

VOLUME 11

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APPENDIX A

Text of Labor Management Relations Act, 1947, as Amended by Public Law 86-257, 1959*

[Public Law 101—80th Congress]

AN ACT

To amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND DECLARATION OF POLICY

SECTION 1. (a) This Act may be cited as the "Labor Management Relations Act, 1947."

(b) Industrial strife which interferes with the normal flow of commerce and with the full production of articles and commodities for commerce, can be avoided or substantially minimized if employers, employees, and labor organizations each recognize under law one another's legitimate rights in their relations with each other, and above all recognize under law that neither party has any right in its relations with any other to engage in acts or practices which jeopardize the public health, safety, or interest.

It is the purpose and policy of this Act, in order to promote the full flow of commerce, to prescribe the legitimate rights of both employees and employers in their relations affecting commerce, to provide orderly and peaceful procedures for preventing the interference by either with the legitimate rights of the other, to protect the rights of individual employees in their relations with labor organizations whose activities affect commerce, to define and proscribe practices on the part of labor and management which affect commerce and are inimical to the general welfare, and to protect the rights of the public in connection with labor disputes affecting commerce.

TITLE I—AMENDMENT OF NATIONAL LABOR RELATIONS ACT

SEC. 101. The National Labor Relations Act is hereby amended to read as follows:

FINDINGS AND POLICIES

SECTION 1. The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining

*Section 201(d) and (e) of the Labor-Management Reporting and Disclosure Act of 1959 which repealed Section 9(f), (g), and (h) of the Labor Management Relations Act, 1947, and Section 505 amending Section 302(a), (b), and (c) of the Labor Management Relations Act, 1947, took effect upon enactment of Public Law 86-257, September 14, 1959. As to the other amendments of the Labor Management Relations Act, 1947, Section 707 of the Labor-Management Reporting and Disclosure Act provides:

The amendments made by this title shall take effect sixty days after the date of the enactment of this Act and no provision of this title shall be deemed to make an unfair labor practice, any act which is performed prior to such effective date which did not constitute an unfair labor practice prior thereto.

lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.

Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.

Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of such commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

DEFINITIONS

SEC. 2. When used in this Act—

(1) The term "person" includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(2) The term "employer" includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation, or any Federal Reserve Bank, or any State or political subdivision thereof, or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the Act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any individual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.

(4) The term "representatives" includes any individual or labor organization.

(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

(7) The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

(8) The term "unfair labor practice" means any unfair labor practice listed in section 8.

(9) The term "labor dispute" includes any controversy concerning terms, tenure or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

(10) The term "National Labor Relations Board" means the National Labor Relations Board provided for in section 3 of this Act.

(11) The term "supervisor" means any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(12) The term "professional employee" means—

(a) any employee engaged in work (i) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction

and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

(b) any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (a), and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (a).

(13) In determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

NATIONAL LABOR RELATIONS BOARD

SEC. 3. (a) The National Labor Relations Board (hereinafter called the "Board") created by this Act prior to its amendment by the Labor Management Relations Act, 1947, is hereby continued as an agency of the United States, except that the Board shall consist of five instead of three members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of two years. Their successors, and the successors of the other members, shall be appointed for terms of five years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. The Board is also authorized to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question of representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) of section 9 and certify the results thereof, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under this paragraph, but such a review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.

(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

(d) There shall be a General Counsel of the Board who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of four years. The General Counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to Board members) and over the officers and employees in the regional offices. He

shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10, and in respect of the prosecution of such complaints before the Board, and shall have such other duties as the Board may prescribe or as may be provided by law. In case of a vacancy in the office of the General Counsel the President is authorized to designate the officer or employee who shall act as General Counsel during such vacancy, but no person or persons so designated shall so act (1) for more than forty days when the Congress is in session unless a nomination to fill such vacancy shall have been submitted to the Senate, or (2) after the adjournment *sine die* of the session of the Senate in which such nomination was submitted.

SEC. 4. (a) Each member of the Board and the General Counsel of the Board shall receive a salary of \$12,000* a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint an executive secretary, and such attorneys, examiners, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties. The Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member review such transcripts and prepare such drafts. No trial examiner's report shall be reviewed, either before or after its publication, by any person other than a member of the Board or his legal assistant, and no trial examiner shall advise or consult with the Board with respect to exceptions taken to his findings, rulings, or recommendations. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation, or for economic analysis.

(b) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose.

SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Board in the same case.

SEC. 6. The Board shall have authority from time to time to make, amend, and rescind, in the manner prescribed by the Administrative Procedure Act, such rules and regulations as may be necessary to carry out the provisions of this Act.

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected

*Pursuant to Public Law 88-426, 88th Congress, 2d Session, Title III, approved August 14, 1964, the salary of the Chairman of the Board shall be \$28,500 per year and the salaries of the General Counsel and each Board member shall be \$27,000 per year.

by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8(a)(3).

UNFAIR LABOR PRACTICES

SEC. 8. (a) It shall be an unfair labor practice for an employer—

(1) to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7;

(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6, an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;

(3) by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this Act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or the effective date of such agreement, whichever is the later, (i) if such labor organization is the representative of the employees as provided in section 9(a), in the appropriate collective-bargaining unit covered by such agreement when made, and (ii) unless following an election held as provided in section 9(e) within one year preceding the effective date of such agreement, the Board shall have certified that at least a majority of the employees eligible to vote in such election have voted to rescind the authority of such labor organization to make such an agreement: *Provided further*, That no employer shall justify any discrimination against an employee for non-membership in a labor organization (A) if he has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

(4) to discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act;

(5) to refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9(a).

(b) It shall be an unfair labor practice for a labor organization or its agents—

(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided*, That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;

(2) to cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a)(3) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than his failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

(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);

(4) (i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or (ii) to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is:

(A) forcing or requiring any employer or self-employed person to join any labor or employer organization or to enter into any agreement which is prohibited by section 8(e);

(B) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9: *Provided*, That nothing contained in this clause (B) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing;

(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9;

(D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work;

Provided, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act: *Provided further*, That for the purposes of this paragraph (4) only, nothing contained in such paragraph shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary dispute and are distributed by another employer, as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services, at the establishment of the employer engaged in such distribution;

(5) to require of employees covered by an agreement authorized under subsection (a)(3) the payment, as a condition precedent to becoming a member of such organization, of a fee in an amount which the Board finds excessive or discriminatory under all the circumstances. In making such a finding, the Board shall consider, among other relevant factors, the practices and customs of labor organizations in the particular industry, and the wages currently paid to the employees affected;

(6) to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed; and

(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

(A) where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act,

(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted, or

(C) where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section 8(b).

(c) The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.

(d) For the purposes of this section, to bargain collectively is the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making of a concession: *Provided*, That where there is in effect a collective-bargaining contract covering employees in an industry affecting commerce, the duty to bargain collectively shall also mean that no party to such contract shall terminate or modify such contract, unless the party desiring such termination or modification—

(1) serves a written notice upon the other party to the contract of the proposed termination or modification sixty days prior to the expiration date thereof, or in the event such contract contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification;

(2) offers to meet and confer with the other party for the purpose of negotiating a new contract or a contract containing the proposed modifications;

(3) notifies the Federal Mediation and Conciliation Service within thirty days after such notice of the existence of a dispute, and simultaneously therewith notifies any State or Territorial agency established to mediate and conciliate disputes within the State or Territory where the dispute occurred, provided no agreement has been reached by that time; and

(4) continues in full force and effect, without resorting to strike or lock-out, all the terms and conditions of the existing contract for a period of sixty days after such notice is given or until the expiration date of such contract, whichever occurs later:

The duties imposed upon employers, employees, and labor organizations by paragraphs (2), (3), and (4) shall become inapplicable upon an intervening certification of the Board, under which the labor organization or individual, which is a party to the contract, has been superseded as or ceased to be the representative of the employees subject to the provisions of section 9(a), and the duties so imposed shall not be construed as requiring either party to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period, if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract. Any employee who engages in a strike within the sixty-day period specified in this subsection shall lose his status as an employee of the employer engaged in the particular labor dispute, for the purposes of sections 8, 9, and 10 of this Act, as amended, but such loss of status for such employee shall terminate if and when he is reemployed by such employer.

(e) It shall be an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person, and any contract or agreement entered into heretofore or hereafter containing such an agreement shall be to such extent unenforceable and void: *Provided*, That nothing in this subsection (e) shall apply to an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work: *Provided further*, That for the purposes of this subsection (e) and section 8(b)(4) (B) the terms "any employer", "any person engaged in commerce or in industry affecting commerce", and "any person" when used in relation to the terms "any other producer, processor, or manufacturer", "any other employer", or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry: *Provided further*, That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.

(f) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) because (1) the majority status of such labor organization has not been established under the provisions of section 9 of this Act prior to the making of such agreement, or (2) such agreement requires as a condition of employment, member-

ship in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later, or (3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area: *Provided*, That nothing in this subsection shall set aside the final proviso to section 8(a)(3) of this Act: *Provided further*, That any agreement which would be invalid, but for clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e).*

REPRESENTATIVES AND ELECTIONS

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer and to have such grievances adjusted, without the intervention of the bargaining representative, as long as the adjustment is not inconsistent with the terms of a collective-bargaining contract or agreement then in effect: *Provided further*, That the bargaining representative has been given opportunity to be present at such adjustment.

(b) The Board shall decide in each case whether, in order to assure to employees the fullest freedom in exercising the rights guaranteed by this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof: *Provided*, That the Board shall not (1) decide that any unit is appropriate for such purposes if such unit includes both professional employees and employees who are not professional employees unless a majority of such professional employees vote for inclusion in such unit; or (2) decide that any craft unit is inappropriate for such purposes on the ground that a different unit has been established by a prior Board determination, unless a majority of the employees in the proposed craft unit vote against separate representation or (3) decide that any unit is appropriate for such purposes if it includes, together with other employees, any individual employed as a guard to enforce against employees and other persons rules to protect property of the employer or to protect the safety of persons on the employer's premises; but no labor organization shall be certified as the representative of employees in a bargaining unit of guards if such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards.

(c)(1) Wherever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Board—

(A) by an employee or group of employees or any individual or labor organization acting in their behalf alleging that a substantial number of

*Section 8(f) is inserted in the Act by subsection (a) of Section 705 of Public Law 86-257. Section 705(b) provides:

Nothing contained in the amendment made by subsection (a) shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

employees (i) wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 9(a), or (ii) assert that the individual or labor organization, which has been certified or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 9(a); or

(B) by an employer, alleging that one or more individuals or labor organizations have presented to him a claim to be recognized as the representative defined in section 9(a);

the Board shall investigate such petition and if it has reasonable cause to believe that a question of representation affecting commerce exists shall provide for an appropriate hearing upon due notice. Such hearing may be conducted by an officer or employee of the regional office, who shall not make any recommendations with respect thereto. If the Board finds upon the record of such hearing that such a question of representation exists, it shall direct an election by secret ballot and shall certify the results thereof.

(2) In determining whether or not a question of representation affecting commerce exists, the same regulations and rules of decision shall apply irrespective of the identity of the persons filing the petition or the kind of relief sought and in no case shall the Board deny a labor organization a place on the ballot by reason of an order with respect to such labor organization or its predecessor not issued in conformity with section 10(c).

(3) No election shall be directed in any bargaining unit or any subdivision within which, in the preceding twelve-month period, a valid election shall have been held. Employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the purposes and provisions of this Act in any election conducted within twelve months after the commencement of the strike. In any election where none of the choices on the ballot receives a majority, a run-off shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

(4) Nothing in this section shall be construed to prohibit the waiving of hearings by stipulation for the purpose of a consent election in conformity with regulations and rules of decision of the Board.

(5) In determining whether a unit is appropriate for the purposes specified in subsection (b) the extent to which the employees have organized shall not be controlling.

(d) Whenever an order of the Board made pursuant to section 10(c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under section 10(e) or 10(f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

(e)(1) Upon the filing with the Board, by 30 per centum or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization made pursuant to section 8(a)(3), of a petition alleging they desire that such authority be rescinded, the Board shall take a secret ballot of the employees in such unit and certify the results thereof to such labor organization and to the employer.

(2) No election shall be conducted pursuant to this subsection in any bargaining unit or any subdivision within which, in the preceding twelve-month period, a valid election shall have been held.

PREVENTION OF UNFAIR LABOR PRACTICES

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in section 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this Act or has received a construction inconsistent therewith.

(b) Whenever it is charged that any person has engaged in or is engaging in: any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of said complaint: *Provided*, That no complaint shall issue based upon any unfair labor practice occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the armed forces, in which event the six-month period shall be computed from the day of his discharge. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing or the Board, any other person may be allowed to intervene in the said proceeding and to present testimony. Any such proceeding shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure for the district courts of the United States, adopted by the Supreme Court of the United States pursuant to the Act of June 19, 1934 (U. S. C., title 28, secs. 723-B, 723-C).

(c) The testimony taken by such member, agent, or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon the preponderance of the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action including reinstatement of employees with or without back pay, as will effectuate the policies of this Act: *Provided*, That where an order directs reinstatement of an employee, back pay may be required of the employer or labor organization, as the case may be, responsible for the discrimination suffered by him: *And provided further*, That in determining whether a complaint shall issue alleging a violation of section 8(a)(1) or section 8(a)(2), and in deciding such cases, the same regulations and rules of decision shall apply irrespective of whether or not the labor organization affected is affiliated with a labor organization national or international in scope.

Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint. No order of the Board shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause. In case the evidence is presented before a member of the Board, or before an examiner or examiners thereof, such member, or such examiner or examiners, as the case may be, shall issue and cause to be served on the parties to the proceeding a proposed report, together with a recommended order, which shall be filed with the Board, and if no exceptions are filed within twenty days after service thereof upon such parties, or within such further period as the Board may authorize, such recommended order shall become the order of the Board and become effective as therein prescribed.

(d) Until the record in a case shall have been filed in a court, as hereinafter provided, the Board may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

(e) The Board shall have power to petition any court of appeals of the United States, or if all the courts of appeals to which application may be made are in vacation, any district court of the United States, within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall file in the court the record in the proceedings, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its member, agent, or agency, and to be made a part of the record. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. Upon the filing of the record with it the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate United States court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28.

(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the aggrieved party shall file in the court the record in the proceeding, certified by the Board, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e) of this section, and shall have the same jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board; the findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall in like manner be conclusive.

(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (U.S.C., Supp. VII, title 29, secs. 101-115).

(i) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed.

(j) The Board shall have power, upon issuance of a complaint as provided in subsection (b) charging that any person has engaged in or is engaging in an unfair labor practice, to petition any district court of the United States (including the District Court of the United States for the District of Columbia), within any district wherein the unfair labor practice in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order. Upon the filing of any such petition the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper.

(k) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4)(D) of section 8(b), the Board is empowered and directed to hear and determine the dispute out of which such unfair labor practice shall have arisen, unless, within ten days after notice that such charge has been filed, the parties to such dispute submit to the Board satisfactory evidence that they have adjusted, or agreed upon methods for the voluntary adjustment of, the dispute. Upon compliance by the parties to the dispute with the decision of the Board or upon such voluntary adjustment of the dispute, such charge shall be dismissed.

(l) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (A), (B), or (C) of section 8(b), or section 8(e) or section 8(b)(7), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like char-

acter in the office where it is filed or to which it is referred. If, after such investigation, the officer or regional attorney to whom the matter may be referred has reasonable cause to believe such charge is true and that a complaint should issue, he shall, on behalf of the Board, petition any district court of the United States (including the District Court of the United States for the District of Columbia) within any district where the unfair labor practice in question has occurred, is alleged to have occurred, or wherein such person resides or transacts business, for appropriate injunctive relief pending the final adjudication of the Board with respect to such matter. Upon the filing of any such petition the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order as it deems just and proper, notwithstanding any other provision of law: *Provided further*, That no temporary restraining order shall be issued without notice unless a petition alleges that substantial and irreparable injury to the charging party will be unavoidable and such temporary restraining order shall be effective for no longer than five days and will become void at the expiration of such period: *Provided further*, That such officer or regional attorney shall not apply for any restraining order under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation, he has reasonable cause to believe that such charge is true and that a complaint should issue. Upon filing of any such petition the courts shall cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: *Provided further*, That for the purposes of this subsection district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organizations a party to the suit. In situations where such relief is appropriate the procedure specified herein shall apply to charges with respect to section 8(b)(4)(D).

(m) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (l).

INVESTIGATORY POWERS

SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 9 and section 10—

(1) The Board, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. The Board, or any member thereof, shall upon application of any party to such proceedings, forthwith issue to such party subpoenas requiring the attendance and testimony of witnesses or the production of any evidence in such proceeding or investigation requested in such application. Within five days after the service of a subpoena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Board to revoke, and the Board shall revoke, such subpoena if in its opinion the evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceedings, or if in its opinion such subpoena does not describe with sufficient particularity the

evidence whose production is required. Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

(2) In case of contumacy or refusal to obey a subpoena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpoena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(4) Complaints, orders, and other process and papers of the Board, its member, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Board, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(5) All process of any court to which application may be made under this Act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board.

SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this Act shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than one year, or both.

LIMITATIONS

SEC. 13. Nothing in this Act, except as specifically provided for herein, shall be construed so as either to interfere with or impede or diminish in any way the right to strike, or to affect the limitations or qualifications on that right.

SEC. 14. (a) Nothing herein shall prohibit any individual employed as a supervisor from becoming or remaining a member of a labor organization, but no employer subject to this Act shall be compelled to deem individuals defined herein as supervisors as employees for the purpose of any law, either national or local, relating to collective bargaining.

(b) Nothing in this Act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

(c)(1) The Board, in its discretion, may, by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employees, where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction: *Provided*, That the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959.

(2) Nothing in this Act shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction.

SEC. 15. Wherever the application of the provisions of section 272 of chapter 10 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and Acts amendatory thereof and supplementary thereto (U.S.C., title 11, sec. 672), conflicts with the application of the provisions of this Act, this Act shall prevail: *Provided*, That in any situation where the provisions of this Act cannot be validly enforced, the provisions of such other Acts shall remain in full force and effect.

SEC. 16. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 17. This Act may be cited as the "National Labor Relations Act."

SEC. 18. No petition entertained, no investigation made, no election held, and no certification issued by the National Labor Relations Board, under any of the provisions of section 9 of the National Labor Relations Act, as amended, shall be invalid by reason of the failure of the Congress of Industrial Organizations to have complied with the requirements of section 9(f), (g), or (h) of the aforesaid Act prior to December 22, 1949, or by reason of the failure of the American Federation of Labor to have complied with the provisions of section 9(f), (g), or (h) of the aforesaid Act prior to November 7, 1947: *Provided*, That no liability shall be imposed under any provision of this Act upon any person for failure to honor any election or certificate referred to above, prior to the effective date of this amendment: *Provided, however*, That this proviso shall not have the effect of setting aside or in any way affecting judgments or decrees heretofore entered under section 10(e) or (f) and which have become final.

EFFECTIVE DATE OF CERTAIN CHANGES*

SEC. 102. No provision of this title shall be deemed to make an unfair labor practice any act which was performed prior to the date of the enactment of this Act

*The effective date referred to in Sections 102, 103, and 104 is August 22, 1947. For effective dates of 1959 amendments, see footnote on first page of this text.

which did not constitute an unfair labor practice prior thereto, and the provisions of section 8(a)(3) and section 8(b)(2) of the National Labor Relations Act as amended by this title shall not make an unfair labor practice the performance of any obligation under a collective-bargaining agreement entered into prior to the date of the enactment of this Act, or (in the case of an agreement for a period of not more than one year) entered into on or after such date of enactment, but prior to the effective date of this title, if the performance of such obligation would not have constituted an unfair labor practice under section 8(3) of the National Labor Relations Act prior to the effective date of this title, unless such agreement was renewed or extended subsequent thereto.

SEC. 103. No provisions of this title shall affect any certification of representatives or any determination as to the appropriate collective-bargaining unit, which was made under section 9 of the National Labor Relations Act prior to the effective date of this title until one year after the date of such certification or if, in respect of any such certification, a collective-bargaining contract was entered into prior to the effective date of this title, until the end of the contract period or until one year after such date, whichever first occurs.

SEC. 104. The amendments made by this title shall take effect sixty days after the date of the enactment of this Act, except that the authority of the President to appoint certain officers conferred upon him by section 3 of the National Labor Relations Act as amended by this title may be exercised forthwith.

TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE; NATIONAL EMERGENCIES

SEC. 201. That it is the policy of the United States that—

(a) sound and stable industrial peace and the advancement of the general welfare, health, and safety of the Nation and of the best interest of employers and employees can most satisfactorily be secured by the settlement of issues between employers and employees through the processes of conference and collective bargaining between employers and the representatives of their employees;

(b) the settlement of issues between employers and employees through collective bargaining may be advanced by making available full and adequate governmental facilities for conciliation, mediation, and voluntary arbitration to aid and encourage employers and the representatives of their employees to reach and maintain agreements concerning rates of pay, hours, and working conditions, and to make all reasonable efforts to settle their differences by mutual agreement reached through conferences and collective bargaining or by such methods as may be provided for in any applicable agreement for the settlement of disputes; and

(c) certain controversies which arise between parties to collective-bargaining agreements may be avoided or minimized by making available full and adequate governmental facilities for furnishing assistance to employers and the representatives of their employees in formulating for inclusion within such agreements provision for adequate notice of any proposed changes in the terms of such agreements, for the final adjustment of grievances or questions regarding the application or interpretation of such agreements, and other provisions designed to prevent the subsequent arising of such controversies.

SEC. 202. (a) There is hereby created an independent agency to be known as the Federal Mediation and Conciliation Service (herein referred to as the "Service," except that for sixty days after the date of the enactment of this Act such term shall refer to the Conciliation Service of the Department of Labor). The Service

shall be under the direction of a Federal Mediation and Conciliation Director (hereinafter referred to as the "Director"), who shall be appointed by the President by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$12,000* per annum. The Director shall not engage in any other business, vocation, or employment.

(b) The Director is authorized, subject to the civil-service laws, to appoint such clerical and other personnel as may be necessary for the execution of the functions of the Service, and shall fix their compensation in accordance with the Classification Act of 1923, as amended, and may, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such conciliators and mediators as may be necessary to carry out the functions of the Service. The Director is authorized to make such expenditures for supplies, facilities, and services as he deems necessary. Such expenditures shall be allowed and paid upon presentation of itemized vouchers therefor approved by the Director or by any employee designated by him for that purpose.

(c) The principal office of the Service shall be in the District of Columbia, but the Director may establish regional offices convenient to localities in which labor controversies are likely to arise. The Director may by order, subject to revocation at any time, delegate any authority and discretion conferred upon him by this Act to any regional director, or other officer or employee of the Service. The Director may establish suitable procedures for cooperation with State and local mediation agencies. The Director shall make an annual report in writing to Congress at the end of the fiscal year.

(d) All mediation and conciliation functions of the Secretary of Labor or the United States Conciliation Service under section 8 of the Act entitled "An Act to create a Department of Labor," approved March 4, 1913 (U.S.C., title 29, sec. 51), and all functions of the United States Conciliation Service under any other law are hereby transferred to the Federal Mediation and Conciliation Service, together with the personnel and records of the United States Conciliation Service. Such transfer shall take effect upon the sixtieth day after the date of enactment of this Act. Such transfer shall not affect any proceedings pending before the United States Conciliation Service or any certification, order, rule, or regulation theretofore made by it or by the Secretary of Labor. 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.

FUNCTIONS OF THE SERVICE

SEC. 203. (a) It shall be the duty of the Service, in order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.

(b) The Service may proffer its services in any labor dispute in any industry affecting commerce, either upon its own motion or upon the request of one or more of the parties to the dispute, whenever in its judgment such dispute threatens to cause a substantial interruption of commerce. The Director and the Service are directed to avoid attempting to mediate disputes which would have only a minor effect on interstate commerce if State or other conciliation services are available to the parties. Whenever the Service does proffer its services in any dispute, it shall be the duty of the Service promptly to put itself in communication

*Pursuant to Public Law 88-426, 88th Congress, 2d Session, Title III, approved August 14, 1964, the salary of the Director shall be \$27,000 per year.

with the parties and to use its best efforts, by mediation and conciliation, to bring them to agreement.

