by the Service in a number of other communities, with obvious beneficial results.

--Another example of successful "early bird" bargaining well ahead of any deadline involved the Atomic Energy Commission plant at Miamisburg, Ohio, operated by the Monsanto Research Corporation. A new contract due to expire in September 1970 was negotiated in June 1967 to replace an agreement that was not due to expire until September 1968.

Numerous other examples of Preventive Mediation activity could be cited. The Service firmly believes that the future of industrial relations in the United States will be bright indeed if more employers and unions devote more time and energy toward developing constructive relationships and problem-solving techniques. A good start has been made in this area.

Missile and Space Sites Program

Throughout the entire period under discussion, the Service played an important role in a program to minimize work stoppages and maintain economic operations at the Nation's missile and space sites.

Executive Order 10946, which established the President's Missile Sites Labor Commission on May 26, 1961, designated the Director of the Service as Vice-Chairman of the

Commission and the Vice-Chairman necessarily assumed a lead role in the functioning of the Commission. The Executive Order also provided that FMCS mediators serve as Chairmen on the local missile sites labor relations committees.

The National Commission had tripartite membership of labor, management and public representatives appointed by the President. The local committees also had tripartite membership, including representatives of the various interested Government agencies.

The local committees were highly successful in monitoring missile and space site labor problems and obtaining settlements through voluntary methods. They were so successful, in fact, that only a relatively few such disputes required action by the National Commission.

The over-all record of the Commission's work was one of maintaining a high degree of labor peace at the sites during a period of high priority construction and installation. It was a case of labor, management and Government working together to get a job done with a minimum of disruption.

As the missile-space construction program phased out, it was determined that the special procedures entailed in the President's Commission were no longer necessary. Thus on

October 11, 1967, President Johnson issued Executive Order 11374 discontinuing the Missile Sites Labor Commission as a separate agency and transferring its functions to the FMCS. The agency pledged continued vigilance in maintaining labor peace at the sites.

CHAPTER V.

CHAPTER V - PUBLIC RELATIONS

It is important for citizens to be aware of the responsibilities of labor and management in exercising their economic freedom under the Nation's collective bargaining policy. The impartial role of the Service in assisting parties in collective bargaining and the voluntary nature of this assistance are part of an important National policy that is often misunderstood.

Every effort has been made, within the limited staff available to this small agency, to acquaint the public in general, and the labor-management community in particular, with the disputes, preventive mediation and arbitration assistance available through the FMCS.

As the Government's principal repository of accurate information as to current trends and problems of collective bargaining, the Service also has a responsibility to participate in discussion and leadership of various types of labor-management conferences.

The Service continued to extend cooperation to the Departments of State and Labor in assistance in acquainting hundreds of representatives of foreign countries in functioning

of the Nation's labor policy. This policy is an important aspect of American freedom and a matter of keen interest to many countries abroad, particularly those emerging nations occupied in developing new social systems.

CHAPTER VI.

CHAPTER VI - ARBITRATION

The growth of private arbitration of grievance disputes between labor and management, during the term of labor contracts, is a measurement of maturity in the labor relations field. The typical labor contract now provides for a no-strike pledge on the part of the union and agreement by the employer and union that any disagreements will be resolved through the grievance procedure, terminating in binding arbitration if not settled earlier.

This procedure is assisted by the Service through the Office of the General Counsel. A roster of names of private arbitrators is maintained. Constant effort is directed at insuring the competence of the available arbitrators and increasing their number to meet the ever-growing caseload.

The arbitration caseload of the Service almost doubled during the 1963-68 period, as evidenced by the following table:

Arbitration Unit Workload - Fiscal 1963-68

	1968	1967	1966	1965	1964	1963
Requests for Panels or direct appointments.....	7809	6955	5654	5048	4791	4279
Panels submitted..	8630	7623	6255	5453	5172	4497
Appointments.....	4175	3953	3430	3333	3182	2757
Awards.....	2309	1967	2441	1887	1952	1618

Upon receipt of a request of a union and employer, the Service submits a list of arbitrators, all private citizens, from its roster of qualified persons. The parties then proceed to select from the panel the arbitrator most mutually acceptable to both. Once that selection has been made, the Service withdraws from active participation in the case, the subsequent relationship being between the parties and the selected arbitrator. Nevertheless, the Service is prepared to take any necessary action, at any stage of the proceeding, to insure that a case is processed promptly and in accordance with its regulations.

CHAPTER VII.

CHAPTER VII - ADMINISTRATION AND ORGANIZATION

During the period covered by this summary, the functional organization and number of personnel have been strengthened in order to cope with expansion of workload and increased emphasis of the Service's program. Work responsibilities in the National Office have been defined to assure proper attention and direction within the scope of Service objectives.

A reorganization in 1966 (see Appendix D), prompted by the agency's efforts for more effective preventive mediation, added to the need for a small increase of supervisory assistance at the national and regional levels. As pointed out in Chapter IV, this management effort was successful in its basic objective of more fully utilizing the preventive mediation approach to labor-management problems.

As a result of the President's directive on December 24, 1963, and the resulting Bureau of the Budget Circular A-64 dated March 31, 1964, the regional operations audit program was strengthened.