(c) If the Director is not able to bring the parties to agreement by conciliation within a reasonable time, he shall seek to induce the parties voluntarily to seek other means of settling the dispute without resort to strike, lock-out, or other coercion, including submission to the employees in the bargaining unit of the employer's last offer of settlement for approval or rejection in a secret ballot. The failure or refusal of either party to agree to any procedure suggested by the Director shall not be deemed a violation of any duty or obligation imposed by this Act.

(d) Final adjustment by a method agreed upon by the parties is hereby declared to be the desirable method for settlement of grievance disputes arising over the application or interpretation of an existing collective-bargaining agreement. The Service is directed to make its conciliation and mediation services available in the settlement of such grievance disputes only as a last resort and in exceptional cases.

SEC. 204. (a) In order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, employers and employees and their representatives, in any industry affecting commerce, shall—

(1) exert every reasonable effort to make and maintain agreements concerning rates of pay, hours, and working conditions, including provision for adequate notice of any proposed change in the terms of such agreements;

(2) whenever a dispute arises over the terms or application of a collective-bargaining agreement and a conference is requested by a party or prospective party thereto, arrange promptly for such a conference to be held and endeavor in such conference to settle such dispute expeditiously; and

(3) in case such dispute is not settled by conference, participate fully and promptly in such meetings as may be undertaken by the Service under this Act for the purpose of aiding in a settlement of the dispute.

SEC. 205. (a) There is hereby created a National Labor-Management Panel which shall be composed of twelve members appointed by the President, six of whom shall be selected from among persons outstanding in the field of management and six of whom shall be selected from among persons outstanding in the field of labor. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, four at the end of the first year, four at the end of the second year, and four at the end of the third year after the date of appointment. Members of the panel, when serving on business of the panel, shall be paid compensation at the rate of \$25 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence.

(b) It shall be the duty of the panel, at the request of the Director, to advise in the avoidance of industrial controversies and the manner in which mediation and voluntary adjustment shall be administered, particularly with reference to controversies affecting the general welfare of the country.

NATIONAL EMERGENCIES

SEC. 206. Whenever in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communi-

cation among the several States or with foreign nations, or engaged in the production of goods for commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations. The President shall file a copy of such report with the Service and shall make its contents available to the public.

SEC. 207. (a) A board of inquiry shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute.

(b) Members of a board of inquiry shall receive compensation at the rate of \$50 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses.

(c) For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U.S.C. 19, title 15, secs. 49 and 50, as amended), are hereby made applicable to the powers and duties of such board.

SEC. 208. (a) Upon receiving a report from a board of inquiry the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof, and if the court finds that such threatened or actual strike or lock-out—

(i) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce; and

(ii) if permitted to occur or to continue, will imperil the national health or safety, it shall have jurisdiction to enjoin any such strike or lock-out, or the continuing thereof, and to make such other orders as may be appropriate.

(b) In any case, the provisions of the Act of March 23, 1932, entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," shall not be applicable.

(c) The order or orders of the court shall be subject to review by the appropriate circuit court of appeals and by the Supreme Court upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 29, secs. 346 and 347).

SEC. 209. (a) Whenever a district court has issued an order under section 208 enjoining acts or practices which imperil or threaten to imperil the national health or safety, it shall be the duty of the parties to the labor dispute giving rise to such order to make every effort to adjust and settle their differences, with the assistance of the Service created by this Act. Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.

(b) Upon the issuance of such order, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), the board

of inquiry shall report to the President the current position of the parties and the efforts which has been made for settlement, and shall include a statement by each party of its position and a statement of the employer's last offer of settlement. The President shall make such report available to the public. The National Labor Relations Board, within the succeeding fifteen days, shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within five days thereafter.

SEC. 210. Upon the certification of the results of such ballot or upon a settlement being reached, whichever happens sooner, the Attorney General shall move the court to discharge the injunction, which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, including the findings of the board of inquiry and the ballot taken by the National Labor Relations Board, together with such recommendations as he may see fit to make for consideration and appropriate action.

COMPILATION OF COLLECTIVE-BARGAINING AGREEMENTS, ETC.

SEC. 211. (a) For the guidance and information of interested representatives of employers, employees, and the general public, the Bureau of Labor Statistics of the Department of Labor shall maintain a file of copies of all available collective-bargaining agreements and other available agreements and actions thereunder settling or adjusting labor disputes. Such file shall be open to inspection under appropriate conditions prescribed by the Secretary of Labor, except that no specific information submitted in confidence shall be disclosed.

(b) The Bureau of Labor Statistics in the Department of Labor is authorized to furnish upon request of the Service, or employers, employees, or their representatives, all available data and factual information which may aid in the settlement of any labor dispute, except that no specific information submitted in confidence shall be disclosed.

EXEMPTION OF RAILWAY LABOR ACT

SEC. 212. The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

TITLE III

SUITS BY AND AGAINST LABOR ORGANIZATIONS

SEC. 301. (a) Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this Act, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

(b) Any labor organization which represents employees in an industry affecting commerce as defined in this Act and any employer whose activities affect commerce as defined in this Act shall be bound by the acts of its agents. Any such labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

(c) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal offices, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

(d) The service of summons, subpoena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

(e) For the purposes of this section, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

RESTRICTIONS ON PAYMENTS TO EMPLOYEE REPRESENTATIVES

SEC. 302. (a) It shall be unlawful for any employer or association of employers or any person who acts as a labor relations expert, adviser, or consultant to an employer or who acts in the interest of an employer to pay, lend, or deliver, or agree to pay, lend, or deliver, any money or other thing of value—

(1) to any representative of any of his employees who are employed in an industry affecting commerce; or

(2) to any labor organization, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership, any of the employees of such employer who are employed in an industry affecting commerce; or

(3) to any employee or group or committee of employees of such employer employed in an industry affecting commerce in excess of their normal compensation for the purpose of causing such employee or group or committee directly or indirectly to influence any other employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing; or

(4) to any officer or employee of a labor organization engaged in an industry affecting commerce with intent to influence him in respect to any of his actions, decisions, or duties as a representative of employees or as such officer or employee of such labor organization.

(b)(1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment, loan, or delivery of any money or other thing of value prohibited by subsection (a).

(2) It shall be unlawful for any labor organization, or for any person acting as an officer, agent, representative, or employee of such labor organization, to demand or accept from the operator of any motor vehicle (as defined in part II of the Interstate Commerce Act) employed in the transportation of property in commerce, or the employer of any such operator, any money or other thing of value payable to such organization or to an officer, agent, representative or employee thereof as a fee or charge for the unloading, or the connection with the unloading, of the cargo of such vehicle: *Provided*, That nothing in this paragraph shall be construed to make unlawful any payment by an employer to any of his employees as compensation for their services as employees.

(c) The provisions of this section shall not be applicable (1) in respect to any money or other thing of value payable by an employer to any of his employees whose established duties include acting openly for such employer in matters of labor relations or personnel administration or to any representative of his employees,

or to any officer or employee of a labor organization, who is also an employee or former employee of such employer, as compensation for, or by reason of, his service as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization: *Provided*, That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner; (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments, and their families and dependents): *Provided*, That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits or life insurance, disability and sickness insurance, or accident insurance; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund, together with such neutral persons as the representatives of the employers and the representatives of employees may agree upon and in the event the employer and employee groups deadlock on the administration of such fund and there are no neutral persons empowered to break such deadlock, such agreement provides that the two groups shall agree on an impartial umpire to decide such dispute, or in event of their failure to agree within a reasonable length of time, an impartial umpire to decide such dispute shall, on petition of either group, be appointed by the district court of the United States for the district where the trust fund has its principal office, and shall also contain provisions for an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such written agreement; and (C) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities; or (6) with respect to money or other thing of value paid by any employer to a trust fund established by such representative for the purpose of pooled vacation, holiday, severance or similar benefits, or defraying costs of apprenticeship or other training program: *Provided*, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds.

(d) Any person who willfully violates any of the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor and be subject to a fine of not more than \$10,000 or to imprisonment for not more than one year, or both.

(e) The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies,

and for other purposes," approved October 15, 1914, as amended (U.S.C., title 28, sec. 381), to restrain violations of this section, without regard to the provisions of sections 6 and 20 of such Act of October 15, 1914, as amended (U.S.C., title 15, sec. 17, and title 29, sec. 52), and the provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (U.S.C., title 29, secs. 101-115).

(f) This section shall not apply to any contract in force on the date of enactment of this Act, until the expiration of such contract, or until July 1, 1948, whichever first occurs.

(g) Compliance with the restrictions contained in subsection (c)(5)(B) upon contributions to trust funds, otherwise lawful, shall not be applicable to contributions to such trust funds established by collective agreement prior to January 1, 1946, nor shall subsection (c)(5)(A) be construed as prohibiting contributions to such trust funds if prior to January 1, 1947, such funds contained provisions for pooled vacation benefits.

BOYCOTTS AND OTHER UNLAWFUL COMBINATIONS

SEC. 303. (a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) of the National Labor Relations Act, as amended.

(b) Whoever shall be injured in his business or property by reason of any violation of subsection (a) may sue therefore in any district court of the United States subject to the limitations and provisions of section 301 hereof without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and the cost of the suit.

RESTRICTION ON POLITICAL CONTRIBUTIONS

SEC. 304. Section 313 of the Federal Corrupt Practices Act, 1925 (U.S.C., 1940 edition, title 2, sec. 251; Supp. V, title 50, App., sec. 1509), as amended, is amended to read as follows:

SEC. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than \$5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization, as the case may be, in violation of this section shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. For the purposes of this section "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the

purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

TITLE IV

CREATION OF JOINT COMMITTEE TO STUDY AND REPORT ON BASIC PROBLEMS AFFECTING FRIENDLY LABOR RELATIONS AND PRODUCTIVITY

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TITLE V

DEFINITIONS

SEC. 501. When used in this Act—

(1) The term "industry affecting commerce" means any industry or activity in commerce or in which a labor dispute would burden or obstruct commerce or tend to burden or obstruct commerce or the free flow of commerce.

(2) The term "strike" includes any strike or other concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective-bargaining agreement) and any concerted slow-down or other concerted interruption of operations by employees.

(3) The terms "commerce," "labor disputes," "employer," "employee," "labor organization," "representative," "person," and "supervisor" shall have the same meaning as when used in the National Labor Relations Act as amended by this Act.

SAVING PROVISION

SEC. 502. Nothing in this Act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this Act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this Act.

SEPARABILITY

SEC. 503. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

FEDERAL MEDIATION AND CONCILIATION SERVICE
UNITED STATES GOVERNMENT
WASHINGTON, D.C. 20427

S Y N O P S I S

OF

PRESIDENTIAL BOARDS OF INQUIRY
CREATED UNDER NATIONAL EMERGENCY
PROVISIONS

OF THE

LABOR MANAGEMENT RELATIONS ACT, 1947

REVISED, February, 1968



A Synopsis of:

Presidential Boards of Inquiry
Created under the national emergency provisions of the
Taft-Hartley Act.

1.	Atomic Energy Dispute, March-June, 1948	E.O. 9934
2.	Meatpacking Dispute, March-June, 1948	E.O. 9934-A
3.	Bituminous-Coal Miners' Pension Dispute, 1948	E.O. 9939
4.	Telephone Dispute, 1948	E.O. 9959
5.	Maritime Industry Dispute, 1948	E.O. 9964
6.	Bituminous-Coal Miners' Contract Dispute, 1948	E.O. 9970
7.	Dockworkers' Dispute, 1948	E.O. 9987
8.	Bituminous-Coal Miners' Contract Dispute, 1949-1950	E.O. 10106
9.	Nonferrous Metals Dispute, 1951	E.O. 10283
10.	American Locomotive Company Dispute, 1952	E.O. 10417
11.	Longshoremen's Dispute on the Atlantic Coast, 1953	E.O. 10490
2.	Atomic Energy Dispute, 1954*	E.O. 10542
13.	Atomic Energy Dispute, 1954*	E.O. 10543
14.	Longshore Dispute, Atlantic and Gulf Coasts, 1956-57	E.O. 10689
15.	Atomic Energy Dispute, 1957	E.O. 10710
16.	Longshore Dispute, Atlantic and Gulf Coasts, 1959	E.O. 10842
17.	Steel Industry Dispute, 1959	E.O. 10843
18.	Maritime Dispute, Atlantic Gulf and Pacific Coasts, 1961	E.O. 10949
19.	Maritime Dispute, Pacific Coast, 1962	E.O. 11013
20.	Aircraft Industry Dispute, 1962 (Republic)	E.O. 11025
21.	Longshore Dispute, Atlantic and Gulf Coasts, 1962	E.O. 11054
22.	Lockheed Aircraft Corporation Dispute, 1962-1963	E.O. 11068
23.	Boeing Company Dispute, 1963	E.O. 11078
24.	Longshore Dispute, Atlantic and Gulf Coasts, 1964	E.O. 11181
25.	General Electric Co., Evandale, Ohio Dispute, 1966	E.O. 11314

(continued)

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| 26. | Union Carbide, Kokomo Dispute, 1966-7 | E.O. 11321 |
| 27. | West Coast Shipyards Dispute, 1967 | E.O. 11329 |
| 28. | AVCO Corporation, U.A.W. Dispute, 1967 | E.O. 11344 |

*There were two separate disputes affecting employees of the Carbide & Carbon Chemicals Co. Although the members of the Boards of Inquiry were identical in each case, the Boards were created by separate Executive Orders and their hearings were also conducted separately.

I. ATOMIC ENERGY, March-June, 1948

Parties: Carbide and Carbon Chemicals Corporation v. Atomic Trades and Labor Council (AFL) - 900 in unit

Location: Oak Ridge, Tennessee

Proceedings: Board Created: March 5, 1948, by E. O. 9934, because of threatened strike.
Board Members:
John Lord O'Brian, New York and Washington attorney, Chairman
C. Canby Balderston, Wharton School of Finance and Commerce, University of Pennsylvania
Stanley F. Teele, Harvard Graduate School of Business Administration
Henry G. Baker, Jr., Executive Assistant
Initial Report: March 15, 1948.
Board Reconvened: March 24, 1948 by the President.
Injunction Issues: March 19, 1948, USFDC, East Tennessee.
Final Report of Board: May 18, 1948, found parties' positions unaltered.
Final Offer Ballot: June 1 and 2, 1948. Employer's final offer rejected 771-26.
Injunction Dissolved: June 11, 1948.

Settlement: June 15, 1948, after continued negotiations without resort to strike following dissolution of injunction. Terms of agreement provided for wage increases ranging from 6½¢ to 40½¢ retroactive to December 18, 1947, (average of 15½¢); and modified sick leave benefits.

Presidential Report to Congress: June 18, 1948, with recommendation that a study be undertaken to suggest special methods for handling Atomic Energy disputes.

Work Stoppage Data: No strike. Injunction issued on threat of strike. Following dissolution of injunction, employees continued to work during continued negotiations.

Mediation Activity: The Service actively entered the case on February 24, 1948. Joint and separate conferences were held in Oak Ridge, Tennessee, Knoxville, Tennessee, and Washington, D. C., under the direction of the Assistant Director, William N. Margolis, and Commissioner Clyde M. Mills. The Service also maintained a close liaison with the Atomic Energy Commission. Both before and during the period of injunction order, the Service brought the parties together on numerous occasions in an effort to induce them to reach a settlement. These efforts were intensified during the last days of the injunction period but were without effect in producing an agreement. Immediately after the discharge of the injunction, the parties were again convened in joint session by the Service, and remained in session for over 50 hours. These negotiations finally produced an agreement.

2. MEATPACKING DISPUTE, March-June, 1948

Parties: Five major meatpacking companies--Armour, Swift, Cudahy, Wilson, and Morrell--(182,000 employees) v. United Packinghouse Workers of America (CIO), 83,000 in unit.

Location: Nationwide

Proceedings: Board Created: March 15, 1948, by E. O. 9934-A because of threatened strike March 16, 1948.
Board Members:
Nathan P. Feinsinger, University of Wisconsin Law School, Chairman
Pearce Davis, Department of Business and Economics, Illinois Institute of Technology
Walter V. Schaefer, Northwestern University Law School
John E. Dietz, Executive Assistant
Board Report: April 8, 1948. There was only one report, delayed at the Board's request from April 1, 1948. Board analyzed the union's demand for 29¢ per hour increase in wages and the companies' offer of a 9¢ per hour increase. (No further action was taken under the national emergency provisions of the LMRA.)

Settlement: Wages were the only issue. Settlement provided wage increases of 9¢ per hour. Settlements reached with Swift, Armour, Morrell and Cudahy plants on May 21, 1948. Settlement at Wilson plants, June 5, 1948, under approximately the same terms.

Work
Stoppage
Data: Strike at all plants from March 16, 1948, to May 21, 1948, involved 83,000 workers. Strike continued at 7 Wilson plants until June 5, 1948, with 10,000 employees participating.

Mediation
Activities: The Service entered the case on February 23, 1948, with the assignment of Commissioner T. J. Cleland to the dispute. Shortly thereafter Mr. Cleland was joined in the mediation effort by Regional Director J. J. Spillane and Assistant Regional Director J. P. Holmes. The three-man panel met with the parties on numerous occasions and offered several suggestions for resolving the dispute. Among these were: (1) arbitration, (2) extension of contract, (3) extension of the strike deadline, and (4) submission of the companies' final offer to the employees. All suggestions were alternately unacceptable to one or the other of the parties. Mediation was interrupted by the appointment of the Board of Inquiry but was resumed immediately following submission of the Board's report. Despite unrelenting and determined mediation efforts, the strike continued until the union accepted the employers' original offer of a 9¢ per hour wage increase.

3. BITUMINOUS-COAL MINERS' PENSION DISPUTE, 1948

Parties: United Mine Workers of America (Ind.) v. Bituminous-Coal Mine Operators

Location: Nationwide

Issues: Dispute over the activation of a welfare and retirement fund. The fund, of over 30 million dollars, was to be dispersed in accordance with a program of administration approved by a board of trustees--one each from labor and management and a third picked by the representatives of both parties. The trustees were unable to agree upon a plan of distribution and administration and the impartial trustee resigned. The remaining trustees were unable to agree on a replacement and a work stoppage involving 320,000 miners ensued on March 15, 1948.

Proceedings: Board Created: March 23, 1948, by E. O. 9939.
Board Members:
Federal Judge Sherman Minton, Chairman
George W. Taylor, Wharton School of Finance and Commerce,
University of Pennsylvania
Mark Ethridge, Louisville Courier Journal
Thomas Kennedy, Executive Assistant
Board Report: March 31, 1948. Board found the union had induced the miners to stop work in a concerted fashion and that the stoppage was not an independent action by miners acting individually and separately.
Restraining Order: April 3, 1948, a 10-day temporary restraining order issued at USFDC, District of Columbia. Miners did not return to work.
Contempt of Court: April 19, 1948. John L. Lewis and UMWA found guilty of criminal and civil contempt of court. Lewis was fined \$20,000; UMWA \$1,400,000.
Injunction Issued: April 21, 1948. Eighty-day injunction was issued at USFDC, District of Columbia. Miners returned to work.
Injunction Dissolved: June 23, 1948.

Settlement: Shortly after the Injunction order was issued, the trustees for the union and management agreed upon the Hon. Styles Bridges as the third trustee of the fund. A majority of the trustees, Mr. Van Horn for Management dissenting, then approved a plan of distribution. The legality of their action was challenged by Mr. Van Horn in the USFDC, District of Columbia. The suit was dismissed on June 22, 1948, in favor of the majority of trustees and the Injunction was consequently removed.

Work Stoppage Data: March 15, 1958 - April 24, 1948. 320,000 workers.

Mediation Activity: Service activity included the direct participation of the Director, Cyrus Ching, and the Assistant Director, William N. Margolis. Although the subject matter of this dispute was one not readily adaptable to the mediation process, both the Director and his assistant held numerous joint and separate conferences with the parties in a determined attempt to reach a settlement.

4. TELEPHONE DISPUTE, 1948

Parties: American Telephone and Telegraph Company (Long Lines Division) v. American Union of Telephone Workers (CIO)

Location: Nationwide

Proceedings: Board Created: May 18, 1948, by E. O. 9959 because of threatened strike.

Board Members:

Sumner H. Slichter of Harvard University, Chairman
Charles A. Horsky, attorney of Washington, D. C.
Aaron Horvitz, industrial relations expert, of New York City
Lloyd Ulman, Executive Secretary

Board Report: No report given as parties reached a settlement prior to scheduled hearings. No further action was taken under the national emergency provisions of the LMRA.

Settlement: June 14, 1948, parties signed a 21-month agreement which did not provide for a general wage increase but for improvements in local working conditions and for a wage reopener at any time. (Wages were reopened in October, 1948, and increases of 9-1/3¢ per hour were granted.)

Work No stoppage occurred.

Stoppage

Data:

Mediation
Activity: The Service met continuously with the parties both before and after the Presidential appointment of the Board of Inquiry. Prior to the Board's appointment, Director Ching publicly proposed to the parties that they agree, for a reasonable period of time, to continue to observe all terms and conditions of the expired contract excepting those which might require legal implementation. The union accepted and the company rejected the public proposal of the Service. The Service continued its efforts to bring the parties into conference, and as a result of separate discussions with the parties it appeared that further mediation efforts would be advisable and might lead to a settlement of the issues. It is noteworthy that in this case, the mere appointment of a Presidential Board of Inquiry had the effect of reestablishing the bargaining relationship that had been ended by the failure of one party to give unqualified assurances that, during a period of continued negotiations, the status quo of wages, terms, and conditions of employment would be maintained until a new agreement was reached.

5. MARITIME INDUSTRY DISPUTE

Atlantic, Pacific, and Gulf Coasts, and the Great Lakes,
1948.

Parties: International Longshoremen's and Warehousemen's Union (CIO), National Maritime Union (CIO), National Union of Marine Cooks and Stewards (CIO), National Marine Engineers Beneficial Association (CIO), Pacific Coast Marine Firemen, Oilers, Water-tenders and Wipers Association (Ind.), American Radio Association (CIO), and International Brotherhood of Electrical Workers (AFL) v. Various Shipping and Stevedoring Companies.

Location: Nationwide

Proceedings: Board Created: June 3, 1948, by E. O. 9964 because of threatened strike.

Board Members:

Harry Shulman of Yale University Law School, Chairman
Andrew Jackson, attorney, New York City
Arthur P. Allen*

Jesse Freidin, attorney, New York City

George Cheney, San Diego labor relations consultant

David C. Tuck, Executive Secretary (New York)

Harold Enarson, Executive Secretary (California)

Board met concurrently in San Francisco and New York.

Initial Report of Board: June 11, 1948

Temporary Restraining Orders: June 14, 1948. Ten-day restraining orders issued by USFDC's in New York, San Francisco, and Cleveland. June 22, 1948. Second 10-day restraining orders issued by USFDC's at San Francisco and Cleveland.

Injunctions: June 23, 30, July 2, 1948. Eighty-day injunction issued by USFDC's at New York, Cleveland, and San Francisco, respectively.

Final Report of Board: August 14, 1948.

Final Ballot: August 30-31, 1948. Employers final offer rejected by voting unions. (26,965 longshoremen boycotted the ballot.)

Injunction Dissolved: September 1, 1948. Injunction for the Atlantic and Gulf coasts dissolved. September 2, 1948, injunction dissolved for the west coast.

Settlement: Separate agreements with different unions provided wage increases of varying amounts. Longshoremen received increase of 15¢ per hour and additional vacation benefits. Most settlements provided for retention of union hiring halls pending court decision on their legality.

Work Stoppage Data: Strike occurred on the Pacific Coast only. September 2, 1948-December 5, 1948. 28,000 workers participated.

Mediation Activity: The Service assisted all parties in their negotiations by meeting continuously with them both before and during the injunction periods. On the West Coast, the stated position of the employer representatives not to meet with the union representatives placed serious obstacles in the path of effective mediation efforts. The representatives of the Service remained in close contact with the representatives of both parties, however, and, in addition to exploring the situation with them, informed them of its availability to be of assistance in the settlement of disputes.

*Resigned after appointment.

6. BITUMINOUS-COAL MINERS CONTRACT DISPUTE 1948

Parties: United Mine Workers of America (Ind.) v.
Bituminous-Coal Mine Operators

Location: Nationwide

Proceedings: Board Created: June 19, 1948, by E. O. 9970 because of threatened strike.
Board Members:
David L. Cole, attorney, of Paterson, New Jersey, Chairman
E. Wight Bakke of Yale University
Waldo E. Fisher of the University of Pennsylvania
Herbert Unterberger, Executive Assistant
Board Report: June 26, 1948. Board reported that the threat of a coal strike had been averted due to the settlement reached June 24, 1948. No further actions were taken under the national emergency provisions of the LMRA.

Settlement: June 24, 1948. One year agreement was reached covering commercial mines.* Agreement provided for an increase of \$1.00 per day and for doubling the operators' payments into the welfare fund--from 10¢ to 20¢ per ton of coal mined.

Work Stoppage Data: No strike occurred at the commercial mines because of settlement reached June 24, 1948.

Mediation Activity: The Service kept in close touch at all times during the preliminary bargaining sessions. On June 14, 1948, after 9 days of negotiations, the operators decided that further discussions would be fruitless and withdrew from negotiations. Consequently, Director Ching called the parties into conference and met with them for two days. These conferences resulted in the Director informing the President that an impasse existed in the negotiations. Bargaining was resumed after the President created the Board of Inquiry and the parties then reached agreement with the assistance of the Service.

*The agreement negotiated with the commercial bituminous-coal mine operators was not accepted by operators of the "captive" mines. The union-shop clause was the issue in dispute. Approximately 42,000 employees of "captive" mines were on strike for about 9 days in July. Operators then accepted the union ship clause with the proviso that it would be modified if court rulings required.

7. DOCKWORKERS DISPUTE, ATLANTIC COAST, 1948

Parties: International Longshoremen's Association (AFL) v. Shipping Companies

Location: Portland, Maine, to Hampton Roads, Virginia

Issues: Wage increases and application of overtime payments.

Proceedings: Board Created: August 17, 1948, by E. O. 9987 because of threatened strike.
Board Members:
Saul Wallen, labor attorney, Boston, Massachusetts, Chairman
Joseph L. Miller, labor consultant, Washington, D. C.
Julius Kass, attorney, New York City
Bernard Greenberg, Executive Assistant
Initial Report: August 20, 1948, stated that the dispute over overtime payments had blocked negotiations and that agreement on other terms might be reached quickly if overtime question could be resolved.
Restraining Order: August 21, 1948. Ten-day restraining order issued by USFDC, New York, prohibiting strikes and lockouts at Atlantic Coast ports.
Injunction: August 24, 1948. Eighty-day injunction issued by USFDC, New York.
Final Report of Board: October 21, 1948.
Final Offer Ballot: November 4-5, 1948. Employers' final offer rejected by large majority - 24,972 to 1,083.
Injunction Dissolved: November 9, 1948. Strike followed.

Settlement: November 9, 1948. Union officers and employers reached agreement providing wage increases of 10¢ an hour straight time and 15¢ in overtime rates. This agreement was rejected by the majority of local unions and an official strike was sanctioned. A new agreement was reached on November 25, 1948, providing for a 13¢ hourly increase in straight time rates, 19-1/2¢ in overtime rates, a welfare plan and improved vacation benefits.

Work Stoppage Data: Sporadic stoppages began November 10, 1948, along the coast as various locals rejected the first agreement. Strike was given official sanction of the union on November 12, lasting to November 28, when second agreement was ratified by membership. 45,000 dock workers were involved.

Mediation Activity: The Service, at an early stage in the dispute, assigned three commissioners to the case, one of whom was its Assistant Director. Many meetings were held with the parties, but little progress was made in settlement of the dispute, despite the most energetic efforts of the Service between November 10 and November 24. On that day, the Director of the Service, in person, interceded to supplement the mediation activities of his staff members at the negotiations in New York. A settlement was finally announced on Thanksgiving morning, November 25, 1948.

8. BITUMINOUS-COAL MINERS CONTRACT DISPUTE, 1949-50

Parties: United Mine Workers of America (Ind.) v.
Bituminous-Coal Mine Operators

Location: Nationwide

Proceedings: Board Created: February 6, 1950, by E. O. 10106 because of sporadic strikes that began in the industry on September 19, 1949, and which had become generalized during the first week of February 1950.

Board Members:
David L. Cole, lawyer of Paterson, New Jersey, Chairman
W. Willard Wirtz, Northwestern University Law School
John T. Dunlop, Harvard Graduate School of Business Administration
Richard Neustadt, Executive Assistant

Board Report: February 11, 1950, reported, "This is basically a dispute . . . over the wages and welfare fund contribution issues. Behind the tactical maneuverings of the negotiators is fundamentally an issue of dollars and cents." The Board also stated that although there were nonwage matters involving issues of significant principle, these could be negotiated once the money issues were resolved.

Injunction Issued: February 11, 1950. Miners did not return to work.

Contempt Proceedings: Contempt proceedings were initiated against the union when the miners refused to return to work despite instructions from their president, on February 11 and 17, calling for compliance with the court order. USFDC, Washington, found the union not guilty on March 2, 1950, on the ground that the government had failed to produce sufficient evidence to support charges of civil or criminal contempt.

Presidential Report to Congress: March 3, 1950. President Truman asked Congress for special legislation to permit the government to seize and operate the coal mines in view of the "dangerous" curtailment of coal production.

Settlement: March 5, 1950, provided for increases of 70¢ in the basic daily wage and 10¢ per ton--from 20¢ to 30¢--in the employers' payments into the welfare and retirement fund; continuance of the union shop; limitation of "memorial period" stoppage to 5 days a year; elimination of the "able and willing" clause. The contract to be in effect to July 1, 1952, permitted reopening on wage issues after April 1, 1952.

Work Stoppage Data: September 19 to November 9, 1949; December 1 and 2, 1949; scattered stoppages from January 1 to February 5, 1950. Total stoppage February 6 to March 6, 1950. Approximately 340,000 workers involved.

Mediation Activity: Participation by the Service limited primarily to private mediation discussions and to efforts directed toward resumption of conferences when negotiation became deadlocked.

9. NONFERROUS METALS DISPUTE, 1951

Parties: International Union of Mine, Mill and Smelter Workers (Ind.)
v. Copper and Other Nonferrous Metals Industry

Location: Nationwide

Proceedings: Board Created: August 30, 1951, by E. O. 10283 because of strike called on August 27, 1951, by the MMSW to enforce its wage and pension proposals. President Truman immediately referred the dispute to the Wage Stabilization Board but the MMSW rejected a WSB request that the strike be terminated as a Board consideration of the issues in dispute. The President then created the Board of Inquiry.

Board Members:
Ralph T. Seward, Pittsburgh, Pennsylvania, Chairman
G. Allan Dash, Philadelphia, arbitrator
Joseph L. Miller, industrial relations consultant, Washington, D.C.
Paul Yager, Executive Assistant

Initial Report: September 4, 1951. Board found that the strike was causing or aggravating critical shortages of vital materials and that its continuation posed a threat to the domestic economy and the national defense program.

Injunction Issued: September 5, 1951, by USFDC, Denver, Colorado

Final Report of Board: November 5, 1951, Board reported that agreements had been concluded with all firms that had been involved in the dispute. Supplemented November 15, 1951.

NLRB Elections: November 20, 1951. "Last Offer" ballots conducted in plants of 8 companies. Workers rejected offer.

Presidential Report to Congress: February 14, 1952.

Settlement: Dates of settlement varied from August 31, 1951, for the Kennecott Copper Company to late October for Anaconda--last of the major mining and smelting companies to reach agreement. Agreements generally provided for 8¢ general hourly wage increases, 7¢ to 7-3/4¢ an hour to cover job rate revisions and 4-1/2¢ an hour for pensions.

Work Stoppage
Data: August 27, 1951 - September 7, 1951.
Several AFL unions and independent Brotherhoods of Locomotive Firemen, Enginemen and Locomotive Engineers which were also involved in the dispute did not actively engage in the strike but honored MMSW picket lines bringing the total idled to approximately 40,000.

Mediation Activity: The Service was active in this case prior to the contract expiration date of June 30, 1951. At the request of the Director of the Service, the union postponed its strike deadline to August 27, 1951. Further intensified mediation efforts were carried on at Washington where the Director made a formal recommendation of settlement which was rejected by the companies. The Service continued its mediation efforts, however, and was instrumental in aiding the parties reach separate agreements.

10. AMERICAN LOCOMOTIVE COMPANY DISPUTE, 1952

Parties: American Locomotive Company, Alco Products Division v. United Steelworkers of America (CIO)

Location: Dunkirk, New York

Proceedings: Board Created: December 3, 1952, by E. O. 10417 because of strike which began August 29, 1952. Following collapse of negotiations over the union's proposals for a union shop and a wage and fringe benefit "package" increase estimated at approximately 21-1/2¢ per hour retroactive to February 1, 1952, the day following the expiration date of the agreement.

Board Members:
Abraham T. Harris, attorney, Washington, D. C., Chairman
Philip Levy, attorney, Washington, D. C.
George Cheney, Labor Relations Consultant, San Diego, Calif.
Charles H. Rehms, Executive Assistant

Board Report: December 11, 1952. Board reported that the work stoppage was "immediately and seriously delaying the production of equipment and of fissionable materials essential for atomic weapons needed for the national defense," and that resumption of production was imperative if the atomic energy program was to meet its schedule.

Restraining Order: December 12, 1952, a temporary restraining order, prohibiting continuation of the strike, issued by the USFDC, Buffalo, New York. By December 15, 1952 most of the workers had returned to work.

Injunction Issued: December 29, 1952, by USFDC, Buffalo, New York. Injunction was sought only for the Dunkirk plant although there were two other plants of the same company involved in the strike. The court rejected the union's arguments challenging the constitutionality of the national emergency provisions of the LMRA. (The Supreme Court denied a union request for immediate review of the District Court ruling on January 5, 1953. The U.S. Circuit Court of Appeals in New York rejected the union's appeal on March 2, 1953.)

Final Report of Board: February 10, 1953. Supplemented February 11, 1953.

Injunction Dissolved: February 21, 1953. Employees remained at work despite incomplete agreement on work rules issues.

Settlement: February 20, 1953. A "memorandum of understanding" on basic settlement terms was announced by the FMCS. It provided for a "package" increase in wage and other benefits estimated to amount to 16¢ an hour; a \$150 lump-sum payment in lieu of retroactive pay for each employee who had worked 75 percent of the regularly scheduled working time since the previous contract expired, with proportionate payments to employees who had worked less than the required time; and a union shop with an "escape" provision. Remaining issues continued in negotiation beyond the expiration date of the injunction. Because of this circumstance, no ballot was taken by the NLRB on the company's last offer as provided in the Act. Work rules issues were settled on March 2, 1953.

10. AMERICAN LOCOMOTIVE COMPANY DISPUTE, 1952 - Continued

Work
Stoppage
Data:

August 29 - December 12, 1952. 1600 workers were involved.

Mediation
Activity:

During the period of the injunction, negotiations under the auspices of the Service were intensive and continuous. As a result of the negotiations and mediation, however, agreement was reached one day before the injunction expired on all major issues. The Service remained in the case until a complete agreement was reached at all three of the company's plants on March 2, 1953. Effective mediation was made difficult in this case by the union's strong feeling that all three plants were equally involved in the bargaining and that there would be no individual settlements. A second difficulty was the union challenge to the constitutionality of the LMRA.

11. LONGSHOREMEN'S DISPUTE ON THE ATLANTIC COAST, 1953

Parties: International Longshoremen's Association (Ind.) and International Longshoremen's Association (AFL) v. Various Shipping Companies

Location: Portland, Maine, to Hampton Roads, Virginia.

Proceedings: Board Created: October 1, 1953, by E. O. 10490 because of strike beginning October 1, 1953.

Board Members:
David L. Cole, former Director of the FMCS, Chairman
Harry J. Carman, dean emeritus of Columbia College at Columbia Univ., New York City, and a member of the New York State Mediation Service
Dennis J. Comey, S. J., director of the Institute of Industrial Relations, St. Joseph's College, Philadelphia, Pa.
John E. Dietz, Executive Assistant

Initial Report: October 5, 1953, stated that the impact of the stoppage was "extremely serious" and that the possibility of getting the men back to work through collective bargaining was remote.

Restraining Orders: October 5, 1953, 10-day restraining order Issued by USFDC, New York City. Men returned to work. The temporary Injunction was extended 10 days on October 15, 1953, and at the request of the Justice Department, was broadened to include the rival AFL union.

Injunction Issued: October 20, 1953, by USFDC, New York City. Extended to include rival AFL union October 23, 1953.

NLRB Petitioned: October 22, 1953, by employers who asked that the Board conduct an immediate poll of the dockworkers in New York to determine whether they preferred the Independent or AFL Longshoremen's Association. In the meantime, the shipping companies continued to negotiate with the Independent union. NLRB began formal hearings November 16, 1953. As the hearings continued, the ILA-AFL filed unfair labor practice charges against the shipping associations and the ILA-Ind. on November 20, 1953.

Final Report of Board: December 4, 1953, stated that the issue of union representation overshadowed all others and that a strike was likely to recur upon expiration of the injunction.

NLRB Elections: December 22 and 23, 1953; May 26, 1954. Both elections were won by ILA-Ind. The period was marked by charges and countercharges of unfair labor practice brought by and against the rival unions and naming such personages as Governor Dewey and George Meany.

Work Stoppage Data: October 1 - October 5, 1953. 65,000 workers. In addition, there was an unauthorized strike of 14,000 Port of New York workers from March 5 - May 2, 1954.

11. LONGSHOREMEN'S DISPUTE ON THE ATLANTIC COAST, 1953 - Continued

Settlement: ILA-Ind. was certified by NLRB as collective bargaining agent in the Port of New York August 27, 1954. A final agreement with the shipping association was reached December 31, 1954, providing for a three-year (retroactive to October 1, 1953) package of 23¢.

Mediation Activity: Although the Service assistance was made available, it was necessarily limited by the fact that the dispute was primarily an intra-union affair.

Summary of Developments: On August 27, 1954, after nearly a year of bitter struggle involving a recognition dispute between the ILA (Ind.) and the IBL* (AFL) that caused numerous stoppages, and unfair labor practice charges filed with the NLRB, the ILA (Ind.) was certified by the NLRB as collection bargaining agent for NYC Longshoremen. During this interval no formal contract existed covering long-shore operations in the Port. Early in September, 1954, the ILA (Ind.) began negotiations with the New York Shipping Association which resulted on December 31 in an agreement on a two year contract which was ratified on January 5, 1955. The new contract included provisions for a union shop, a 7-cent hourly wage increase retroactive to October 1, 1954, with an additional 6 cents in October, 1955; and a liberalized pension and welfare plan. A subsequent representational claim by the IBL was rejected by the NLRB in the fall of 1956 when the ILA was again certified.

*International Brotherhood of Longshoremen

12. ATOMIC ENERGY DISPUTE, 1954*

Parties: United Gas, Coke and Chemical Workers (CIO)
v. Carbide and Carbon Chemicals Company

Location: Oak Ridge, Tennessee; Paducah, Kentucky

Proceedings: Board Created: July 6, 1954, by E. O. 10542 because of threatened strike set for July 7, 1954.
Board Members:
T. Keith Glennan, president of the Case Institute of Technology, Chairman
John F. Floberg, attorney, Washington, D. C.
Paul H. Sanders, professor of law at Vanderbilt University
Ray A. Anderson, Executive Assistant
Initial Report: July 10, 1954, Board reported that a "state of crisis" had not been reached but that it seemed inevitable, if the strike continued. The workers returned to their jobs that day and the government postponed seeking an injunction. The issue was the amount of a proposed across-the-board wage increase.
Restraining Order: August 11, 1954, 10-day restraining order issued by USFDC, Knoxville, Tennessee, to avert a threatened strike.
Injunction: August 27, 1954. The court extended the temporary restraining order to the full 80-day injunction under the LMRA (dating from August 11).
Final Report of Board: October 11, 1954, reported that the views of the employer and the employees remained unchanged.
Final Offer Ballot: October 21, 22, 1954. Employers last offer rejected 3,480 - 745.
Injunction Dissolved: October 30, 1954. No strike occurred as workers remained on the job and parties continued to negotiate.

Work July 7 - 10, 1954. 4500 workers involved.
Stoppage
Data:

Settlement: November 7, 1954. Granted a 6¢ general hourly wage increase effective April 15, 1954, and an additional 4¢ effective January 15, 1955. Settlement was substantially similar to recommendations made by the AEC Panel.

Mediation
Activity: The Service maintained constant contact with the parties. Numerous joint and separate meetings were conducted on both the local and national levels, both before and during the injunction period. In addition, the Service maintained close liaison with the Atomic Energy Panel.

*There were two separate disputes affecting employees of the Carbide and Carbon Chemical Company--a subsidiary of the Union Carbide and Carbon Corporation. Although the members of the Board of Inquiry were identical in each case, the Boards were created by separate Executive Orders and their hearings were also conducted separately. See Case No. 13.

13. ATOMIC ENERGY DISPUTE, 1954*

Parties: Atomic Trades and Labor Council (AFL)
v. Carbide and Carbon Chemicals Company

Location: Oak Ridge, Tennessee

Proceedings: Board Created: July 6, 1954, by E. O. 10543 because of threatened strike.
Board Members:
T. Keith Glennan, president of the Case Institute of Technology, Chairman
John F. Floberg, attorney, Washington, D. C.
Paul H. Sanders, professor of law at Vanderbilt University
Ray A. Anderson, Executive Assistant
Board Report: July 19, 1954, reported that no immediate threat of a work stoppage existed. The principal issue in the dispute was the amount of a proposed across-the-board wage increase. No further actions were taken under the national emergency provisions of the LMRA.

Settlement: August 18, 1954. Agreement reached on a 6¢ hourly wage increase effective April 15, 1954, and with a wage reopening January 15, 1955. Another agreement reached November 8, 1954, for a 4¢ hourly wage increase to be effective January 15, 1955.

Work stoppage
Data: None.

Mediation
Activity: The Service was in constant contact with the parties until a settlement was reached. Joint and separate hearings were conducted on the local level and in Washington, D. C., with the Assistant Director and a Regional Director participating. In addition, the Service maintained close liaison with the Atomic Energy Panel.

*There were two separate disputes affecting employees of the Carbide and Carbon Chemicals Company. Although the members of the Boards of Inquiry were identical in each case, the Boards were created by separate Executive Orders and their hearings were also conducted separately. For a review of the other dispute, see Case No. 12.

14. LONGSHORE DISPUTE ON THE ATLANTIC AND
GULF COASTS, 1956-1957

Parties: International Longshoremen's Assoc. (Ind.) v. Shipping and Stevedoring Companies

Location: Portland, Maine, to Brownsville, Texas

Proceedings: Board Created: November 22, 1956, by E. O. 10689 because of strike which began November 16, 1956.

Board Members:
Thomas W. Holland, Prof. of Labor Economics and Industrial Relations, George Washington Univ., Washington, D.C., Chairman
Arthur Stark, Executive Secretary, New York Board of Mediation
Jacob J. Blair, Prof. of Industry, University of Pittsburgh, Pittsburgh, Pa.
George Fowler, Executive Assistant

Initial Report: November 24, 1956. Board reported that the union demand for an industry-wide contract was an unsettled matter preventing the completion of collective bargaining contracts in all ports.

Restraining Order: November 24, 1956. A 10-day restraining order issued by USFDC for Southern New York. Men returned to work.

Injunction: November 30, 1956*. Original 10-day restraining order extended to the full 80-day period authorized by the LMRA. Order provided that any increases in wages, pensions and welfare contributions would be retroactive to October 1, 1956.

Final Report of Board: January 23, 1957. Board reported on employers' "last offers."

Final Offer Ballot: February 7, 1957. Employers' final offer rejected in New York - 14,458 to 1,185.

Injunction Dissolved: February 13, 1957. 35,000 dockworkers-- from Portland, Maine, to Hampton Roads, Virginia resumed strike. Dockworkers from North Carolina to Texas reached settlement and returned to work.

Settlement: Dates vary for different ports. Dockworkers from North Carolina to Texas followed the terms of the Agreement reached at New Orleans on January 30, 1957, before the injunction was dissolved. Master Agreement reached in New York on February 19, provided hourly wage increases of 18¢ retroactive to October 1, 1956, and increases of 7¢ in October 1957 and 1958; increased employer contributions to the welfare fund and a cost-of-living escalator clause. Disputes over local working conditions in Philadelphia, Baltimore and Norfolk, prevented a return to work until February 23, 1957, when settlement was reached at Norfolk, the last port to reach agreement.

Work Stoppage November 16-26, 1956; 60,000 workers from Maine to Texas.

Data: February 12-23, 1957; 35,000 from Maine to Virginia.

Mediation
Activity: A Service panel and the Director of the Service held numerous day and night bargaining sessions until final settlement was reached. The Service was also responsible for a postponement of the original strike date. On February 9, 1957, the union and employers agreed to negotiate on the basis of the FMCS proposal of January 31, 1957.

*Order was given orally by the court on November 30, 1956. It was officially signed on December 4, 1956.

15. ATOMIC ENERGY DISPUTE, 1957

Parties: Oil, Chemical and Atomic Workers (AFL-CIO) v. Goodyear Atomic Corporation

Location: Portsmouth, Ohio

Proceedings: Board Created: May 14, 1957, by E. O. 10710 because of strike which began May 10, 1957, after union membership rejected agreement reached by its committee and the company.

Board Members:
Guy Farmer, former chairman of the National Labor Relations Board, Chairman
R. W. Fleming, Director, Institute of Labor and Industrial Relations, University of Illinois
George S. Bradley, Toledo, Ohio, attorney
George H. Fowler, Executive Assistant

Initial Report: May 15, 1957, Board reported that issues in the dispute were unresolved and that the strike seriously affected a substantial part of the atomic energy industry and imperiled the national safety.

Restraining Order: May 15, 1957, 10-day restraining order issued by USFDC, Cincinnati, Ohio

Injunction Issued: May 23, 1957, 80-day injunction (dating from May 15) issued by same court.

Final Report: July 16, 1957.

Final Offer Ballot: July 23-24, 1957. Employer's final offer rejected, 1236-154.

Injunction Dissolved: August 4, 1957. Parties reached settlement one day earlier.

Settlement: August 3, 1957. Three-year contract reached provided hourly wage increases of 11¢ retroactive to April 30, 1957; an additional 2¢ on August 5, 1957, and 9¢ on April 30, 1958. It also provided for the reopening of wage negotiations on April 30, 1959.

Work Stoppage Data: May 10-16, 1957. 1500 production workers participated following a membership vote on May 7, 1957, to reject a new 3-year agreement reached by the union's negotiating committee because of dissatisfaction over contract provisions, including wage increases, health, safety and seniority provisions, contract length, and lack of job descriptions.

Mediation Activity: The Service intervened in this dispute well before the deadline of April 30, 1957, and joint and separate conferences were held almost daily through the last few weeks of April. After the contract expiration, there followed a series of intensive bargaining sessions until agreement was reached by the parties' bargaining committees. When the union membership failed to ratify the agreement, a Service panel resumed its intensive efforts to effect a settlement. Joint and separate meetings were held in Cincinnati and Columbus, Ohio, and Huntington, West Virginia.

16. LONGSHORE DISPUTE, ATLANTIC AND GULF COASTS, 1959

Parties: International Longshoremen's Association (Ind.)* v. Shipping and Stevedoring Companies

Location: Searsport, Maine, to Brownsville, Texas

Proceedings: Board Created: October 6, 1959, by E. O. 10842 because of strike which began October 1.

Board Members:

Guy Farmer, former chairman of the NLRB, Chairman
George F. Frankenthaler, former surrogate judge and former member of the New York State Supreme Court
John F. Sembower, Chicago lawyer active in labor arbitration work.

Douglas D. Brown, Executive Assistant

Initial Report: October 7, 1959.

Restraining Order: October 8, 1959, temporary restraining order issued by USFDC for Southern New York.

Injunction Issued: October 17, 1959, by USFDC for Southern New York.

Second Report of Board: December 7, 1959.

Final Offer Ballot: December 21-22, 1959. Taken only at Gulf ports where no agreement had been reached. Where taken, employers' final offers rejected by large majorities.

Injunction Dissolved: December 27, 1959. All ports had reached settlement prior to this date.

Final Report of Board: December 29, 1959.