The program was aimed at the most effective manpower utilization. Each audit included: (1) an analysis of manpower utilization and needs, and the distribution of current staff in relation thereto, based on evaluation of the over-all

regional workload; (2) conformity to program objectives and policy guides in the areas of dispute case jurisdiction, preventive services, and case reporting; and (3) an examination of each strike case to determine if procedures and techniques used might be helpful in improving over-all strike handling by the mediator staff.

Through a series of these audits, including mediator manpower utilization studies, the necessary field work force increases were held to the minimum required for the expanding workload. At the end of calendar year 1968, the Service had 296 professional mediators and 150 administrative-clerical personnel. This force was located in 79 different cities (see Appendix E).

During the period of increased use and strengthening of the audit program, that part of the audit procedure related to developing and analyzing dispute case activities was converted to a computer data analysis system. This permitted manpower audits at yearly intervals with total comparability on a Service-wide basis. In addition to improving the study of manpower and staffing problems, this aided in budget preparation and projections of future needs of the Service.

Over these years, the accent placed on intensified mediation techniques, the increased dispute case workload, and increased difficulty of issues compiled with a far-reaching diligent effort at long-range preventive mediation, necessitated the gradual increase in the staff (see Appendix F).

Other efforts at management improvement, made as a result of the President's directives, were in the area of office work simplification studies. In two instances, the National Archives and Records Service was requested to conduct impartial studies of our paper processing. One review concerned the processing of dispute case documents through the regional offices and the other was an in-depth study of the system used in maintaining the arbitrator roster (described in Chapter VI).

CHAPTER VIII.

CHAPTER VIII - TRAINING

Throughout the period, training of new and senior mediators in the changing trends of labor relations problems and in mediation techniques for coping with these problems has received major emphasis.

For example, beginning in 1962, mediators began to note an increase in frequency of occasions in which employer and union negotiators would reach agreement on new contract terms, only to have the union's membership then reject the terms as unsatisfactory.

As this trend became more pronounced, a special study was made of such rejection cases over a two-year period. These findings were made public (see Appendix C) and received considerable interest from both labor and management. They also led to the development of special mediation techniques which have been helpful in trying to assure greater union membership acceptance of tentative agreements.

A continuing series of seminars and workshops have produced mediator discussion that has been most helpful in sharing mediation experiences and knowledge with consequent improvement of the mediation process. Many of the most prominent labor relations practitioners in industry and

organized labor have participated in these training programs. Mediator attendance at numerous labor or management seminars, conventions and similar professional meetings has further contributed to the mediator storehouse of knowledge and expertise. Special care has been taken in the selection and training of newly hired mediators.

CHAPTER IX.

CHAPTER IX - FEDERAL-STATE RELATIONS

Overlapping jurisdictions authorized in Federal and State labor laws have always led to some friction between Federal and State mediators. In 1963, Director Simkin proposed creation of an orderly system for resolving such difficulties. He pointed out that there was sufficient work to be done in the labor relations area to occupy all mediators fruitfully.

This appeal was warmly and sympathetically received by the States, as represented by the Association of Labor Mediation Agencies. A "Code of Professional Conduct" applicable to all mediators was jointly drafted and adopted. This was accompanied by the creation of an appeals system in which the Regional Directors of the Service maintain close liaison with the heads of State mediation agencies to iron out any problems that may arise in handling disputes in which both the Federal and a State Government may have special responsibility.

These arrangements have raised mediation standards throughout the Nation, enhanced the profession, and led to improved Federal-State harmony in this area.

CHAPTER X.

CHAPTER X - ADDITIONAL OBSERVATIONS

Improvement in the competence and effectiveness of the Federal mediation process was the prime goal during the 1963-68 years. Substantial progress in this area was achieved.

It is significant that while the labor policies of the National Association of Manufacturers and of the Chamber of Commerce generally condemned the idea of Government "interference" in labor disputes, they commended the operations of the FMCS and suggested that its activites be expanded and strengthened.

Organized labor similarly actively supported the work of the FMCS.

One matter that remained a continuing problem with this agency, a problem that had existed over several Administrations, was effective liaison with the White House. With full realization of the fact that no President can hope to maintain extensive personal liaison with a host of independent agencies, it was a fact that liaison with the White House staff had not been fully satisfactory. Nor is an adequate substitute provided by liaison through the Labor Department, especially in the face of a congressional mandate to remain independent.

Like many other branches of the Government, during part of this period, especially fiscal 1968 and fiscal 1969, the FMCS has had to compromise its operational goals, which it felt were warranted by the labor-management outlook, with the amounts of appropriations available. It is recognized that all worthy Government goals cannot be financed at any one time. However, it is submitted that tax funds invested in maintaining labor-management peace pay substantial dividends to workers, employers and involved communities. A sound case can be made that the actual money benefits to the economy, and even to the U. S. Treasury, are many times greater than the budget of this small agency.

Finally, it should be mentioned that the FMCS has taken initial steps to make its services available on a limited basis in mediating disputes between agencies of the Government and organizations representing Federal employees. Considerable success has been met in mediating the small number of cases thus far undertaken.