Settlement: Dates vary from December 1 for New York to December 26 for Gulf Ports. Agreements generally followed the monetary package--41¢ with retroactivity to October 1--of the New York Master Agreement. In the New York agreement, provision was made for further negotiations on the automation problem with stipulation for arbitration if the parties could not reach agreement on that issue.

Work October 1 - October 9, 1959. 65,000 workers participated.

Stoppage

Data:

Mediation
Activity: Mediation activity took place on a wide front. To meet the problem, the position of Maritime Coordinator was established by the Director. Over 23 mediators, including Deputy Director Moore, held 95 joint or separate conferences as well as innumerable "off-record" top level liaison meetings in an all out effort to resolve the issues. The agreement represented the first time that a settlement had been reached in the longshore industry prior to the expiration of the injunction period.

*Affiliated with AFL-CIO on November 17, 1959.

17. STEEL INDUSTRY DISPUTE, 1959

Parties: United Steelworkers of America (AFL-CIO)
v. Basic Steel Producers

Location: Nationwide

Proceedings: Board Created: October 9, 1959, by E. O. 10843 because of strike which began July 15, 1959.
Board Members:
George W. Taylor, University of Pennsylvania, Chairman
John A. Perkins, Delaware
Paul N. Lehoczky, Ohio
Melvin J. Rogow, Executive Assistant
Initial Report: October 19, 1959, noted major issues were in the areas of "Economics" and "Work Rules."
Injunction Issued: October 21, 1959, by USFDC, Philadelphia. The Court of Appeals for the 3rd circuit stayed the order pending that court's final determination of the appeal by the USA. The Court of Appeals affirmed the decision on October 27, 1959, and granted an additional stay to enable the union to seek relief in the Supreme Court. The Supreme Court granted review on October 30 and affirmed the issuance of the injunction on November 7. The injunction became effective on November 7, 1959.
Final Report of Board: January 6, 1960.
Final Offer Ballot: January 6-22, 1960, held only at companies not yet settled. Employers' last offers rejected by large majorities.
Injunction Dissolved: January 26, 1960.

Settlement: January 4, 1960, agreement reached at 11 major steel companies.* The 30-month agreements generally provided for wage increases of 7¢ across the board effective December 1, 1960, and 1961, with increment between labor grades. The companies agreed to take over all insurance costs (previously shared on a 50-50 basis with the employees) and to increase life insurance and weekly sickness and accident benefits. Pensions were also liberalized. Cost-of-living escalators were continued but with limitations on the amount of increase that could be given. In regard to the work rules issue, the parties agreed to the establishment of a joint committee to study the question and to report its findings by November 30, 1960. Of long-range significance was the establishment of a committee to study and devise a procedure for the determination of wages and benefits.

Work
Stoppage
Data: July 15 - November 6, 1959.

Mediation
Activity: Both the Director and Deputy Director actively participated with other commissioners in the Service. In addition to mediation effort, the Service maintained close liaison with the Vice-President and the Secretary of Labor in their efforts to bring the strike to an end.

*Kaiser Steel settled October 26, 1959. Detroit Steel settled October 27. Others settled after the big 11 companies which settled January 4, 1960.

18. MARITIME DISPUTE, ATLANTIC GULF AND PACIFIC COAST, 1961

Parties: Various American Shipping Companies v. S.I.U.; N.M.U.; (unlicensed) M.M.&P.; M.E.B. A.; A.R.A.; R.O.U. (licensed)*

Location: Nationwide

Proceedings: Board Created: June 26, 1961, by Executive Order 10949.
Board Members:
David L. Cole of Paterson, N. J., lawyer and former Director of the Federal Mediation and Conciliation Service, Chairman
Judge Samuel Rosenman, lawyer of New York City and former New York State Supreme Court Justice
James J. Healy, Professor of Industrial Relations, Graduate School of Business Administration, Harvard Univ., Boston, Mass.

Initial Report: July 2, 1961. Although the Board reported that some important settlements had been reached between June 26, and July 2, the situation remained critical and prospects for a settlement were dim.

Restraining Order: On July 3, 1961, a temporary restraining order was issued by the USDC for Southern New York against the continuance of the strike until July 8. On July 7, the temporary restraining order was extended through July 12, 1961, but on July 10, 1961, the 80-day injunction was issued.

Second Report of the Board: September 1, 1961. Information pertaining to the current position of the parties plus a statement of the employer's last offer of settlement was included in the report. Between July 2, 1961, and August 22, a number of settlements had been effectuated.

Final Report of the Board: September 1, 1961. Following the submission of the Board's final report, the NLRB held elections and certified the results to the Attorney General on September 21, 1961.

Injunction Dissolved: September 25, 1961. Upon receipt of the certification from the NLRB the injunction was dissolved effective September 21, 1961.

Settlement: Separate agreements with various unions provided wage increases and benefits of varying amounts. The Foreign Flag issue was referred to the Secretary of Labor's Fact-Finding Committee on October 5, 1961, which will submit recommendations within six months. These recommendations will not be binding on either party. The members were W. Willard Wirtz, Under Secy. of Labor; William E. Simkin, Director of the Federal Mediation and Conciliation Service; and James J. Healy, Member of the President's Board of Inquiry.

Work Stoppage Data: June 15-July 3, 1961. Of the 900 ships involved in the strike, less than one-third were actually tied up. The remainder were at sea during this period and were fully operational. Issues involved were the Unions' demand that their contracts be extended to cover workers on ships owned and operated by United States interests but flying foreign flags, inequities between licensed and unlicensed personnel with regard to vacations, travel and lodging allowances and work rules.

18. MARITIME DISPUTE, ATLANTIC GULF AND PACIFIC COAST, 1961 - Continued

Mediation
Activity:

The Director and Deputy Director actively participated with FMCS mediators. In addition to mediation effort, the Service maintained close liaison with the Secretary of Labor in their efforts to bring the strike to an end.

*S.I.U. is Seafarers' International Union of North America; N.M.U. is the National Maritime Union; M.M.&P. is Masters, Mates, and Pilots; M.E.M.A. is Marine Engineers' Beneficial Association; A.R.A. is American Radio Association; and R.O.U. is Radio Officers Union.

19. MARITIME DISPUTE, PACIFIC COAST, 1962

Parties: Pacific Maritime Association v. Pacific District - S.I.U.*
(S.U.P.-M.F.O.W. and M.C.S. and M.M.P.)

Location: Pacific Coast of Continental United States

Proceedings: Board Created: April 7, 1962, by E. O. 11013 because of strike
on March 16, 1962
Board Members:
James J. Healy, Professor of Industrial Relations, Graduate
School of Bus. Adminis., Harvard Univ., Boston, Mass., Chairman
Laurence E. Seibel, Arbitrator, Washington, D. C.
Frank J. Dugan, Attorney, Washington, D. C.
James Dinney, Executive Secretary
Parties elected to submit written statements to Board.
Initial Report: April 11, 1962. Submitted to the President; re-
leased to the public at Presidential news conference.
Injunction Issued: April 12, 1962.
Final Report of the Board: June 11, 1962. Noted that parties were
still in disagreement on some issues but gap had narrowed.
Injunction Dissolved: Injunction ended on June 30, 1962.

Settlement: The settlement occurred on June 21, 1962, during the course of the
NLRB election. NLRB did not certify results. The West Coast
PMA-MMP dispute was settled on the basis of a recommendation by
James J. Healy, special representative of the President, and the
Deputy Director of FMCS, that the issues be embraced within a
total package over a period of 44½ months.

Work
Stoppage
Data: Strike occurred on March 16, 1962 and ended with granting of In-
junction on April 12, 1962.

Mediation
Activity: The Service followed this case closely from August 4, 1961. Con-
tract expired on September 30, 1961, and then extended with
retroactivity subject to termination on 48 hour notice. On
February 18, 1962, the Director of the Service met with the parties
and established a Special Mediation Panel which included the Deputy
Director of the Service and James J. Healy. From February 26, 1962,
to March 17, 1962, the Special Panel held meetings with the parties
in San Francisco. On March 16, 1962, the strike began. The
Special Mediation Panel resumed meetings in San Francisco from
March 22 through March 29, 1962. On March 2, 1962 at the request
of the Acting Secretary of Labor, Willard Wirtz, the parties met
in Washington, D. C., with the Secretary of Labor who appointed
another Special Panel consisting of the Under Secretary of Labor,
the Deputy Director of FMCS and James J. Healy. This Special
Board met with the parties in San Francisco on April 4, and
April 6, 1962. On April 7, 1962 the Panel reported to the
Secretary of Labor. On the same day, the Board of Inquiry was
appointed under provision of the LMRA, 1947.

*S.I.U. is Seafarers' International Union of North America (S.U.P. is
Sailors' Union of the Pacific; M.F.O.W. is Pacific Coast Marine Firemen,
Oilers, Watertenders and Wipers Association; M.C.S. is Marine Cooks and
Stewards' Union; and M.M.P. is Intl. Organization of Masters, Mates
and Pilots.)

20. AIRCRAFT INDUSTRY DISPUTE, 1962

Parties: Republic Aviation Corp. v. I.A.M., P.P.F., I.B.E.W., C.J.A., I.U.O.E., and John G. Sharp (Concessionaire) v. the H.R.E.U.*

Location: Farmingdale, Long Island, New York

Proceedings: Board Created: June 7, 1962 by E. O. 11025 and amended on June 8, 1962 by E. O. 11029.
Board Members:
Lloyd K. Garrison, Attorney, New York, Chairman
James C. Hill, Arbitrator, New York, New York
Arthur Stark, Arbitrator, New York, New York
Hal C. Munk and Jack R. George, Executive Secretaries
Initial Report: Dated June 13, 1962 and delivered June 14, 1962.
This report lists issues in dispute and the positions of the parties, including Wages, Seniority Application, Termination Guarantees, and Working out of Classification.
Restraining Order: June 15, 1962.
Final Report of the Board: Dated August 13, 1962 and delivered August 14, 1962. Reports that all parties excepting John G. Sharp and the H.R.E.U. had reached agreement.
Addendum to Final Report: August 28, 1962. Reports that all Unions have reached a settlement.
Injunction Dissolved: September 7, 1962.

Settlement: Agreement reached on August 10, 1962 and ratified on August 12, 1962, included first year increases of from 5¢ to 10¢ per hour, second year from 6¢ to 12¢ and third year from 6¢ to 12¢. Several other issues were agreed upon including a new "Extended Layoff Plan," "Improved Seniority Application," and a clarification of "Working Out of Classification."

Work Stoppage Data: The I.A.M. called the strike on April 2, 1962 and the craft organizations followed soon thereafter. The strike idled 9,013 employees and was ended by the injunction on June 18, 1962.

Mediation Activity: During the course of these negotiations the Service was quite active as the Director of the Service was involved in 23 joint conferences and the Special Assistant to the Director was involved in three joint conferences. Three mediators were involved in over 60 joint conferences.

*I.A.M. is International Association of Machinists; P.P.F. is Plumbing and Pipe Fitting Industry of the U. S. and Canada; I.B.E.W. is International Brotherhood of Electrical Workers; C.J.A. is Carpenters and Joiners of America; I.U.O.E. is International Union of Operating Engineers and H.R.E.U. is Hotel and Restaurant Employees and Bartenders Intl. Union.

21. LONGSHORE DISPUTE, ATLANTIC AND GULF COASTS, 1962

Parties: International Longshoremen's Association (AFL-CIO)
v. Shipping and Stevedoring Companies

Location: Searsport, Maine, to Brownsville, Texas.

Proceedings: Board Created: October 1, 1962, by E. O. 11054 because of strike which began October 1. Issues included gang size, six hour guaranteed day, severance pay, wages etc.

Board Members:
Robben W. Fleming, Professor of Law, Univ. of Illinois, Chairman
Vernon Jensen, Professor of Industrial and Labor Relations, Cornell University.
Robert L. Stutz, Associate Professor, University of Connecticut
Jack R. George, Executive Assistant

Initial Report: October 4, 1962.

Restraining Order: October 4, 1962, effective October 5, 1962.
Restraining order issued by USFDC for Southern New York.

Injunction Issued: October 10, 1962.

Second Report of Board: December 3, 1962.

Final Offer Ballot: December 20, 1962, NLRB certified results of secret ballot election on employers' last offer. Union voted overwhelmingly to reject.

Injunction Ended: December 23, 1962. Strike resumed at all ports following the end of the injunction period, 5:00 P.M.

Special Board Appointed: President Kennedy appointed a Special Board to conduct a "quick and summary investigation and review of this controversy and the prospects for its prompt settlement." This Board was also charged to mediate and to recommend settlement if agreement between the parties did not occur, or to recommend procedures which will "assure an immediate resumption of operation at these ports." The Special Board was composed of: Wayne Morse, Senator, U. S. Congress, Chairman
James J. Healy, Associate Professor of Industrial Relations at Harvard University.
Theodor Kheel, Attorney, New York City.

Settlement: Included agreement between the parties to participate in a special study by the U. S. Department of Labor covering manpower utilization, job security and job equity matters. The two year agreement also included: a 15 cent hourly wage increase effective October 1, 1962 and a 9 cent hourly wage increase effective October 1, 1963; an increase of the employer contribution to the pension fund of 4 cents effective October 1, 1962 and 5 cents effective October 1, 1963; an increase in the employer contribution in the Clinic benefit of 2 cents per hour for just the first year and an increase of 2½ cents of employer contribution for Health and Welfare for the term of the contract and one additional paid holiday estimated at 1½ cents per hour.

21. LONGSHORE DISPUTE, ATLANTIC AND GULF COASTS, 1962 - Continued

Work
Stoppage
Data:

Strike occurred on October 1, 1962 and was ended by the temporary restraining order on October 5, 1962. The strike resumed on December 23, 1962, following the end of the 80-day injunction. The strike ended in agreement between the parties following recommendations of the Special Board. All Longshoremen returned to work on the Atlantic and Gulf Ports on Saturday, January 26, with the exceptions of Norfolk-Hampton Road and Mobile, Alabama, where the men returned to work on Sunday, January 27, and the South Atlantic District where the Ports became operational on Monday, January 28.

Mediation
Activity:

A Special FMCS Longshore Mediation Panel headed by Deputy Director Moore played a most active role in the New York negotiations between the parties beginning in late August, 1962. Throughout the period the union refused to discuss proposals of the employer until the employer withdrew the question of reduction of gang size. FMCS Mediators held conferences with the parties in such negotiations as were possible in all of the "out-ports." On September 13, 1962, Assistant Secretary of Labor, James Reynolds, and the Special FMCS Mediation Panel met with the parties, attempted further mediation efforts, and on September 21 the FMCS Panel made recommendations for settlement to the New York Shipping Association and the International Longshoremen's Association. On October 30, 1962 the Board created by Executive Order 11054 submitted a "Statement of Board of Inquiry" which contained recommendations for settlement. On December 17, Secretary of Labor, W. Willard Wirtz, and Director Simkin joined the negotiations and on December 19, issued recommendations for settlement. Secretary Wirtz with Assistant Secretary Reynolds continued to participate until final settlement. On December 23, in a telegram to the parties, President Kennedy urged settlement, and provided formal recommendations for settlement. The Special Board, created on January 16, 1963, investigated the strike and, on January 20, issued formal recommendations for settlement which were subsequently accepted by the parties.

22. LOCKHEED AIRCRAFT CORPORATION DISPUTE

Parties: Lockheed Aircraft Corporation v. IAM

Location: Sunnyvale, Van Nuys, Vandenburg AFB, Burbank, Palmdale, Ry Canyon and Ontario, California. Cape Canaveral, Florida, and Hawaii.

Proceedings: Board Created: November 28, 1962, by E. O. 11068.
Board Members:
Arthur M. Ross, Director of the Inst. of Industrial Relations and Professor at the University of California, Chairman
Frederick H. Bullen, Arbitrator
Paul D. Hanlon, Attorney and Arbitrator
Hal C. Munk and Jack R. George, Executive Secretaries
Initial Report: December 3, 1962, delivered December 3, 1962.
This report lists issues in dispute and the positions of the parties. The principal issue is a union demand for greater union security. Wages and fringe benefit provisions were also at issue.
Restraining Order: December 3, 1962.
Union Ratified Agreement: January 27, 1963.

Settlement: The contract will continue a maintenance of membership provision and in addition the company has agreed to send a letter to each new employee suggesting that he or she consider joining the union. A general wage increase consistent with the Southern California Aerospace Industry pattern and improvements in health insurance, vacations and severance pay were also included in the settlement.

Work
Stoppage
Data: The IAM called the strike shortly after midnight, November 28, 1962. The strike idled 55,000 employees and was ended by a formal recommendation of William E. Simkin, Director of the FMCS, that the IAM terminate its stoppage against all facilities of the Lockheed Aircraft Corporation pending the submission of the report of the Board of Inquiry to the President and the President's action on such report. The emergency provisions of Taft-Hartley Act were also invoked. The union ratified the settlement on January 27, 1963, which was the 56th day of the 80-day injunction.

Mediation
Activity: Director William E. Simkin, Walter A. Maggiolo, Director of Mediation Activity, and Commissioners Haglund and Patterson conducted numerous joint and separate conferences before and during the Taft-Hartley Injunction period.

On July 21, President Kennedy appointed a Board of Distinguished Citizens to supplement continuing mediation efforts in the Aerospace Industry generally, conduct hearings, and report findings and recommendations in the negotiations between the parties. The President also requested the parties to preserve the "status quo" for 60 days to allow the Board to function. The members of the Board were: Dr. George W. Taylor, Professor of Industry, Univ. of Pennsylvania, Chairman; Charles C. Killingsworth, Director, Labor and Industrial Relations Center, Michigan State University; Ralph T. Seward, Arbitrator, Washington, D. C.; Mr. Harold C. Munk Administrative Assistant; Mr. Reynold F. Hagist, Executive Secretary. This Board submitted its report to the President on September 1, 1962 which included recommendations on union security and hard-core economic issues.

23. BOEING COMPANY DISPUTE - 1963

Parties: Boeing Company v. IAM, IUOE, UW, and PGW*
Vertol Division of Boeing v. United Automobile, Aerospace, and
Agricultural Implement Workers of America
Rohr Aircraft Corporation v. International Association of Machinists

Location: Boeing-Seattle and Renton, Washington; Wichita, Kansas; Cape
Canaveral, Florida and remote locations.
Vertol-Morton, Pennsylvania; Rohr-Auburn, Washington.

Proceedings: Board Created: January 23, 1963, by E.O. 11078

Board Members:

Benjamin Aaron, Director of the Institute of Industrial
Relations at the University of California, Los Angeles
Chairman

J. B. Gillingham, Chairman of the Department of Economics at
the University of Seattle

Lloyd Ulman, Professor of Economics and Industrial Relations
at the University of California

Reynold F. Hagist, Executive Secretary

Initial Report: January 25, 1963. This report details issues
in dispute and the position of the parties. The principal
issue is union security. Wages and fringe benefit provisions
are also in issue. There are 25 issues in total.

Injunction Issued: January 25, 1963

Final Report of the Board: March 26, 1963

Injunction Dissolved: April 15, 1963

Union Ratified Agreement: May 10, 1963

Settlement: The contract will continue a Maintenance of Membership provision
and in addition provide that all new hires, recalls, or transfers
who do not elect to become members of the IAM must, between the
30th and 40th day of employment, so notify the union by registered
or certified mail. Failing to do so within 20 days, they must
join the union as a condition of employment. A general wage
increase, pension improvements, and a fund for job inequities
were included in the contract.

Work Stoppage: No strike occurred.

Mediation
Activity: Director William E. Simkin, Walter A. Maggiolo, Director of
Mediation Activity, and Commissioners Edwards, Gese, Peterson,
Marlowe and Piconke conducted numerous joint and separate
conferences before and during the Taft-Hartley injunction period.

*I.U.O.E. is International Union of Operating Engineers; U.W. is International
Union of United Weldors (Ind.); P.G.W. is United Plant Guard Workers of America
(Ind.)

23. BOEING COMPANY DISPUTE - 1963 - Continued

Mediation
Activity
Continued:

On September 13, 1962, President Kennedy appointed the Boeing Aerospace Board. This Board was created to supplement continuing mediation efforts by the FMCS, conduct hearings, and report findings and recommendations in the negotiations between the parties. The President requested the parties preserve a "status quo" for 60 days to allow the Board to function. Members of the Board were: Saul Wallen, Arbitrator and Educator, Boston, Mass., Chairman; Lewis M. Gill, Director, Labor Relations, Labor Standards Assoc. of Phila. and Permanent Arbitrator for Mack Truck; Partick J. Fisher, Attorney and Arbitrator, Indianapolis, Indiana; Reynold F. Hagist, Executive Secretary. This Board submitted its report to the President on January 7, 1963 which included recommendations on union security, wages and other fringe benefits.

24. LONGSHORE DISPUTE, ATLANTIC AND GULF COASTS, 1964

PARTIES: International Longshoremen's Association (AFL-CIO)
v. Shipping and Stevedoring Companies

LOCATION: Searsport, Maine, to West Gulf Ports.

PROCEEDINGS: Board Created: September 30, 1964, by E. O. 11181 because of threat of strike which was to begin October 1, 1964. Issues included gang size, manning, wages, guaranteed annual wage, etc.

Board Members:

Herbert Schmertz, Attorney, Arbitrator, Washington, D. C.,
Chairman

James J. Healy, Associate Professor of Industrial Relations,
Harvard University.

Theodore W. Kheel, Attorney, New York City.

Jack R. George, Executive Secretary.

Initial Report: October 1, 1964, after strike had begun.

Injunction Issued: October 1, 1964, to expire December 20, 1964. Work resumed October 2, 1964.

Second Report of Board: November 30, 1964.

Final Offer Ballot: December 10, 11, 14 and 15.

Injunction Ended: December 20, 1964. Preliminary settlement in New York Port December 17, 1964. ILA granted 22-day extension to January 11, 1965, for other Ports to settle.

SETTLEMENT: Settlement was based on the Port of New York Agreement which was a four-year contract, 80¢ package deal. It breaks down as follows:

Wages: 10¢-1st year, 10¢-2nd year, 8¢-3rd year and 8¢-4th year.

Clinics: 2¢-1st year, 0-2nd year, 1¢-3rd year, open-4th year.

Welfare: 3¢-1st year, 2¢-2nd year, 0-3rd year, open-4th year.

Holidays: 3 additional (2¢ each), 2¢-1st year, 2¢-2nd year, 0-3rd year, open-4th year.

Vacations: Additional 4th week vacation effective 1st year. Priced at 6¢.

Pensions: Increased to 24¢ (from 20¢ previously agreed).

Retirement: Provision for retirement at age 62, with one half pension payment to widows.

Work Guarantee: The parties agreed on 1600 hours guarantee for anyone who worked over 780 hours in any previous calendar year.

Totals: 23¢-1st year, 14¢-2nd year, 11¢-3rd year, 8¢-4th year.

24. LONGSHORE DISPUTE, ATLANTIC AND GULF COASTS, 1964 - Continued

WORK STOPPAGE DATA:

East Coast and Gulf Ports were struck by the ILA October 1, 1964. Injunction issued about 8:00 p.m., that day, based on hearing of Presidential Board formed the day before. Strike continued at New Orleans until October 5, 1964. When the 27-day extension expired on January 11, 1965, the union again struck all the Ports on the East and Gulf Coast. Negotiations hinged on the developments at the Port of New York. An agreement had been reached by the negotiating teams at New York on January 8, 1965, but was rejected by the membership. The same agreement was again put to the members and on January 25, 1965, they voted to accept the proposal. This did not end the strike. The ILA said that all Ports would refrain from working until agreement was reached at all Ports. Philadelphia finally settled February 11, 1965. At the same time an Injunction was issued ordering the strikers back to work. Also on February 11, 1965 the President appointed a Special Board composed of Secretary of Labor W. Willard Wirtz, Secretary of Commerce John T. Connor, and Wayne Morse, Democratic Senator from Oregon. While all this was going on, the Longshoremen along the Northern Atlantic Ports returned to work. Negotiations led by Reynolds, Stowe, and McAllister continued at the Southern and Gulf Ports. Final settlement came there on March 5, 1965, when Galveston and Miami negotiators reached an agreement, and all Longshoremen began returning to work March 6.

MEDIATION ACTIVITY:

Mediation of this dispute was carried on generally by James J. Reynolds, Assistant Secretary of Labor, and David H. Stowe of the Department of Labor. Federal Mediator W. A. McAllister did hold several joint meetings in Miami and was involved in the settlement when it was finally reached there. Federal Mediator Edward Jackson participated in the Hampton Roads negotiations. The most intensive mediation activity by FMCS was carried on at Philadelphia by Federal Mediator John R. Murray. Mr. Reynolds joined Mr. Murray in Philadelphia and they were involved in meetings up to the date of settlement, including a 23-hour session just before agreement and ratification February 11, 1965.

25. GENERAL ELECTRIC COMPANY - EVENDALE, OHIO DISPUTE, 1966

PARTIES: General Electric Company v. United Automobile, Aerospace and Agricultural Implement Workers of America, AFL-CIO, Local No. 647, and the International Association of Machinists and Aerospace Workers, AFL-CIO, Locals No. 34 and 912.

LOCATION: Evandale, Ohio

PROCEEDINGS: Board Created: October 17, 1966 by E. O. 11314

Board Members:

David L. Cole, Former Director, FMCS; Arbitrator, Paterson, New Jersey, Chairman

John T. Dunlop, Professor, Harvard University, Cambridge, Massachusetts.

Jacob Seidenberg, Arbitrator, Labor Consultant, Falls Church, Virginia.

Jack R. George, Executive Secretary.

George C. Vogl, Executive Assistant.

Board Report: October 17, 1966. The Board stated that there were no meaningful negotiations conducted between the parties as of the date of the report, and because the issues involved were so complex and the position of the parties so intransigent, their opinion was that there was no likelihood of an early settlement of the dispute. Further, with respect to Lodge 34, IAM, their dispute centered only around the proper disposition of certain unresolved grievances. Their contract did not expire until January 1, 1967, however, they struck at the same time as the others.

Injunction Issued: October 18, 1966.

Injunction Dissolved: Settlement December 4, 1966 between the parties prior to the expiration of the injunction period obviated the necessity of conducting a final offer ballot and the filing of a final Board report.

SETTLEMENT: December 4, 1966. Regarding Lodge 34, IAM, an agreement was worked out providing for the appointment of three man committees by the parties to review and evaluate the job-rate disputes before the parties during the negotiations during a 90 day period

25. GENERAL ELECTRIC COMPANY DISPUTE - 1966 - Continued

SETTLEMENT
Continued:

beginning with the date of the signing of the agreement. Regarding Lodge 912, IAM, and Local 647, UAW, both settlements provided for a three year three week term of contract with a 4% general wage increase the first year, 2.6% the second, and 3% the third, with the initial general increase effective retroactive to October 17, 1966. They also provided for cost-of-living adjustments effective October 2, 1967 to be based on an October 1966 - October 1967 measuring period. There were two additional paid holidays granted too. The overall settlement was essentially the same as the national agreement reached earlier by GE on October 14, 1966.

WORK
STOPPAGE
DATA:

Strike began October 17, 1966 affecting 4300 UAW employees and 1600 IAM workers.

MEDIATION
ACTIVITY:

Initial Service activity involved the Director, FMCS, as a member of the special Presidential Panel appointed October 3, 1966 to handle the principal General Electric 1966 national negotiations. Following the national agreement, Comm. A. E. Hayman and Nat. Rep. Paul Bowers met separately and jointly with the parties in Cincinnati and later in Washington, where an agreement was reached on December 4, 1966 after some 26 hours of continuous meetings.

26. UNION CARBIDE - KOKOMO DISPUTE, 1966-7

PARTIES: Union Carbide Corporation (Stellite Division),
v. United Steelworkers of America, AFL-CIO,
Local 2958.

LOCATION: Kokomo, Indiana.

PROCEEDINGS: Board Created: December 19, 1966 by E. O. 11321.
Board Members:

Lawrence E. Seibel, Attorney, Arbitrator,
Washington, D. C., Chairman

Frank J. Dugan, Professor of Law, Georgetown
University, Washington, D. C.

Garth L. Mangum, Director, Manpower Policy
Evaluation Project, Upjohn Institute, Washington,
D. C.

George C. Vogl, Executive Secretary.

Board Report: December 20, 1966. The Board stated
that two immediate issues separated the parties,
wages and discipline for alleged misconduct during
the strike. While the initial overriding issue
was whether negotiations were to be conducted on
a company-wide basis desired by the union, or
plant-by-plant basis desired by the corporation,
the complexity of the two immediate issues de-
termined that an early settlement of the dispute
was unlikely.

Preliminary Injunction Issued: December 21, 1966,
but stayed pending appeal.

Injunction Issued: 5:00 P.M. December 23, 1966.

Injunction Dissolved: February 3, 1967. Settlement
reached between the parties prior to expiration
of injunction period obviated the necessity of
conducting a final offer ballot and filing of a
final Board report.

SETTLEMENT: The settlement provided for an increase of 17¢ in
wages across the board including full retroactivity
back to the effective date of the injunction. There
was a 6 month extension of the contract with the
new expiration date on March 29, 1968 instead of
September 29, 1967. Also, no interruption of service
credits, loss of seniority, or vacation eligibility

26. UNION CARBIDE DISPUTE - 1966-7 - Continued

SETTLEMENT
Continued:

during 1967, by reason of the strike, and no administrative discipline on the part of the Company or their pressing of any charges pending either in civil actions or the Courts. The Company will appear in Court cases, however, if requested. The final tally of the ratification vote was 851 in favor of the settlement and 130 opposed.

WORK
STOPPAGE
DATA:

Strike began September 30, 1966 idling 2,150 workers. It ended upon the issuance of the Taft-Hartley injunction December 23, 1966.

MEDIATION
ACTIVITY:

Major issue confronting parties was IUD national effort regarding this company. This prevented early entry of FMCS into dispute as both parties were unwilling to meet with FMCS representative. Comm. Zancanaro assigned initially, and when Defense impact became apparent, Comm. Preston was added, creating a panel effort in early November. The mediators held almost continuous joint and separate meetings with the parties from this time. The Deputy Director also became involved with this dispute, and following the injunction worked closely with Comm. Zancanaro in resolving the dispute. The Deputy Director attributed the outstanding performance of Comm. Zancanaro as a key factor in guiding the parties to reach an agreement prior to the expiration of the injunction. Following the agreement both parties agreed to institute a preventive mediation program to improve future relations at the company.

27. WEST COAST SHIPYARDS DISPUTE, 1967

Parties: Pacific Coast Shipbuilders' Association v. International Brotherhood of Electrical Workers AFL-CIO.

Location: San Francisco, California, Seattle, Washington and Portland, Oregon areas.

Proceedings: Board Created: March 2, 1967 by E.O. 11329
Board Members:

J. Keith Mann, Associate Dean, Stanford Law School, Chairman

Paul D. Hanlon, Attorney, Portland, Oregon

George E. Reedy, Vice President, Struthers Wells Corporation, Washington, D.C.

Jack R. George, Executive Secretary

Board Report: March 7, 1967. The board stated that the major issue was the firm insistence of the Association on adherence to the traditional industry pattern of a uniform hourly rate for all crafts and the equally firm determination of the Union to break from this pattern and to obtain a higher rate for electricians through individual bargaining. This blocked negotiations after a strike of four months duration. The specific bargaining issues included: A demand for an hourly increase; a provision on primary picketing; a grant of yard-to-yard transferability of vacation credits for IBEW members; and a wage differential for electronic technicians.

Injunction Issued: March 10, 1967.

Injunction Dissolved: June 12, 1967. By a memorandum of agreement signed May 3, 1967, the parties agreed to postpone any strike or lockout until July 1, 1968. This agreement by the parties prior to the expiration of the injunction period and the ultimate settlement, obviated the necessity of conducting a final offer ballot and filing of a final Board report.

Settlement: June 27, 1967. The total package in the agreement for the year beginning July 1, 1967, provided 15 cents immediately and an additional 5 cents January 1, 1968, plus 4 cents in pensions and health and welfare funds. In addition, the electrical workers received a lump sum payment in lieu of tools retroactive to June 1, 1966. Amendments to already existing Pacific Coast District Metal Trades Council, Marine Carpenters, and Machinists agreements were discussed concurrently and provided simultaneous adjustment of all craft

wages in the PCSA. The IBEW agreed to bargain jointly with the other crafts when all labor-management contracts in the affected shipyards are reopened July 1, 1968, but will execute its own contract. The IBEW membership ratified the agreement in an NLRB-conducted ballot.

Work
Stoppage
Data:

The strike was begun on November 4, 1966, by 766 electricians represented by the IBEW. Except for the initial observance of picket lines by some crafts, the other crafts continued to work under their existing agreement; but the output of the yards was increasingly curtailed for lack of electricians. At the time of appointment of the Board of Inquiry, because of layoffs about 5,500 employees represented by unions remained in employment, compared with 10,000 when the strike began. The 127-day work stoppage ended with the granting of an injunction on March 10, 1967.

Mediation
Activity:

The Service assisted in numerous meetings between the parties from March 1966, when bargaining began between the Association and the IBEW. Following the commencement of the strike, intensified negotiation and mediation efforts took place, and suggestions for settlement were made by the Metal Trades Department, AFL-CIO. A panel of mediators, including the Special Assistant to the Director, worked both prior to and subsequent to the injunction in meetings with the parties, both in Washington and San Francisco, and obtained agreement on a number of issues. The FMCS panel recommended, and the parties accepted, a proposal (a) to submit specified unresolved issues to the three members of the Presidential Board of Inquiry to make findings of fact and recommendations if necessary; (b) not to strike or lockout at least until July 1, 1967, well beyond the 80-day limit of the court injunction; (c) to submit before a strike the final management offer to the membership for a vote to be conducted by the NLRB. Through this procedure, the parties reached agreement on June 27, 1967, with the assistance of the members of the Board and without the necessity of formal recommendations being made.

28. AVCO CORPORATION, U.A.W. DISPUTE, 1967

Parties: AVCO CORPORATION - Lycoming Division v. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, AFL-CIO, Locals 376 and 1010.

Location: Stratford, Connecticut

Proceedings: Board Created: April 15, 1967, by E.O. 11344.
Board Members:
Rev. Leo C. Brown, S.J., Cambridge Center for Social Sciences, Cambridge, Mass., Chairman.
James C. Hill, Arbitrator, Huntington, N.Y.
Clyde W. Summers, Yale Law School, New Haven, Connecticut.
Jack R. George, Executive Secretary (initial)
Kathryn N. Baldwin, Executive Secretary (subsequent)
Thomas J. Carroll, Executive Assistant
First Board Report: April 15, 1967. The Board reported that negotiations had been continuing since February 13, 1967, and even with the assistance of the Federal Mediation and Conciliation Service, the Connecticut State Board of Mediation, and the Secretary of Labor, there were still more than 75 outstanding issues. Because of this the parties still had not been able to formulate a precise statement of their differences. The unanimous consensus of the Board was that a settlement of this dispute would require difficult and extended negotiations.
Restraining Order: April 17, 1967. U.S.D.C., New Haven, Conn., granted 10-day Restraining Order.
Injunction Issued: April 25, 1967. An 80-day injunction was issued, retroactive to April 17, 1967.
Final Report of the Board: June 16, 1967. Information pertaining to the current position of the parties plus a statement of the employer's last offer of settlement were included in the report. Between April 19 and June 16, 1967, most of the non-economic issues had been settled. No significant progress had been made toward settlement of the economic issues.

28. AVCO CORPORATION, U.A.W. DISPUTE, 1967 - Continued

Last Offer Vote: June 20, 1967.

Local 1010 - "No" Vote - 3,991

"Yes" Vote - 135

Local 376 - "No" Vote - 295

"Yes" Vote - 22

Settlement: Settlement was reached June 28, 1967.

Ratification Vote: July 2, 1967

Local 1010 - "Yes" Vote - 1500
(approx.)

"No" Vote - 500

(approx.)

Local 376 - "Yes" Vote - 78

"No" Vote - 2

The settlements generally provided for: 10¢ per hour across-the-board, effective April 16, 1967, to June 30, 1967; 6% general increase, effective July 1, 1967; and two 5 1/2% general increases, effective May 1, 1968, and April 16, 1969. Also included were a 10¢ per hour skilled trades premium, 10% night shift premium, a cost of living adjustment, sick leave with pay provisions, and jury duty pay. The package priced out at between 80 and 87 cents.

Injunction Dissolved: July 5, 1967

Work
Stoppage
Data:

The strike began April 16, 1967, idling 5000 employees. It was ended April 17, 1967, by the Taft-Hartley injunction.

Mediation
Activity:

Commissioner John Morton and Mediator Joseph Peraro of the Connecticut State Board of Mediation and Arbitration began assisting the parties on March 23, 1967. On April 19, 1967, they were joined by Robert H. Moore, Deputy Director of FMCS, and on April 29, 1967, by the Reverend Leo C. Brown, S.J., Chairman of the Board of Inquiry, who had been asked by William E. Simkin, Director of FMCS, to act as a special mediator. During the period of the Taft-Hartley injunction, almost continuous mediation sessions were conducted in Stratford, Connecticut, and Washington, D.C. The discussions in Washington, D.C. were joined in by the International President of the union and several of his top staff, the Corporate

28. AVCO CORPORATION, U.A.W. DISPUTE, 1967 - continued

President of the company and his principal negotiators, and top representatives of both the Department of Labor and the Department of Defense. Committee agreement was reached on June 28, 1967, and ratification of the agreement occurred three days before the injunction was due to expire.

REFUSALS TO RATIFY CONTRACTS

Address by

William E. Simkin, Director

Federal Mediation and Conciliation Service

Graduate School of Business

The University of Chicago

o o o

Chicago, Illinois

November 17, 1967

ACKNOWLEDGMENTS

This study was made possible by prompt and thoughtful response of almost 250 mediators to the detailed questions posed for all membership rejection cases in which they had participated over a two-year period. Moreover, these questions had to be pondered and answered within a limited period of time during the very heaviest disputes work period of the year. In many instances, this work "beyond the call of duty" had to be performed outside normal working hours.

Special credit is also due Administrative Management personnel at the Washington office who, likewise, cooperated fully in this special project during a period when year-end reports and budget preparation tasks were heavy seasonal burdens.

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William E. Simkin

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- III. Settlement Rejections--By Type of Case
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APPENDICES

- A. Mediator Questionnaire

I. INTRODUCTION

The time is August 1947. The place is Washington, D. C. The Congress has passed the Taft-Hartley Act, overriding a Presidential veto. An independent mediation agency, the Federal Mediation and Conciliation Service, has been created. Fortunately, the Congress gave the Service no powers beyond those within the broad sphere of persuasion and it did not attempt to define how persuasion is to be exercised. But there is one exception. In a section,¹ obscured by the passage of time, the Act provides:

"If the Director is not able to bring the parties to agreement by conciliation within a reasonable time, he shall seek to induce the parties voluntarily to seek other means of settling the dispute without resort to strike, lock-out, or other coercion, including submission to the employees in the bargaining unit of the employer's last offer of settlement for approval or rejection in a secret ballot...." (Underscoring supplied.)

The reasons for the one piece of advice contained in the underscored words are not hard to find in the legislative history. There was a notion, then held by many people, that union members were more reasonable and less militant than union leaders. It was a related belief that employer offers, not acceptable to union leadership, would be approved by the membership if the members could be protected from coercion by the secrecy of the ballot box.

Shift the time to August 1967--twenty years later. The place is a meeting room at some one of the seventy-five Federal Mediation and Conciliation Service offices. It is 6:00 a. m. After a full

day and night of continuous meetings, culminating weeks of hard bargaining, company and union negotiators have concluded a tentative agreement. All the negotiators are weary but happy. Each man in the room believes that a good bargain has been achieved, averting a strike. A membership meeting is scheduled. The union committee members get a few hours of needed sleep, go to the meeting and recommend acceptance. By secret ballot, the members reject. The vote is not even close. It is three to one against the agreement.

This August 1967 scene, or various modifications of it, occurred in 1,937 known instances within a two-year period--July 1, 1965, through June 30, 1967.

The Congress recognized that employer offers might be voted down. If this paper should be directed to analysis of employee rejections of company proposals it would not be significant. The importance of the subject is that most of the 1,937 instances within a two-year period reflect membership repudiation of the achievements of their own elected leaders.

II. BACKGROUND AND LIMITATIONS OF FEDERAL MEDIATION AND CONCILIATION SERVICE STUDY

The simple fact that a tentative agreement must be ratified implies that it may be rejected. Known instances of rejection go back almost as far as the history of collective bargaining. However, rejections were relatively rare--so infrequent that they escaped general attention.

The Federal Mediation and Conciliation Service is not a statistical agency. Facts that we compile are intended primarily as operational aids to job performance. However, reports from mediators working in a wide variety of disputes in the fifty States do furnish qualitative appraisal of collective bargaining trends.

By early 1962, mediator reports indicated a sharp upsurge of membership rejections. In May 1962, in response to questions by a newspaper reporter, I listed increasing membership rejections as one of several recent trends.²

Shortly thereafter, we began to accumulate simple statistical data. The method was to insert one question in the mediator's final report form. An "x" was to be placed in a box if one or more rejections had occurred prior to a final contract. The initial results were surprisingly high. We found that instructions had not been clear-cut. The totals included some rejections of employer offers along with rejections of bona fide tentative agreements. Instructions were then clarified. As will be discussed hereafter, it is not a simple matter to define a bona fide tentative agreement. In any event, the intent after clarification was to record only membership repudiation of an agreement reached at the bargaining table.

Much of the statistical data discussed hereafter is derived from computer analysis of these final report forms submitted by mediators, concentrating primarily on the two-year period--July 1, 1965, through June 30, 1967.

Since these final reports record only the fact of a rejection, the data are quite inadequate for qualitative analysis. Accordingly, early in August 1967, questionnaires were prepared and sent to all mediators. A copy of the questionnaire is shown as Appendix A. For each specific case in the two-year period in which the mediator had participated actively, he was asked to complete a questionnaire. Returns were reasonably complete, covering about 80 percent of the cases recorded originally. The "drop-out" of 20 percent of total cases is accounted for by several factors. Death or retirement of a few mediators eliminated some returns. Where a mediator had been transferred to a new location, no attempt was made to secure access to the case records left behind in the prior office. In a few instances, mediators were so heavily involved with current cases that they were unable to complete the questionnaires in the time allowed. We believe the 80 percent sample is representative.

The limitations of this study should be noted briefly.

The first and perhaps most important limitation is that the study is confined to what the Service characterizes as an "active" or "joint meeting" case. This is a dispute in which the mediator is involved by actual physical presence at the bargaining table, normally as the chairman of the meetings after an impasse has been reached or is indicated. Such cases, in total, vary each year within a 7000-8000 range.

The study does not include between 12,000 and 14,000 additional cases each year that are assigned to a mediator. These so-called "inactive" or "non-joint meeting" cases frequently involve a considerable amount of informal work by the mediator separately with the parties. But they are cases where it is unnecessary to be at the negotiation meetings. They also include many cases where direct negotiations are successful without any intercession by third parties except for simple inquiry as to progress.

The study also does not include an even larger number of cases too small to warrant mediator assignment due to staff limitations and cases handled by State or local mediation agencies.

The study does not include airline or railroad cases within the jurisdiction of the National Mediation Board.

The study includes only a very limited number of grievance disputes. It is confined almost solely to labor contract renegotiation or reopening and initial contracts.

Thus the limitation to "active" cases within Federal Mediation and Conciliation Service jurisdiction means, as a practical matter, that we are concerned here with the most difficult and troublesome negotiations where membership rejection is most likely to occur.

No facts are available as to the incidence or causes of membership rejections, if any, in the large area of negotiations outside the "active" case category. It is certain that the percentage figures of this report are very substantially higher than would obtain if a

complete analysis could be made of all collective bargaining negotiations in the United States during the same period of time.

However, within what may be characterized as the "trouble" areas of collective bargaining, the study is reasonably complete. Federal Mediation and Conciliation Service strike statistics, also compiled on this same "active" case basis, include more than 80 percent of all strike time losses in all industries in the United States, as compiled independently on an over-all basis by the Bureau of Labor Statistics.

Another limitation, present in all studies involving some subjective appraisal, is possible human error. This is minimized in this instance by the normal intimate knowledge of the details that are available to a mediator in a manner not present in ordinary interview procedures. Since more than 200 mediators participated in the study, individual differences of appraisal tend to cancel out.

III. THE FACTS

The basic facts disclosed by the Federal Mediation and Conciliation Service study will be outlined as briefly as possible. In some instances, detailed tables attached to this report will supplement the text.

A. Nationwide Incidence and Trends-- Joint-Meeting Cases

For this purpose only, data are available for four fiscal years. In all instances the Federal Government fiscal year (July 1 to June 30) is the basis of reference.

<u>Fiscal Year</u>	<u>Total Joint-Meeting Cases</u>	<u>Total Cases Involving Rejection</u>	<u>Rejection Percentage</u>
1964	7,221	629	8.7
1965	7,445	746	10.0
1966	7,836	918	11.7
1967	7,193	1,019	14.2

Since revised and clarified instructions prevailed throughout this four-year period, it is apparent that rejections have been a consistent problem and that the trend has been upward. In the last fiscal year (July 1, 1966, through June 30, 1967) at least one rejection occurred in one out of every seven joint-meeting cases.

As noted earlier, it is most important to remember that these are the difficult cases. If data were available for all negotiations, the percentages would be very much lower.

B. Rejections by Months

Table I shows the same data by months. For this purpose only, the months of July, August and September 1967 have been added.

It will be noted that there is no real seasonal trend.

There is a discernible "hump" beginning in June 1966 and continuing into December 1966. This was a period when upward pressures on wages due to cost-of-living increases and other factors were especially pronounced.

Although not included in these data, because the case is outside Federal Mediation and Conciliation Service jurisdiction, it may be noted that the very widely publicized rejection by the membership of the International Association of Machinists of the so-called "White House" tentative settlement of the airline mechanics' strike occurred

after the peak of this "hump." It would not appear that this one case was a strong causal factor in the rejection problem, as some writers have suggested.

C. Regional and Locality Facts and Trends

Table I discloses percentage data (regional totals) within the areas of the seven Federal Mediation and Conciliation Service regional offices.

It will be noted that the Southern States (Atlanta region and part of the St. Louis region) have recorded rejections somewhat lower than the national average. The Cleveland region (Michigan and Ohio) also was below the national average. On the other hand, the San Francisco and Philadelphia regions recorded rejections above the national average.

Additional data were compiled for each area served by each FMCS office (some seventy-five areas). Variations by smaller areas were substantial but are not presented here because the study cannot attempt to ascribe causal factors to these variations. In a few instances, there is some indication that the rejection notion tends to become epidemic in a localith.

It is clear that rejections are widespread, geographically. Regional or area differences are not very significant.

D. Rejections by Type of Case

"Active" cases within the Federal Mediation and Conciliation Service sample include contract renewals, contract reopenings within the basic contract term (normally for wages only), initial contracts after NLRB certification or direct recognition, and a few grievance situations.

The facts as to these types of cases are shown in Table III.

It will be noted that renewals and reopenings constitute 90 percent of the total sample and that the rejection percentage for these cases for the two years combined (14.3 percent) is almost double the percentage found for initial contracts.

E. Rejections by Duration of Bargaining Relationship

Mediators were asked in the questionnaire to check the approximate duration of the bargaining relationship. Answers were not expected on a precise basis and were tabulated within five-year ranges. As respects this item, a total of 1,520 cases of rejection was reported. Since no data are available as respects duration of the bargaining relationship in active cases where no rejection occurred, it is possible only to report the spread within these 1,520 cases. Table IV records the data.

No conclusions of consequence can be drawn from this information except that a bargaining relationship of some years is no necessary protection against contract rejection.

F. Rejections by Size of Bargaining Units

Does the size of the bargaining unit have any bearing on the rejection problem?

In an attempt to answer this question, computer data are available both for all active cases and for the cases where rejections occurred. Table V shows the data.

Looking at the two-year totals, the highest above-average percentage rejections occurred in the 500-999 and 100-499 employee bargaining units. The even larger units (1000 and more employees) were also above average. Only the small units (1 to 49 employees) pulled down the average. However, the differences are too small to suggest anything very conclusive.

The rejection problem is a pervasive one--prevalent in bargaining units of all sizes.

G. Rejections--Strike or No Strike

It is a fairly common but erroneous notion that settlement rejections are almost always associated with strikes.

Table VI shows the breakdown between no-strike and strike cases.

For the two-year period, 61.7 percent of the rejection cases occurred in cases where no strike developed. The membership rejected a tentative settlement but did not strike and subsequently accepted either the same or a modified settlement. In fact, this occurred in 10.6 percent of all the "active" no-strike cases.

However, one or more rejections did occur in 19.8 percent (one out of five) of all the Federal Mediation and Conciliation Service "active" strike cases.

The mediator questionnaire was used to secure additional information as to when the rejection occurred in the strike cases. Reports

are available for only 619 out of the total of 741 strike rejection cases. The data are:

Strike Cases Involving Rejections

	<u>Number of Cases</u>	<u>Percentage of Total</u>
One or more rejections before strike	420	68%
One or more rejections <u>both</u> before and after strike	87	14%
One or more rejections after strike only	<u>112</u>	<u>18%</u>
Totals	619	100%

Combining the first two categories, it is obvious that there would have been 507 fewer strikes over the two-year period if the membership had accepted the settlements reached by their own negotiators.

In the remaining 112 cases, the strikes were prolonged by the fact of membership rejection.

H. Multiple Rejections

Data from the questionnaires as to number of rejections in the same case are available as respects 1,563 cases.

	<u>Number of Cases</u>	<u>Percentage of Total</u>
One rejection	1,236	79%
Two rejections	251	16%
Three rejections	62	4%
Four or more rejections	<u>14</u>	<u>1%</u>
Totals	1,563	100%

I. Rejections by Advent of Mediation

The questionnaire also provides data as to when the membership rejections occurred with relationship to the time the mediator entered the conferences.

	<u>Number of Cases</u>	<u>Percentage of Total</u>
Rejections before mediator entered case	486	31%
Multiple rejections (both before and after mediator entered case)	117	7%
Rejections after mediator entered case	<u>960</u>	<u>62%</u>
Totals	1,563	100%

In the first category (486 cases) the parties were negotiating directly and were reporting "no problems" to the mediator when he inquired about progress. The mediator was called in after at least one membership rejection had occurred.

In the second group (117 cases), the mediator was called in after the first rejection. The same or a modified settlement was negotiated with the mediator present and was again "shot down" by the membership at least once.

In the largest group (960 cases), a settlement reached with mediator assistance was rejected at least once. The parties and the mediator went back to the bargaining table and the same or a modified settlement was accepted subsequently.

J. Rejections--Unions Involved

Computer data are available indicating the identity of the unions involved in all of the total of 1,937 rejection cases during the two-year period.

Identity of the unions will not be disclosed here. No good purpose would be served by labeling specific unions as having either a good or bad rejection record. In any event, the data available here might be quite unfair, plus or minus, depending on facts outside the reach of this study.

To illustrate, let us assume that Union X has settled 80 percent of all its contract cases, nationwide, during this period by direct negotiation without mediation and with no membership rejections. Mediators have been active in the remaining 20 percent of the cases (the most difficult ones) and rejections have occurred in 15 percent of those mediated cases. It's real, over-all record would be only 3 percent rejections but this FMCS study would show 15 percent. On the other hand, let us assume that Union Y has settled 40 percent of its cases, nationwide, by direct negotiation without mediation and with no membership rejections. Mediators have been active in the remaining 60 percent of the cases with a rejection rate of 10 percent. Union Y's real, over-all record would be 6 percent rejections but this FMCS study would show 10 percent. Union X would actually have a better over-all record but Union Y would appear to be better by this study. Facts not available to us as to total numbers of contracts

negotiated and rejections, if any, in cases not involving mediator participation would be necessary to present a true total picture.

Without disclosing identity of the unions involved, certain facts can be noted.

During the two-year period, seven different unions were parties to negotiations in active mediation cases, each union in 400 or more specific cases. The rejection percentages were 16.6, 15.6, 14.8, 14.0, 11.9, 9.6, and 6.4.

Twenty-six additional unions were involved in active mediation cases in the range of more than 100 cases but less than 400 cases. Of these twenty-six unions:

- 6 had rejection rates from 15% to 19.4%
- 15 had rejection rates from 10% to 14.9%
- 5 had rejection rates from 7.4% to 9.9%
- None had rejection rates of less than 7.4%

Thus, the rejection percentages in active mediation cases for thirty-three of the largest unions in the country ranged from 6.4 percent to 19.4 percent.

The lowest rejection percentage of any of fifty-three specifically identified unions involved in the total of 15,029 active cases during the two-year period was 2.4 percent. Additional unions, beyond the fifty-three identified, were not analyzed because only a limited number of instances of active mediation were recorded.

The obvious conclusion is that the rejection problem is widespread. Few unions of any size can claim complete immunity even though many unions do not have a constitutional requirement that agreements must be submitted to the membership for ratification.

IV. CAUSES OF REJECTIONS

The primary purpose of the mediator questionnaire was to attempt to probe behind the fact of a rejection to determine the causes.

It is quite obvious that subjective judgments are involved. The possibility of error is evident. Moreover, even though a mediator is in an unusually advantageous position to make such judgments, all the facts are not always available.

Despite these limitations, the composite appraisal by some 250 mediators of this large a sample should be of substantial value.

Examination of the questionnaire will show that causes are broken down into two groups: background causes and ratification procedure causes.

A. Background Causes vs. Ratification Procedure Causes

The attempt to distinguish between background causes (basic reasons for negative votes) and ratification procedure causes (procedural defects after tentative settlement but before and during ratification) is difficult. However, it is worth the effort, even though "Monday morning quarterbacking" is involved.

As indicated in the questionnaire, the mediators were asked to check this threshold question, either by singling out one type of cause as clearly dominant or by indicating priority if both types

were present. The results, in a total of 1,520 cases, were:

	<u>Number of Cases</u>	<u>Percentage of Total</u>
Background causes only	816	53.7%
Both background and ratification procedure causes		
- Background causes primary	211	13.9%
- No priority	313	20.6%
- Ratification procedure primary	70	4.6%
Ratification procedure only	<u>110</u>	<u>7.2%</u>
Totals	1,520	100.0%

A simpler grouping would be:

	<u>Number of Cases</u>	<u>Percentage of Total</u>
Background causes (sole or primary)	1,027	67.6%
No priority	313	20.6%
Ratification procedure causes (sole or primary)	<u>180</u>	<u>11.8%</u>
Totals	1,520	100.0%

Put in other words, the mediators believe that rejection would have occurred anyway in roughly two-thirds of the cases even if all ratification procedures had been adequate. In only about 12 percent of the cases would ratification have occurred if procedures had been adequate. In one-fifth of the cases, no such judgment was exercised.

B. Background Causes

The background causes noted specifically in the questionnaire were checked for approximately 1,520 cases. Because two or more items were checked in many instances, the totals exceed the number of cases. The frequency listing, in totals, is:

	<u>Number of Cases</u>
Effects of other agreements reached elsewhere	425
Politics within the union	310
Dissatisfaction of skilled workers over agreement	307
Leaders hadn't understood real feeling of membership	286
Dissatisfaction of other groups (excluding skilled workers)	236
Reaction of membership to prior company policies	184
Leaders had made excessive promises	166
Leaders hadn't kept members informed during negotiations	68
Failure to resolve local issues in national negotiations	16
Others	<u>245</u>
Total	2,243

It will be noted that a general feeling that employees at the plant in question had been "short-changed" by reference to agreements reached elsewhere leads the list. This can be a belief that the agreement is inferior to some real or alleged industry or general "pattern" or simply a comparison with some one other agreement.

Whether this belief is founded on solid facts or on hearsay or misleading information may not be material to the fact that it is a cause. In view of the somewhat general tendency, in the press and elsewhere, to emphasize the effects of pattern bargaining and to talk loosely and frequently carelessly of the facts of per year percentage improvements, it is significant that this is a dominant factor in less than 30 percent of all the cases.

Politics within the union is the second listed cause. In a sizeable number of situations, the union leadership handling the negotiations was elected by a narrow majority. The strong minority group may have opposed the agreement primarily because it was negotiated by the opposition. Or, a quantitatively weak but very vocal minority may rally enough support from others who are dissatisfied for other reasons to promote a negative ratification vote. In view of the inherently political nature of union leadership, it is not entirely surprising that this cause is rated so high. It is equally apparent that if this is a basic cause of rejection in as many as 20 percent of the total cases, union politics is a formidable problem.

The next three causes (dissatisfaction of skilled workers, leaders hadn't understood real feelings of the membership, and dissatisfaction of other groups) will be discussed jointly. The frequency totals happen to be very close (307, 286 and 236 respectively). However, the basic reason for joint consideration is that all three causes illustrate a central feature of collective bargaining.

Except for the sophisticated, there is inadequate recognition of the fact that most unions, industrial unions in particular, do not represent a homogeneous group on many subjects. A union must attempt to reconcile these internal differences. A company must consider the same problems.

Skilled workers have long been restive because of real or alleged narrowing of wage differentials within the work force over a period of years. Especially during the last four years, outside wage increases of building tradesmen in many areas have created an even more significant source of discontent.

In most instances, there are other special interest groups within a union. Small or large groups within specific classifications claim intra-plant inequities. Female employees frequently claim long-standing differentials based on sex alone, and the Equal Employment Opportunity Act has accentuated such claims. For similar reasons, racial minorities may present special wage demands.

The fact that the work force at many plants is now composed of an increasing percentage of young, low-seniority employees creates sharp differences as to how a total economic package is to be divided between cash wages and security fringes (pensions, etc.).

When seniority is an issue, it is immeasurably complicated by new legal developments and new urgent pressures related to race, sex and age distribution of the work force.

All these factors have always been present to some degree. They are accentuated sharply by events of relatively recent vintage.

As evidenced by the mediator reactions, it would appear that many unions and companies have not adequately "read" these strong and diverse interests of the work force.

The "something for everybody" answer to this problem may be expensive. Perhaps more important, if the degree of response to any one interest group is too great, others may be alienated and not appeased by what they consider to be only token recognition of their problems.

Reaction of membership to prior company policies is a generalized description of a common problem. In some instances, it may be a sort of amorphous distrust of management that is extremely hard to "pin-point" but that develops out of day-by-day relationships. More commonly, it is evidenced by an inadequate and overloaded grievance procedure. Increasing disillusionment with arbitration as the terminal point of the grievance procedure is evident, due primarily to excessive delay and real or alleged excessive costs. In a very sizeable number of cases during this two-year period, membership rejections and strikes have been almost entirely non-economic. This somewhat intangible generalized dissatisfaction with day-by-day relationships in the plant is the root cause. Much of the rapidly growing "preventive mediation" program of the Federal Mediation and Conciliation Service is directed to these difficult problems.

It will be a surprise to many that excessive promises made by union leadership rank so far down on this list. Higher levels of education, more maturity of the bargaining relationships, and generally greater sophistication probably make workers quite aware of a likely sizeable spread between publicized demands and the attainable. Nevertheless, this cause continues to be important to the extent that union leadership does not always prepare the membership for realizable gains.

The degree of secrecy that often necessarily prevails in crisis bargaining amplifies the problem just discussed. If the gap between the last known union demands and the settlement that emerges at the eleventh hour out of a smoke-filled room is too great, the immediate membership reaction may be more emotionally than rationally negative.

The extremely low ranking of failure to resolve local issues in national negotiations is surprising. The answer probably is that local issue negotiations in most cases are separated from national bargaining both by geography and by time. When a plant strike or a rejection of a local supplement occurs, as happens frequently, it is usually recorded in Federal Mediation and Conciliation Service statistics as a separate case.

A great variety of factors were observed by the mediators under the heading "other" causes. Both time and word limitations for this paper prevent complete analysis, but several important items should be noted.

A common cause is one already discussed--the advent of a young work force--but with a somewhat different "twist." Many younger workers who have grown up in a period of relative affluence have never experienced either a real depression or the early history of union struggles. Moreover, they are not very interested in attempts to acquaint them with these hard facts of earlier years. Many have never experienced a strike of any duration. When these facts are coupled with what may be loosely described as the current disillusionment of youth in other areas of activity, negative ratification votes are not surprising.

Another common cause during the period of this survey is the relative ease of securing other full-time or part-time work during a strike. This is especially true of skilled workers in construction industry disputes. It is not at all uncommon for most construction workers in a local strike situation to secure work elsewhere and simply "wait out" a higher settlement. In many instances, the skilled workers do not even have to leave town. They shift to work for large, nation-wide contractors who have sizeable jobs in the area not involved in the strike.

A cause frequently cited by union leadership may be called the "Landrum-Griffin syndrome." There is no doubt but that an effect of the Landrum-Griffin Act has been to weaken the power of union leadership and emphasize the rights of the individual. That was the intent. Perhaps of equal importance, the McClellan hearings

that preceded the Act tended to disparage union leadership unfairly. Any development that weakens the effectiveness of union leadership has some inevitable tendency to make membership ratification less likely. On the other hand, it must be stated candidly that Landrum-Griffin has been cited in some instances in which it is more of an excuse than a reason.

This review of background causes is not presumed to be complete. It does cover the principal points disclosed in the FMCS survey.

C. Causes By Types of Issues

The questionnaire explores the causes of rejection by types of issues. In most instances, the mediator will have a sound basis for appraisal. He has entered the case after a rejection or he goes back to the bargaining table with the parties after a rejection. When a rejection is based in large part on the content of the settlement package, a major part of the subsequent discussion is confined to the specific parts of the proposed agreement found most unacceptable by employees.

To range against this information, we have available, under the same generalized headings, the major issues discussed in the presence of the mediator for all active cases. The data for fiscal years 1966 and 1967 combined are shown below. The totals, both of types of issues reported and of percentages exceed the numbers of cases and 100 percent respectively because two or more types of issues were reported in many cases.

Types of Issue	Major Causes of Membership Rejection--By Type of Issue			Major Issues Discussed with Mediator in All Active Case Negotiations		
	Number of Times Reported	Percentage of Cases	Rank	Number of Times Reported	Percentage of Cases	Rank
Wages	1311	84%	1	14,171	94%	1
Pensions,						
Insurance,						
Welfare	260	17%	2	9,418	63%	3
Vacations,						
Holidays	196	13%	3	9,448	63%	2
Duration of						
Contract	188	12%	4	8,872	59%	4
Hours and						
Overtime	100	6%	5	4,527	30%	5
Working Condi-						
tions	91	6%	6	3,092	21%	8
Guarantees	90	6%	7	3,021	20%	10
Job Classifica-						
tion	87	6%	8	3,795	25%	6
Union Security	63	4%	9	3,091	21%	9
Seniority	50	3%	10	3,445	23%	7
Management						
Prerogatives	41	3%	11	2,466	16%	12
Grievance Pro-						
cedure and						
Arbitration	25	2%	12	2,651	18%	11
Other	--			1,075	7%	13
Totals	2502			69,072		
Total Cases						
Reported	1560			15,029		
Average Per						
Case	1.6			4.6		

It should be noted that within each of these twelve groups of issues there may be a variety or multiplicity of specific issues. For example, wages may be limited to the general wage increase or to skilled trades rates. Both may be important factors.

The first observation is that basic issue causes of rejection are substantially fewer than the important issues present prior to the tentative agreement. A membership rejection does fulfill a function of narrowing the issues even if the tentative settlement does not produce the intended final agreement.

The second major observation is that some aspect of the wage problem ranks far in the lead among causes of rejection. This is not unexpected. Indeed, it might well be maintained that it is quite significant to discover that wages were not a factor in 16 percent of the total rejections.

When we look at the other causes, there is room for speculation but it cannot be very profound. The relative rankings may be more significant than the raw numbers. Even on that basis, it is difficult to discover facts that add or subtract very much from the "Background Cause" discussion earlier in this paper.

D. Ratification Procedure Causes

A recent comprehensive and excellent analysis entitled "Union Constitutions and Collective Bargaining Procedures"³ by Herbert J. Lahne develops union constitutional requirements regarding ratification. No attempt will be made to summarize that report here. I would comment only, as Lahne observes, that in a sizeable number of situations, tentative agreements are submitted to the membership for ratification even though the union constitution makes no such requirement. In fact, numerous rejections appear in this Federal Mediation and Conciliation Service study involving unions referred to above.

In some instances, actual practice of a union is not uniform in all parts of the United States. Moreover, even at the same plant or in the same area, some unions have varied their practices from time to time.

Likewise, no attempt will be made to summarize here an excellent as yet unpublished paper entitled "Problems of Ratification,"⁴ prepared by Clyde W. Summers in connection with a series of seminar meetings held in late 1965 and in 1966 sponsored by the American Arbitration Association.

Both of these papers should be read for full understanding of the procedural aspects of the ratification problem. This report will be limited largely to mediator observations of the nature of the problem.

Mediators checked one or more procedural reasons for rejection, limited to those cases in which procedural problems were considered to be important. For these reasons, the totals shown below are to be looked at primarily for appraisal of relative importance. The data are:

	Frequency (Number of Cases Checked)
Leaders failed to actually recommend agreement	454
Type of vote	197
Time lapse between agreement and vote	177
Terms disclosure	176
Type of meeting	143

The first seemingly ominous observation is that in 454 instances (almost 30%) of the total of 1520 rejections covered by the questionnaire, the mediators believe that leaders did not actually recommend their own settlement.

To determine whether this is as serious as appears, it is necessary first to develop a point noted in page 3. What is a bona fide tentative agreement? And secondly, what criteria did the mediators use to implement the important words "actually recommend"?

Throughout the last four fiscal years, the instructions to mediators for completing the final reports for all active cases read:

"Tentative Settlement Rejected - When the parties arrive at one or more tentative settlements which are later rejected by the union membership place an 'X' in the appropriate space. These are situations in which the union negotiators and the company negotiators agree on terms of settlement and the union negotiators take the agreement back to the union membership for ratification but it is rejected. Only include union membership rejections of agreements actually made between the bargaining committees."

These instructions, detailed examinations of explanations recorded in the questionnaires and personal conversations with mediators show that a range of types of rejections are included in this study.

We will begin with submissions to the membership that should not be reported as rejections. They include:

1. A union committee agrees to submit a company offer to the membership. However, it is clear that it is not a tentative agreement and it is equally clear that the committee will officially recommend rejection.

2. The situation is the same as noted above except that some members of the committee (a minority) indicate that they may recommend favorably or, at least, will not oppose the company offer.

For obvious reasons, these are not tentative agreements.

Negative membership votes that are recorded as rejections include a spectrum of situations. The range of the spectrum can be illustrated by the following examples:

1. The union negotiating committee agrees unanimously to recommend favorably. It is reasonably certain that the recommendation will be enthusiastic, forceful and without qualification.
2. The union spokesman states that the committee will recommend favorably, but there is reason to believe that this is a committee majority decision and that some minority members may recommend negatively or otherwise work against the agreement.
3. The union spokesman states that the tentative agreement is acceptable to the committee if the membership approves. It is stated further that the proposal will be presented as the best agreement available at the time. The committee states that it will make no recommendation to the membership as to acceptance or rejection.

There are many gradations in this spectrum. At one end of the band, the union committee accepts full and complete responsibility

for the tentative agreement and there is every reason to believe that every member will work actively for membership acceptance. At the other end, the committee accepts only a limited or majority responsibility for the agreement and "passes the buck" to the membership for an answer.

It should be apparent that there is no "clean" line of demarcation between the most hopeful type of company offer that should not be recorded as a rejection for purposes of this study and the weakest type of tentative agreement that is recorded as a rejection.

Up to this point, the discussion has been limited to statements made and attitudes discerned at the bargaining table, normally at the conclusion of the negotiation sessions.

The next problem is what might be called "slippage." It is a fact that attitudes and actions sometimes change between the time the tentative agreement is reached and the time the membership vote is taken.

At one relatively rare extreme, individuals or even entire committees, committed to recommend favorably, actually recommend negatively. Somewhat more frequently, a favorably recommendation is so weak, substantively, that it is equivalent to no recommendation or even to a negative recommendation. There are reasons to believe, in some cases, that an individual may comply fully with all the overt forums of a favorable recommendation, but that he does some "behind the scenes" work in the opposite direction. Finally, within the "did not actually recommend" category are a fairly sizeable

number of instances where the really intended favorably recommendation was inept or inadequate.

How did the mediators make these difficult judgments. In almost all instances, they were not at the membership meetings. They had to rely primarily on circumstantial evidence and even on "hunches." It is even possible that some of the mediators, too, were looking for a "scapegoat." Having participated actively in the tentative settlement, it is painful to experience the fact of a rejection.

Mediators were also asked to answer a question reading: "Was the rejection of the tentative agreement a tactical maneuver on the part of the union?" There is some obvious possible correlation between this question and the "actually recommend" inquiry.

Replies to this tactical maneuver question were 75 percent "no" and 25 percent "yes." However, when the "yes" answers were compared with the "did not actually recommend" answers in the same cases, the results were at least interesting. In only half of the tactical maneuver cases was there any belief that the leaders did not actually recommend.

This seeming inconsistency is not readily explained. Did the mediators make a distinction between "the union" and "the leaders"? In many instances, notations on the questionnaires so indicate. The "tactical maneuver" was ascribed to groups or factions in the union not represented by a majority on the committee.

Consideration of the various factors discussed so far under procedural causes leads us to a conclusion that the "raw data" on membership rejections may be somewhat inflated. The basic distinction between a company offer and a bona fide tentative agreement is not and never can be made crystal clear. Mediator judgment may be faulty. We estimate that the rejection totals may be inflated by as much as 5 percent. If this is the case, the percentages of rejections (page 7) should be reduced by amounts ranging from 0.4 percent (fiscal 1964) to 0.7 percent (fiscal 1967).

We have not adjusted any of the data. The basic problem is not affected seriously by these probable errors and the upward trend is not altered.

It should be noted, however, that this possible inflation casts serious doubts on any conclusion that as many as 30 percent of the rejections were accompanied by valid "did not actually recommend" appraisal of the acts of union leadership.

We will turn now to other procedural causes of rejections.

The type of vote is considered to be an important procedural factor in 197 instances (13% of the rejection cases). This means that in these situations, the best guess is that a secret ballot might have produced an affirmative vote in contrast to the negative answer, secured by a voice vote or a standing vote. In many instances, the circumstances surrounding the voice or standing vote were considered unfavorable to a rational conclusion. We do not pretend any necessary accuracy to this over-all opinion. It is not

susceptible to proof. It could even be argued that some voice or standing votes produced membership acceptance where a secret ballot would have been negative. However, it is reasonable to conclude that a secret ballot is preferable.

Beyond recording the mediator opinion that time lapse between a tentative settlement and the actual vote was a factor in 177 instances, few generalizations can be made. In some situations it is quite clear that the vote was too soon. The membership had inadequate time to understand and appraise the proposal. Union leadership had inadequate time to "sell it." At the other extreme, the time period was too long. It permitted a dissident hard working group, often a minority faction, to rally a negative vote. The "best" time lapse can be appraised only in the light of all the facts of a specific situation.

Terms disclosure refers primarily to the choice of publicizing the terms of the agreement prior to the membership meeting or holding the terms confidential for disclosure at the meeting. Such a choice is not realistically open for extremely large bargaining units, especially in multi-plant bargaining. It is a realistic choice for most of the medium-size and smaller bargaining units.

There are few generalizations that can be made on this point. The answer depends in part on the traditions in the situations involved. It may be related to the type of membership meeting to be held and the type of vote to be taken.

When terms are disclosed, the method may be very important. Inaccurate or poorly written newspaper accounts, planned or "leaked,"

have been responsible for some rejections. Company attempts to inform workers sometimes produce negative reactions, but this is not always the case.

One of the very substantial problems, as labor agreements have become more complicated, is that the totality of the terms becomes difficult to digest.

The major point to be made here is that it is important for the parties to have a clear understanding at the time of tentative agreement as to whether, when and how the terms are to be disclosed.

Type of meeting (if the vote is to be conducted at or after a meeting) may be very important. Mediators believe that a total of 143 negative votes were influenced very substantially by the type of meeting held.

As a general proposition, a meeting attended by the maximum possible percentage of the members is most likely to produce a rational vote. There appears to exist an unfortunate but understandable tendency for the satisfied or neutral member to stay home and for the unhappy member to attend and bring his friends. For this reason, an increasing number of companies have been willing, when so requested by the union, to permit so-called "stop work" meetings on company time for explanation of the agreement and the vote.

V. REJECTION BACKLASH

As membership rejections have increased, non-statistical but significant related effects have been observed by mediators.

Fear of a rejection may make union leadership less ready to reach a tentative agreement.

On the other side, fear of a rejection sometimes impels management to "hold something back."

There is not much doubt but that some strikes have occurred that were not rationally necessary, either because of union fears or company fears, or both. In this connection, it is very important to attempt to distinguish between "necessary strikes" and "unnecessary strikes."

If it is a fact, as it appears to be in many situations, that union membership is unwilling to accept the reasonably attainable results of negotiation and is more militant than responsible leadership, a strike may be necessary to drive home the "facts of life." This is a painful but sometimes inevitable aspect of collective bargaining. In such cases, the membership rejection problem is simply one manifestation of a function of the strike.

But if the membership rejection problem simply makes union leadership timid or unwilling to accept responsibility, and if it prompts management to offer less than it knows it must, the result can be a strike based almost solely on fear and that is really unnecessary.

Another potentially dangerous "backlash" from the rejection problem is fortunately very rare, but it does exist. I am referring

to a situation where there may be informal collusion between union leadership and management to deliberately design a "tentative settlement" for certain membership rejection. The intent is to "get the rejection out of the way" and then proceed to serious bargaining. Any such development breeds more rejections and complicates future bargaining between the same parties.

A variant of this strategy is a company final offer not accepted by the union and not labeled as a "tentative settlement" but that is certain to be rejected. This is more defensible but it may jeopardize a company's collective bargaining future.

VI. MONETARY DIFFERENCES--FINAL AGREEMENT vs. REJECTED AGREEMENT

For all rejection cases, mediators were asked to note the money cost difference, if any, between the final agreement and the rejected agreement (first rejection in multiple rejection cases). The data are:

	<u>Number of Cases</u>	<u>Percentage of Total</u>
Original agreement accepted later without change	209	14%
Package rearranged in some one or more particulars at no additional cost	300	19%
Minor addition (less than one cent per hour per year)	<u>212</u>	<u>14%</u>
Sub-total	721	47%
Addition of one cent per hour per year or more	<u>822</u>	<u>53%</u>
Totals	1543	100%

The first three groups (47 percent of the total) can properly be discussed jointly as cases in which no appreciable monetary gain was secured by employees that could be traced, directly or indirectly, to the fact of a rejection. This is literally true in 33 percent of the cases. In the remaining 14 percent, the monetary gains were minimal.

In the remaining 53 percent of the cases, there was monetary gain, estimated by the mediators to exceed one cent per year.

Cost estimates made by the parties frequently differ on many items (pensions, etc.) even in the larger and more sophisticated bargaining relationships. At many medium- or small-sized plants where the parties are accustomed to bargain only in terms of benefits, the mediator had to estimate cost differences to answer these questions. For both reasons, no claim is made that these answers are precise.

It should also be noted that some probable inflation in these rejection totals, discussed earlier, has some significant effect on this point. In analysis of the questionnaires, we made some correlations in the cases where appreciable monetary improvement was reported with such items as whether actual recommendations were made and whether the rejection was a strategic maneuver. These correlations, together with further direct probing about specific cases, were the primary reasons for concluding that the totals are somewhat inflated.

As related to the point under discussion here, it is fairly clear that some appreciable number of cases, possibly as many as

100, were not properly recorded as rejections of bona fide tentative agreements. On this premise, the probable split between the two groups is on about a 50-50 percent basis.

The obvious relevance of these questions to the over-all rejection problem can be stated candidly: "Did the rejection pay off for employees?"

It was noted earlier (page 10 and Table VI) that no strike occurred in 61.7 percent of the total cases involving a rejection. In these cases, negotiations were prolonged but the only additional cost to the union or the employees was the additional negotiation committee costs, costs of meetings, ballots, etc.

This means, in substance, that the money improvement, if any, in these no-strike rejection cases accrued to employees at limited additional cost. The companies made the improvements, if any, to avoid a strike.

The picture is different in all the strike rejection cases. The strike occurred or was prolonged because of the rejection. Strike time losses were involved for both parties.

How much additional strike time loss was involved? One of the items in the questionnaire answers that question.

If we correlate the monetary gain data with the additional strike time loss for strike rejection cases only, the data are:

Strike Rejection Cases

Monetary Change, if Any	Number of Cases	Percentage of Total	Additional Strike Days Lost	
			Mean	Average
Original agreement accepted later without change	70	12%	(a)	(a)
Package rearranged in one or more particulars at no additional cost	106	18%	(a)	(a)
Minor additional (less than one cent per hour per year)	<u>80</u>	<u>13%</u>	<u>(a)</u>	<u>(a)</u>
Sub-totals	256	43%	10	19
Addition of one cent per hour per year or more	<u>344</u>	<u>57%</u>	13	21½
Totals	600	100%		

(a) Not computed separately--see sub-total

It will be noted that there is a substantial difference between the mean days and the average days of additional strike time. This is due to the fact that a minority of these strikes were very long but there was a cluster around the mean.

A few conclusions can be reached.

In 43 percent of the cases, the money or fringe improvements, if any, were very minor and the strike time losses were incurred or prolonged for an average of nineteen calendar days (two and one-half weeks). Few, if any, of these rejections "paid off" in any monetary way to employees. To the contrary, prolongation of the strike or the fact of a strike without subsequent improvements of consequence resulted in a net loss to employees by almost any measure of calculation.

The other 57 percent of the cases (or 50 percent if corrected in view of the preceding discussion) present a varied picture. Some of these cases involving money improvements close to one cent per hour per year and long strikes cannot be characterized as gains for employees. At the other extreme, substantial money improvements occurred after reasonably short additional strike time. No attempt has been made to analyze this variegated picture.

In all cases, a membership rejection in a strike case was a negative event for the companies involved except as it can be maintained that an unproductive strike for employees may promote future labor peace.

VII. SUGGESTED SOLUTIONS

The principal purpose of this paper is to outline the problems associated with membership rejections. The basic problem has many facets. Even as respects any one distinguishable specific problem area (type of membership meeting, to select a minor one), there is no one best solution.

For the most part, solutions must be devised by the union and company involved within the framework of a specific situation.

One generalized answer has been suggested. It is a direct approach, namely, to eliminate ratification by union membership. This method is currently in effect under some union constitutions. Or, more commonly, the ratification group is an official grouping larger than the negotiating committee but very substantially smaller than the membership. In support of this suggestion is the fact that

our political democracy is a representative democracy, not a town meeting form of government.

This suggestion deserves serious consideration. However, it is a solution that has limited utility. In the first place, union constitutional changes would be required that would be difficult to achieve. Secondly, any such solution would not eliminate the bulk of the causes of rejections. It would simply channel those dissatisfactions towards more frequent changes of union leadership with direct or implicit instructions to be "tougher" at the next negotiations. Finally, in matters that have such a direct effect on every employee, membership ratification of a proposed agreement has a strong stabilizing effect on day-by-day operations during the life of the agreement.

Since the need for membership ratification is likely to continue, major attention must be directed to solutions to the problem areas disclosed by this study.

Do unions have an educational and communication job to do with the membership? The obvious answer is "yes." Some things are being done. Much more needs to be done.

Do companies have responsibilities? Again, the obvious answer is "yes," especially as respects day-by-day relationships in the plants and structuring of agreement terms to meet employee needs.

Do mediators have any responsibilities? Not long ago, the mediator's primary and almost sole interest was in a tentative agreement. Once that agreement was reached, little or no thought was given to the union job of securing the ratification. As the

rejection problem has increased, it becomes important for the mediator and both parties to give careful attention to a possible ratification problem and to help structure the agreement and the procedures to create maximum probability of acceptance. This is not the place to outline in detail what the mediator should or should not attempt to do in this area.

VIII. CONCLUSIONS

It is time now to "accentuate the positive" and to attempt to put the rejection problem in proper perspective.

In the same "active" cases utilized as the basis for this study, union membership did accept the first "bona fide tentative settlement" in the great majority of instances. The data on page 7, reversed to show acceptances are:

<u>Fiscal Year</u>	<u>Total Joint-Meeting Cases</u>	<u>Total Cases Involving Acceptance of First Tentative Agreement</u>	<u>Acceptance Percentage</u>
1964	7,221	6,592	91.3%
1965	7,445	6,699	90.0%
1966	7,836	6,918	88.3%
1967	7,193	6,174	85.8%

A small minority of these acceptances did not require a membership vote. However, the membership did vote most of these acceptances.

Moreover, the total of all agreements negotiated would show substantially higher percentages of acceptance.

In short, serious as the rejection problem may be, it arises in a distinct minority of cases. The collective bargaining institution, including membership ratification, is continuing to perform its function.

The rejection problem is a shadow over the process. Everybody who works actively within the collective bargaining sphere has a responsibility to see to it that the shadow does not become an ominous cloud.

It should also be emphasized that the two years covered by the study were years of unusual turbulence in labor relations. After a reasonably long period of relative price stability, sharply rising living costs were creating strong pressures. Declining unemployment created more alternatives for workers. The new, younger workers had not yet become assimilated into the industrial community. We were in a war economy without the forms of control that existed in World War II and during the Korean War.

Despite all these pressures, strike losses during these two years were only 0.19 percent of time worked.

As one looks at the total picture, it may well be that the membership rejection problem, serious as it has been, has been a type of psychological "escape valve" that may have averted even more adverse manifestations.

FOOTNOTES

¹Labor Management Relations Act, 1947, Title II, Section 203(c).

²New York Times, May 16, 1962.

³Union Constitutions and Collective Bargaining Procedures. Herbert J. Lahne, Labor-Management Services Administration, U. S. Department of Labor, September 1967.

⁴Problems of Ratification. Clyde W. Summers, American Arbitration Association.

Table I

TENTATIVE SETTLEMENT REJECTIONS
BY MONTHS
Percentage of Closed "Active" Cases Which Involved Rejections

<u>FISCAL YEAR 1966</u>	TOTAL ACTIVE CASES CLOSED	CASES WITH REJECTIONS	PERCENTAGE
July, 1965	710	74	10.4 %
August	683	81	11.9
September	706	82	11.6
October	694	75	10.8
November	598	54	9.0
December	554	63	11.4
January, 1966	403	39	9.7
February	425	56	13.2
March	636	78	12.3
April	661	80	12.1
May	818	103	12.6
June	948	133	14.0
Totals	7836	918	11.7 %
<u>FISCAL YEAR 1967</u>			
July, 1966	662	128	19.3 %
August	689	123	17.9
September	590	94	15.9
October	647	94	14.5
November	565	91	16.1
December	464	62	13.4
January, 1967	415	49	11.8
February	455	51	11.2
March	526	55	10.5
April	646	80	12.4
May	707	85	12.0
June	827	107	12.9
Totals	7193	1019	14.2 %
<u>FISCAL YEAR 1968</u>			
July, 1967	633	73	11.5 %
August	693	101	14.6
September	527	73	13.8

Table II

TENTATIVE SETTLEMENT REJECTIONS
IN FMCS REGIONS

* * *

PERCENTAGE OF JOINT MEETING CASES
WHICH INVOLVED REJECTIONS

	<u>Fiscal 1966</u>	<u>Fiscal 1967</u>
<u>New York Region</u>	13 %	13 %
FMCS Offices in the Following Cities:		
New York City, N.Y.	Providence, R.I.	
Hempstead, L.I.	Concord, N.H.	
Newark, N.J.	Albany, N.Y.	
Boston, Mass.	Syracuse, N.Y.	
Worcester, Mass.	Buffalo, N.Y.	
Hartford, Conn.		
<u>Philadelphia Region</u>	15 %	16 %
FMCS Offices in the Following Cities:		
Philadelphia, Pa.	Harrisburg, Pa.	
Trenton, N.J.	Allentown, Pa.	
Erie, Pa.	Baltimore, Md.	
Pittsburgh, Pa.	Washington, D.C.	
Parkersburg, W. V.	Richmond, Va.	
<u>Atlanta Region</u>	9 %	11 %
FMCS Offices in the Following Cities:		
Atlanta, Ga.	Chattanooga, Tenn.	
Birmingham, Ala.	Knoxville, Tenn.	
Mobile, Ala.	Charlotte, N.C.	
New Orleans, La.	Jacksonville, Fla.	
Memphis, Tenn.	Tampa, Fla.	
Nashville, Tenn.	Miami, Fla.	
<u>Cleveland Region</u>	10 %	12 %
FMCS Offices in the Following Cities:		
Cleveland, Ohio	Louisville, Ky.	
Akron, Ohio	Detroit, Mich.	
Toledo, Ohio	Saginaw, Mich.	
Columbus, Ohio	Grand Rapids, Mich.	
Dayton, Ohio	Kalamazoo, Mich.	
Cincinnati, Ohio		

	<u>Fiscal 1966</u>	<u>Fiscal 1967</u>
<u>Chicago Region</u>	10 %	16 %

FMCS Offices in the Following Cities:

Chicago, Ill.	Evansville, Ind.
Peoria, Ill.	Milwaukee, Wisc.
Rockford, Ill.	Green Bay, Wisc.
South Bend, Ind.	Minneapolis, Minn.
Indianapolis, Ind.	

<u>St. Louis Region</u>	7 %	10 %
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FMCS Offices in the Following Cities:

St. Louis, Mo.	Oklahoma City, Okla.
Cedar Rapids, Iowa	Springfield, Mo.
Des Moines, Iowa	Little Rock, Ark.
Omaha, Neb.	Dallas, Texas
Kansas City, Mo.	Houston, Texas
Wichita, Kans.	

<u>San Francisco Region</u>	14 %	20 %
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FMCS Offices in the Following Cities:

San Francisco, Cal.	Spokane, Wash.
Los Angeles, Cal.	Great Falls, Mont.
San Diego, Cal.	Salt Lake City, Utah
Fresno, Cal.	Denver, Colo.
Seattle, Wash.	Phoenix, Ariz.
Portland, Oregon	Albuquerque, N. M.

Table III

TENTATIVE SETTLEMENT REJECTIONS
BY TYPE OF CASE

TYPE CASE	Fiscal 1966			Fiscal 1967			Fiscal 1966 & 1967		
	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE
Initial Contracts	1210	94	7.8	1056	83	7.9	2266	177	7.8
Reopenings	375	31	8.3	224	24	10.7	599	55	9.2
Renewals	5934	781	13.2	5647	905	16.0	11581	1686	14.6
Jur. & Recognition	3	-	-	5	-	-	8	-	-
Grievance	314	12	3.8	261	7	2.7	575	19	3.3
Totals	7836	918	11.7	7193	1019	14.2	15029	1937	12.9

Initial Contracts
Contract Renewals & Reopenings
Grievances & Others

2266	177	7.8
12180	1741	14.3
583	19	3.3
15029	1937	12.9

Table IV

TENTATIVE SETTLEMENT REJECTIONS
BY DURATION OF BARGAINING RELATIONSHIP

<u>DURATION OF BARGAINING RELATIONSHIP</u>	<u>NUMBER OF REJECTION CASES - FISCAL 1966 & 1967</u>	<u>PERCENTAGE OF TOTAL</u>
Initial contract	125	8 %
1 to 5 years	216	14
5 to 10 years	383	26
10 to 20 years	533	35
Over 20 years	213	14
Completely unknown	50	3
Totals	<u>1520</u>	<u>100 %</u>

Table V

TENTATIVE SETTLEMENT REJECTIONS BY SIZE OF BARGAINING UNIT

	<u>Fiscal 1966</u>				<u>Fiscal 1967</u>				<u>Fiscal 1966 & 1967</u>		
	TOTAL ACTIVE <u>CASES</u>	TENTATIVE SETTLEMENT <u>REJECTIONS</u>	<u>PERCENTAGE</u>		TOTAL ACTIVE <u>CASES</u>	TENTATIVE SETTLEMENT <u>REJECTIONS</u>	<u>PERCENTAGE</u>		TOTAL ACTIVE <u>CASES</u>	TENTATIVE SETTLEMENT <u>REJECTIONS</u>	<u>PERCENTAGE</u>
<u>WORKERS</u>											
1000 or more	425	58	13.6		391	55	14.1		816	113	13.8
500 to 999	495	80	16.2		427	74	17.3		922	154	16.7
100 to 499	2800	355	12.7		2538	425	16.7		5338	780	14.6
50 to 99	1556	183	11.8		1410	195	13.8		2966	378	12.7
1 to 49	2560	242	9.5		2427	270	11.1		4987	512	10.3
TOTALS	<u>7836</u>	<u>918</u>	<u>11.7</u>		<u>7193</u>	<u>1019</u>	<u>14.2</u>		<u>15029</u>	<u>1937</u>	<u>12.9</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>		<u>=====</u>	<u>=====</u>	<u>=====</u>		<u>=====</u>	<u>=====</u>	<u>=====</u>

Table VI

TENTATIVE SETTLEMENT REJECTIONS BY STRIKE OCCURRENCE

OCCURRENCE	Fiscal 1966			Fiscal 1967			Fiscal 1966 & 1967		
	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE	TOTAL ACTIVE CASES	TENTATIVE SETTLEMENT REJECTIONS	PERCENTAGE
Nonstrike Cases	6001	562	9.4	5292	634	12.0	11293	1196 (61.7%)	10.6
Strike Cases	1835	356	19.4	1901	385	20.3	3736	741 (38.3%)	19.8
All Cases	<u>7836</u>	<u>918</u>	<u>11.7</u>	<u>7193</u>	<u>1019</u>	<u>14.2</u>	<u>15029</u>	<u>1937 (100%)</u>	<u>12.9</u>

APPENDIX A

SPECIAL STUDY - REJECTION OF TENTATIVE AGREEMENT - JOINT MEETING CASES

1. Employer _____ Union _____

Location _____ No. of Employees in B.U. _____ Est. _____

Mediator _____ File No. _____

2. Mediator's Estimate of Underlying Cause of Rejection:

(Please place an "X" in the more appropriate box, if able to make judgement, or, if both were major factors, indicate priority by marking "1" and "2".)

(Also explain the entry by checking the applicable line below, if able.)

(If more than one explanation involved, indicate importance by numbering 1,2,3,etc.)

☐

Background Cause

Explanation:

- ___ Dissatisfaction of skilled workers over agreement
- ___ Dissatisfaction of other group; _____
- ___ Failure to resolve local issues in Nat'l negotiation
- ___ Effects of other agreements reached elsewhere
- ___ Politics within the union
- ___ Reaction of membership to prior company policies
- ___ Leaders had made excessive promises
- ___ Leaders hadn't understood real feeling of membership
- ___ Leaders hadn't kept members informed during negotiations
- ___ Other (Explain below)

☐

Ratification Procedure Cause

Explanation:

- ___ Leaders didn't actually recommend Agreement
- ___ Type of Vote
(If checked, explain below:)
Referendum _____
Secret Ballot _____
Show of hands _____
Standing _____
- ___ Time Lapse Between Agr't & Vote
(If checked, explain below:)
Vote same day _____
Lapse 1 day _____
Lapse 2 to 3 days _____
Lapse 3 to 7 days _____
Lapse week or over _____
- ___ Type of Meeting
(If checked, explain below:)
Stop-Work meeting _____
Weekend meeting _____
Before or after Work _____
- ___ Terms Disclosure
(If checked, explain below:)
Prior to Mtg. Orally _____
Prior to Mtg. In writing _____
At meeting Orally _____
At meeting In writing _____
___ Other (explain at left)

3. Difference Between Rejected and Final Settlements:

(Please check the blank which in your judgement is most appropriate; also indicate the number of days between rejection of the first agreement and acceptance of final agreement.)

- ___ No change; original agreement finally accepted
- ___ Rearranged package accepted (No important addition, but may include moving benefits forward)
- ___ Addition(a) (Example; package less that 1¢ per hr. per yr.; i.e. less that 3¢ in 3 yrs.)
- ___ Addition(b) (Example; 1¢ to 3¢ per hr. per yr.)
- ___ Addition(c) (Example; more than 3¢ per hr. per yr.)

Elapsed time between rejection and acceptance in days: _____

(If, not a monetary change, use judgement in recording as parallel to a,b,or c)

4. When Rejection Occurred:

All Cases:

- ☐ Before any mediation conference
☐ After one or more mediation conferences
☐ How many times was settlement rejected?

Strike Cases:

- ☐ Before Strike
☐ After Strike

5. Was the rejection of the tentative agreement a tactical maneuver on the part of the union? (Check One.)

- ☐ Yes
☐ No

6. (a) Major Issue of Rejection:

- | | |
|---|--|
| ☐ Wages | ☐ Pensions-Insurance |
| ☐ Union Security | ☐ Welfare |
| ☐ Seniority | ☐ Management Prerogatives |
| ☐ Grievance Proc.-Arb. | ☐ Duration of Contract |
| ☐ Guarantees | ☐ Job Classification |
| ☐ Vacations, Holidays | ☐ Working Conditions |
| ☐ Hours, Overtime | ☐ Other (Cite) |

7. Mediator's Estimate of Length of Bargaining Relationship:

- | | |
|--|---|
| ☐ Initial Contract | ☐ 10 to 20 years of contract |
| ☐ 1 to 5 years of contract | ☐ Over 20 years of contract |
| ☐ 5 to 10 years of contract | ☐ Completely unknown |

8. Special Study Form Will Not be Completely Filled in:

- a. ☐ Mediator who wrote final report is no longer in region.
b. ☐ Case did not involve rejection; IBM must have erred.
c. ☐ Mistake was made in checking final report as a "Rejection of a Tentative Agreement."

(Item "c" will be marked by mediator, if applicable.)

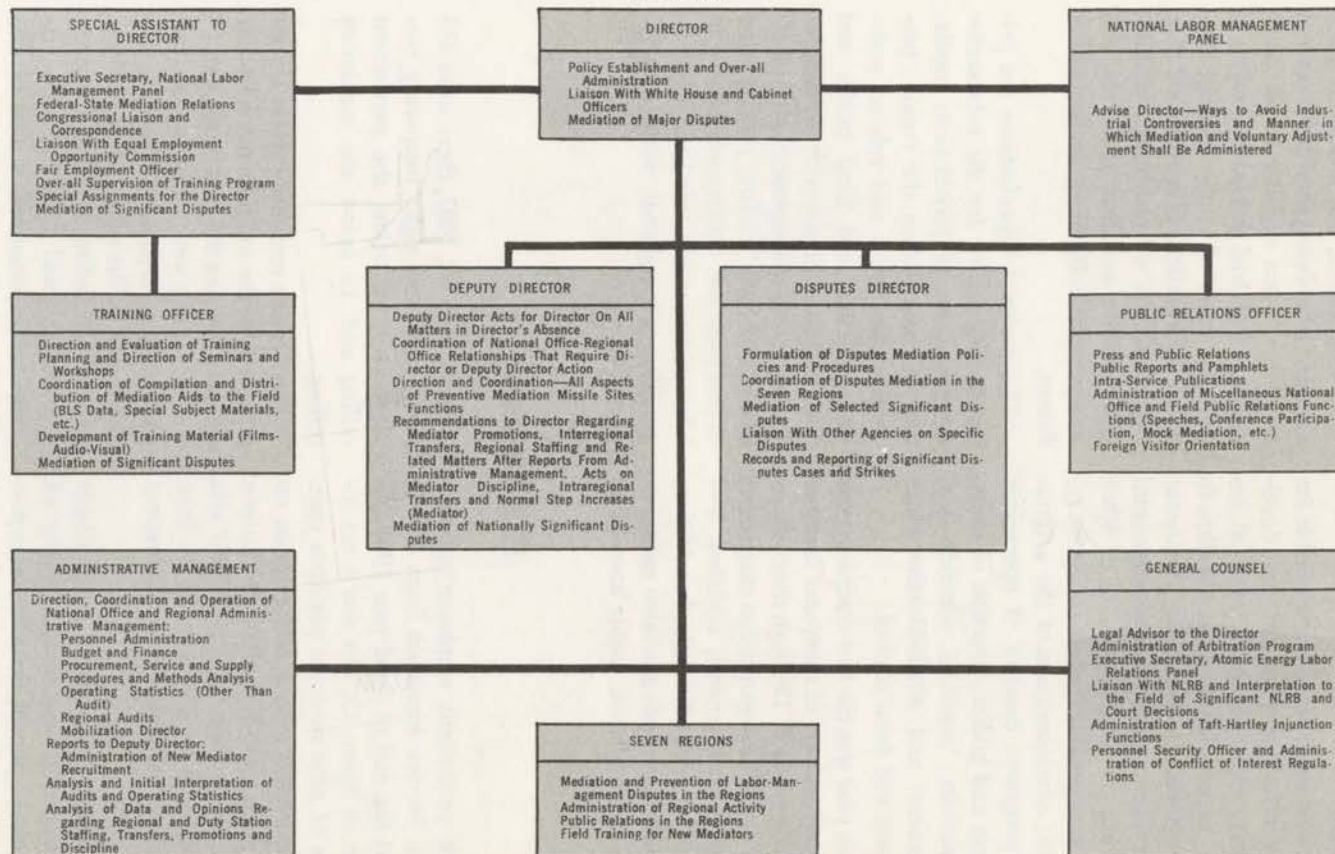
(Item "a" or "b" may be marked by the regional office, if applicable, and sent directly to the National Office without forwarding to the mediator.)

Additional Information (only if necessary)

Notes:

1. This form may be filled in by hand with pen or pencil and is to be sent directly to the national office.
2. If the final report was in error in containing an "X" in the space for "Tentative Settlement Rejected," through an oversight in typing, in interpreting the report form, or for any other reason, now is the time to correct it by checking "c" above. In a case of this type, send this special form with only sections 1 and 8(c) filled in.

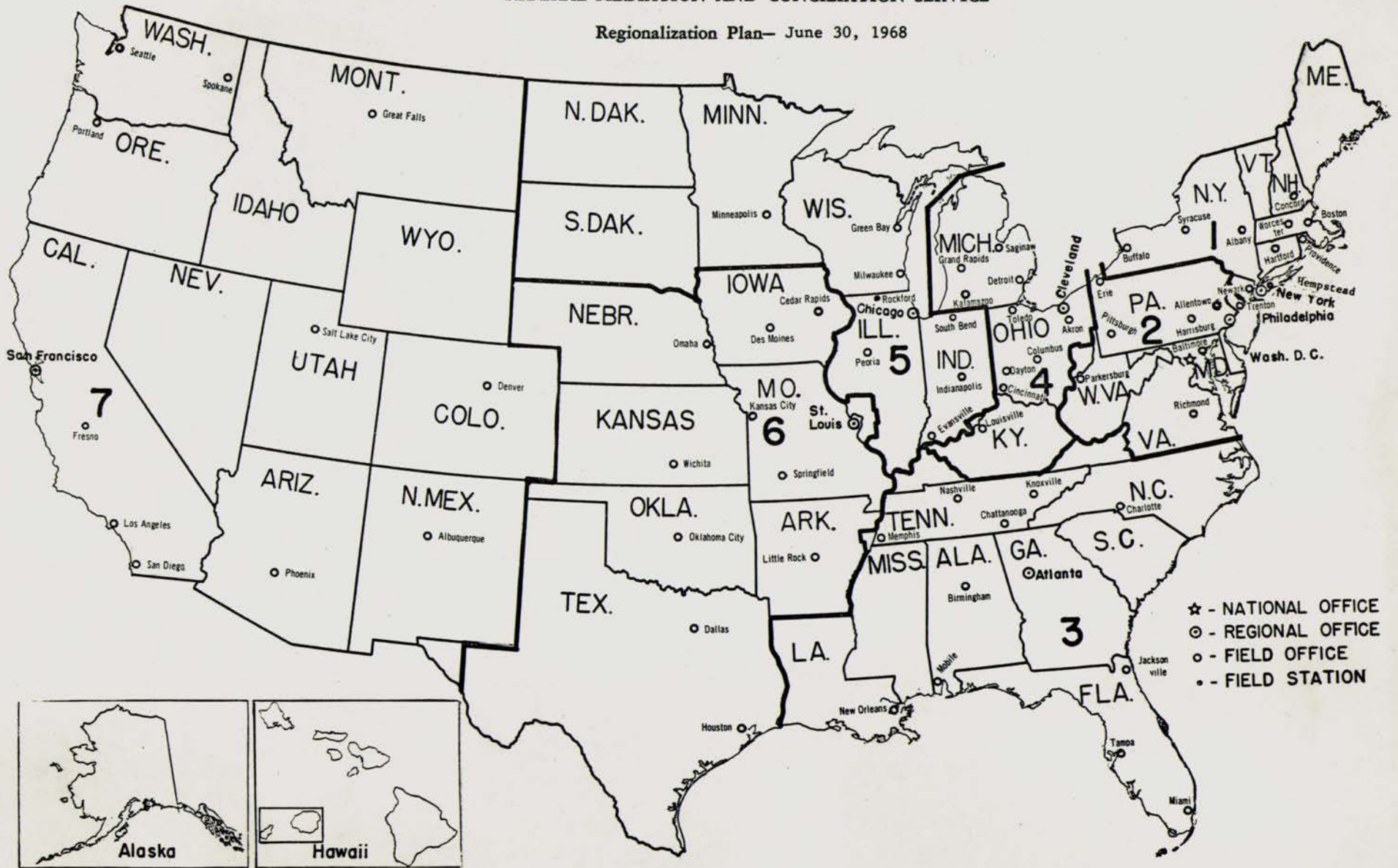
FEDERAL MEDIATION AND CONCILIATION SERVICE
June 30, 1967



APPENDIX D - FUNCTIONAL CHART

FEDERAL MEDIATION AND CONCILIATION SERVICE

Regionalization Plan— June 30, 1968



PERMANENT EMPLOYEES OF THE FEDERAL MEDIATION AND CONCILIATION SERVICEBY TYPE OF POSITION, 1963 - 1968

Type Position	June 30 1963	June 30 1964	June 30 1965	June 30 1966	June 30 1967	June 30 1968	December 31 1968
Departmental:	59	64	64	66	66	72	
Administrative and Clerical Class	47	52	51	52	53	55	
Mediator Class	12	12	13	14	13	17	
Field:	331	339	349	360	369	374	
Administrative and Clerical Class	87	87	90	91	95	95	
Mediator Class	244	252	259	269	274	279	
Total	390	403	413	426	435	446	

**Code of
Professional Conduct
for Labor Mediators**



Adopted jointly by the Federal Mediation and Conciliation Service of the United States and the several state agencies represented by the Association of Labor Mediation Agencies

**Code of
Professional Conduct
for Labor Mediators**



Adopted jointly by the Federal Mediation and Conciliation Service of the United States and the several State agencies represented by the Association of Labor Mediation Agencies

LIAISON COMMITTEES

FEDERAL MEDIATION AND CONCILIATION SERVICE

WILLIAM E. SIMKIN,
Director, Chairman

ROBERT H. MOORE,
Deputy Director

WALTER A. MAGGIOLO,
*Director of
Mediation Activities*

HERBERT SCHMERTZ*
*Special Assistant
to the Director*

*WILLOUGHBY ABNER
has replaced
Schmertz as Special
Assistant to the Di-
rector of the FMCS,
and as a member of
the FMCS Liaison
Committee.

ASSOCIATION OF LABOR MEDIATION AGENCIES

CHARLES T. DOUDS,
*Director,
Bureau of Mediation,
Pennsylvania, Chairman*

ARVID ANDERSON,
*Commissioner,
Wisconsin Employment
Relations Board*

ARLIS R. FANT,
*Commissioner,
Department of Labor,
Alabama*

THOMAS R. NICOLOPULOS,
*Supervisor,
State Conciliation Service,
California*

ROBERT L. STUTZ,
*Board of Mediation and
Arbitration, Connecticut*

Foreword

The mediation process helps promote economic freedom in assisting labor and management resolve collective bargaining controversies. The practitioners of labor mediation, therefore, have a high professional responsibility to the parties, to the public and to fellow mediators.

Representatives of the Federal Mediation and Conciliation Service and the Association of Labor Mediation Agencies, in consideration of these requirements, decided at a meeting held in November 1963 at Hollywood, Fla., to attempt to write a set of canons embodying the moral and professional duties and responsibilities of mediators.

Liaison Committees representing the FMCS and ALMA were established and, after a series of meetings, this Code was drafted and thereafter adopted by the two organizations at Minneapolis, Minn., in September 1964.

Principles enunciated in the Code will advance the acceptance and usefulness of the labor mediation process to the parties and to collective bargaining generally.

Preamble

The practice of mediation is a profession with ethical responsibilities and duties. Those who engage in the practice of mediation must be dedicated to the principles of free and responsible collective bargaining. They must be aware that their duties and obligations relate to the parties who engage in collective bargaining, to every other mediator, to the agencies which administer the practice of mediation, and to the general public.

Recognition is given to the varying statutory duties and responsibilities of the city, State and Federal agencies. This code, however, is not intended in any way to define or adjust any of these duties and responsibilities nor is it intended to define when and in what situations mediators from more than one agency should participate. It is, rather, a personal code relating to the conduct of the individual mediator.

This code is intended to establish principles applicable to all professional mediators employed by city, state or federal agencies or to mediators privately retained by parties.

I | The Responsibility of the Mediator to the Parties

The primary responsibility for the resolution of a labor dispute rests upon the parties themselves. The mediator at all times should recognize that the agreements reached in collective bargaining are voluntarily made by the parties. It is the mediator's responsibility to assist the parties in reaching a settlement.

It is desirable that agreement be reached by collective bargaining without mediation assistance. However, public policy and applicable statutes recognize that mediation is the appropriate form of governmental participation in cases where it is required. Whether and when a mediator should intercede will normally be influenced by the desires of the parties. Intercession by a mediator on his own motion should be limited to exceptional cases.

The mediator must not consider himself limited to keeping peace at the bargaining table. His role should be one of being a resource upon which the parties may draw and, when appropriate, he should be prepared to provide both procedural and substantive suggestions and alternatives which will assist the parties in successful negotiations.

Since mediation is essentially a voluntary process, the acceptability of the mediator by the parties as

a person of integrity, objectivity, and fairness is absolutely essential to the effective performance of the duties of the mediator. The manner in which the mediator carries out his professional duties and responsibilities will measure his usefulness as a mediator. The quality of his character as well as his intellectual, emotional, social and technical attributes will reveal themselves by the conduct of the mediator and his oral and written communications with the parties, other mediators and the public.

2

The Responsibility of the Mediator Toward Other Mediators

A mediator should not enter any dispute which is being mediated by another mediator or mediators without first conferring with the person or persons conducting such mediation. The mediator should not intercede in a dispute merely because another mediator may also be participating. Conversely, it should not be assumed that the lack of mediation participation by one mediator indicates a need for participation by another mediator.

In those situations where more than one mediator is participating in a particular case, each medi-

ator has a responsibility to keep the others informed of developments essential to a cooperative effort and should extend every possible courtesy to his fellow mediator.

The mediator should carefully avoid any appearance of disagreement with or criticism of his fellow mediator. Discussions as to what positions and actions mediators should take in particular cases should be carried on solely between or among the mediators.

3

The Responsibility of the Mediator Toward His Agency and His Profession

Agencies responsible for providing mediation assistance to parties engaged in collective bargaining are a part of government. The mediator must recognize that, as such, he is part of government. The mediator should constantly bear in mind that he and his work are not judged solely on an individual basis but that he is also judged as a representative of his agency. Any improper conduct or professional shortcoming, therefore, reflects not only on the individual mediator but upon his employer and, as such, jeopardizes the effectiveness of his agency,

other government agencies, and the acceptability of the mediation process.

The mediator should not use his position for private gain or advantage, nor should he engage in any employment, activity, or enterprise which will conflict with his work as a mediator, nor should he accept any money or thing of value for the performance of his duties—other than his regular salary—or incur obligations to any party which might interfere with the impartial performance of his duties.

4

The Responsibility of the Mediator Toward the Public

Collective bargaining is in essence a private, voluntary process. The primary purpose of mediation is to assist the parties to achieve a settlement. Such assistance does not abrogate the rights of the parties to resort to economic and legal sanctions. However, the mediation process may include a responsibility to assert the interest of the public that a particular dispute be settled; that a work stoppage be ended; and that normal operations be resumed. It should be understood, however, that the mediator

does not regulate or control any of the content of a collective bargaining agreement.

It is conceivable that a mediator might find it necessary to withdraw from a negotiation, if it is patently clear that the parties intend to use his presence as implied governmental sanction for an agreement obviously contrary to public policy.

It is recognized that labor disputes are settled at the bargaining table; however, the mediator may release appropriate information with due regard (1) to the desires of the parties, (2) to whether that information will assist or impede the settlement of the dispute and (3) to the needs of an informed public.

Publicity shall not be used by a mediator to enhance his own position or that of his agency. Where two or more mediators are mediating a dispute, public information should be handled through a mutually agreeable procedure.

5

The Responsibility of the Mediator Toward the Mediation Process

Collective bargaining is an established institution in our economic way of life. The practice of mediation requires the development of alternatives

which the parties will voluntarily accept as a basis for settling their problems. Improper pressures which jeopardize voluntary action by the parties should not be a part of mediation.

Since the status, experience, and ability of the mediator lend weight to his suggestions and recommendations, he should evaluate carefully the effect of his suggestions and recommendations and accept full responsibility for their honesty and merit.

The mediator has a continuing responsibility to study industrial relations to improve his skills and upgrade his abilities.

Suggestions by individual mediators or agencies to parties, which give the implication that transfer of a case from one mediation "forum" to another will produce better results, are unprofessional and are to be condemned.

Confidential information acquired by the mediator should not be disclosed to others for any purpose or in a legal proceeding or be used directly or indirectly for the personal benefit or profit of the mediator.

Bargaining positions, proposals, or suggestions given to the mediator in confidence during the course of bargaining for his sole information should not be disclosed to the other party without first securing permission from the party or person who gave it to him.

APPENDIX H

1947



1967

FEDERAL MEDIATION AND CONCILIATION SERVICE

20TH ANNIVERSARY REPORT • 1947-1967

FISCAL YEAR
1967

1947



1967

FEDERAL MEDIATION AND CONCILIATION SERVICE

20TH ANNIVERSARY REPORT • 1947-1967

FISCAL YEAR
1967

REGIONAL OFFICES

Region 1.—FRANK H. BROWN, Regional Director

Room 1101-11th Floor East, 346 Broadway, New York, N.Y. 10013.

Maine; New Hampshire; Vermont; Connecticut; Rhode Island; Massachusetts; New York; and Northern New Jersey counties of Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset, Sussex, and Union.

Region 2.—ROBERT W. DONNAHOO, Regional Director

5021 U.S. Courthouse and Post Office Building, Ninth and Chestnut Streets, Philadelphia, Pa. 19107.

Pennsylvania; Delaware; Maryland; District of Columbia; West Virginia; Southern New Jersey counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Warren, Hunterdon, Mercer, Monmouth, and Salem; Virginia counties of Allegheny, Botetourt, Roanoke, Franklin, Henry and all east of these counties; and southeastern Ohio counties of Belmont, Monroe, Washington, Noble, and Guernsey.

Region 3.—WILLIAM S. PIERCE, Regional Director

154 Peachtree at Seventh Street Building, 50 Seventh Street NE., Atlanta, Ga. 30323.

Western Virginia counties of Lee, Wise, Scott, Dickenson, Buchanan, Russell, Washington, Tazewell, Smyth, Bland, Wythe, Grayson, Carroll, Pulaski, Giles, Craig, Montgomery, Floyd, and Patrick; Southwest Kentucky counties of Fulton, Hickman, Carlisle, Ballard, McCracken, Graves, Marshall, Calloway, Livingston, Todd, Lyon, Trigg, Caldwell, Crittenden, Union, Webster, Hopkins, Christian, Muhlenberg, Logan, and Simpson; Arkansas (Crittenden County only); Tennessee; North Carolina; South Carolina; Georgia; Florida; Alabama; Mississippi; Louisiana; Puerto Rico; and the Virgin Islands.

Region 4.—JAMES L. MACPHERSON, Regional Director

3059 Federal Building, 1240 East Ninth Street, Cleveland, Ohio 44199.

Indiana (counties of Clark and Floyd); Kentucky (except the counties of Region 3 jurisdiction); Ohio (except the counties under Region 2 jurisdiction); Michigan (lower peninsula; upper peninsula under Region 5 jurisdiction).

Region 5.—CORNELIUS K. CALL, Regional Director

1402 U.S. Courthouse and Federal Office Building, 219 South Dearborn Street, Chicago, Ill. 60604.

Illinois (except the counties under Region 6 jurisdiction); Indiana (except Clark and Floyd Counties under Region 4 jurisdiction); Wisconsin; Minnesota; North Dakota; South Dakota; and Michigan (upper peninsula; lower peninsula under Region 4 jurisdiction).

Region 6.—PAUL E. BOWERS, Regional Director

3266 Federal Building, 1520 Market Street, St. Louis, Mo. 63103.

Iowa; Missouri; Southwest Illinois (counties of Calhoun, Greene, Jersey, Madison, Macoupin, Monroe, Randolph, and St. Clair); Arkansas (except Crittenden County); Nebraska; Kansas; Oklahoma and Texas (except El Paso and Hudspeth Counties under Region 7 jurisdiction).

Region 7.—EDWIN W. SCOTT, Regional Director

13471 New Federal Office Building, 450 Golden Gate Avenue, Post Office Box 36007, San Francisco, Calif. 94102.

Washington; Oregon; California; Idaho; Montana; Wyoming; Nevada; Utah; Colorado; Arizona; New Mexico; Southwest Texas (counties of El Paso and Hudspeth); Alaska; Hawaii; and Guam.

LETTER OF TRANSMITTAL

FEDERAL MEDIATION AND CONCILIATION SERVICE,
OFFICE OF THE DIRECTOR,
Washington, D.C., December 31, 1967

To the Congress of the United States:

In accordance with section 202(c) of the Labor Management Relations Act, 1947, I have the honor to submit the 20th Annual Report of the Federal Mediation and Conciliation Service, for the fiscal year ended June 30, 1967.

Respectfully submitted.

WILLIAM E. SIMKIN, *Director.*

THE FEDERAL MEDIATION AND CONCILIATION SERVICE

WILLIAM E. SIMKIN, *Director*
ROBERT H. MOORE, *Deputy Director*
WILLOUGHBY ABNER, *Special Assistant to the Director*
WALTER A. MAGGIOLO, *Director of Disputes*
MORRIS L. MYERS, *General Counsel*
LAWRENCE E. EADY, *Director of Administrative Management*
NORMAN WALKER, *Public Affairs Officer*

National Labor-Management Panel *Members as of June 30, 1967*

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MR. LEE C. SHAW
Seyfarth, Shaw,
Fairweather & Geraldson
111 West Jackson Boulevard
Chicago, Ill. 60604

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Introduction

TWENTIETH ANNIVERSARY

Twenty years have now passed since the Congress established the Service as an independent agency of Government. The Service was charged with the duty of assisting labor and management in settling controversies, "in order to prevent or minimize interruptions of the free flow of commerce."

This same Act of Congress (known as the Taft-Hartley Act, amending the prior National Labor Relations Act) also declared, as a matter of national policy, that the Service shall make available "full and adequate governmental facilities for conciliation, mediation, and voluntary arbitration" to employers and employee organizations in order to advance industrial peace.

A key word in the charter of the Service is that its role is to assist parties to labor disputes. The act clearly emphasizes voluntarism and renounces compulsion in the area of collective bargaining.

This policy of limiting Government involvement in labor disputes to the persuasive efforts of the Service has been a wise one. Two decades of experience have proved its worth. Collective bargaining has matured in the 32 years that have passed since enactment of the original NLRA in 1935 and this maturity has been increasingly

evident since enactment of the 1947 amendments. Further progress can be expected in this area as labor and management gain more experience in engaging in the bargaining process and in developing problem-solving procedures.

This is not to pretend that the bargaining process is perfect, or ever will be. There are serious and often painful lapses of responsibility and judgment. But these can be corrected. The task is not to repeal or drastically alter the bargaining system, with consequent serious curtailment of the traditional American economic freedom that has served us so well. Rather, the prudent course is to recognize mistakes and learn from them and experiment with improved bargaining procedures. There is an extremely encouraging trend in bargaining innovation that leads to hope for the future.

Before beginning discussion of the operations of the Service during the 1967 fiscal year, one further observation should be made on this anniversary occasion. This involves the increasing acceptability of the Service by employers and labor organizations. The independent nature of the Service and the increasing degree of competence of the mediation staff has led to

greater confidence on the part of the labor-management community in the neutrality and effectiveness of the Fed-

eral mediation process. This may seem like a self-serving statement, but it is nevertheless quite true.

1967 FISCAL YEAR

On June 30, 1967, the Service concluded an extremely busy and active year. Some of the highlights can be briefly stated as follows:

1. An average 335 settlements a week resulted among cases assigned to mediators. Of these, 138 weekly settlements were in active cases involving direct mediator participation in joint negotiations. This active mediation resulted in more than 40 strike settlements per week.

2. Preventive mediation activity in-

creased to 1,175 cases, an increase of over 27 percent compared with 922 in the prior fiscal year (and as compared with 70 preventive cases during fiscal year 1960). This activity is aimed at basic improvement of bargaining relationships.

3. Arbitration caseload rose to a new record level, continuing the upward trend. The Service submitted 7,623 panels of arbitrators, a 22-percent increase over the total for the previous year.

DISPUTES MEDIATION

Labor relations developments during the fiscal year took place in a background of rapidly rising defense production and expenditure. Contract settlements were more difficult but this should not be too surprising in view of the substantial pressures on prices and wages. It is, in fact, remarkable that controls have been avoided and a free economy maintained during this period when an increasingly greater share of the gross national product has been devoted to defense and overseas commitments.

It is a tribute to both management and labor that, under the present economic circumstances, the great preponderance of labor disputes have been settled without work stoppages or with stoppages of moderate duration. In no case has a labor dispute or strike had actual serious effect on the pro-

duction or delivery of weapons or other vital materials or Vietnam.

Time lost due to work stoppages, as a percentage of time worked, increased somewhat during this fiscal year. The data of the Bureau of Labor Statistics are:

Lost Time Due to Stoppages

Month	Percent of time worked
1966:	
July	.29
August	.27
September	.16
October	.19
November	.19
December	.15
1967:	
January	.11
February	.12
March	.12
April	.20
May	.33
June	.36
Average—fiscal year	.21

The average is consistent with the record of the 1960's reflecting a lost-time level substantially below those typical of years in prior decades. However, the rising trend of lost time in the last few months of the fiscal year indicate negotiating troubles ahead in fiscal year 1968.

The table above means that 21/100ths of 1 percent of available work time was lost because of work stoppages (compared with 17/100ths of 1 percent in fiscal year 1966 and 20/100ths in fiscal year 1965). Undoubtedly these stoppages caused inconvenience, hardship, and economic loss in the areas where they occurred. It may be useful, however, to place this negative aspect of the collective bargaining scene in some perspective to the overall picture. This can be done when it is realized that the reverse of the figures above is also true. That is, a total of 99.79 percent of available work time was worked during the fiscal year without interruption due to work stoppages.

After a 2-year period in which no use of the national emergency provisions of the Taft-Hartley Act was required, the provisions were invoked in four instances during the 1967 fiscal year. These all involved relatively small but key defense plants. Settlements were obtained before the expiration of the 80-day court injunctions in each of the four cases (General Electric, Evendale, Ohio; Union Carbide, Kokomo, Ind.; AVCO Corp., Hartford, Conn.; and West Coast shipbuilding disputes which are detailed later in this report).

Perhaps it should be stated parenthetically at this point that never in the 20-year history of the national emer-

gency provisions has it been necessary to carry a labor dispute to the Congress for a solution (several such incidents have occurred, however, with respect to labor relations problems in the transportation field, under the separate Railway Labor Act). In fact, there have been only 28 occasions during the 20 years in which it was necessary for the President to invoke the emergency provisions.

Defense production is more complicated than it used to be. Weapons and space and missile assemblies are extremely complex. A finished item is the result of the coordination of production from many, many sources. This widely dispersed procurement means that a labor dispute at any one of hundreds of subcontractors, many of them relatively small specialized concerns, can be extremely crucial to the military effort at any given moment. Scarcely a week goes by without special mediation effort being devoted to one or several disputes that are critically important but hardly recognized popularly as such at the time. We estimate that during the past fiscal year there were a minimum 60 dispute situations that could have led to national emergency treatment if they had not been settled without a strike, or if those strikes that did occur had been unduly prolonged.

From time to time, impatience over some existing strike situations and despair over some temporary crisis in collective bargaining have led to proposals for a labor court or other type of compulsory arbitration. In this connection it is interesting to examine a recent report of the Industrial Relations Committee of the National Association of Manufacturers which rejected compulsory arbitration outright, saying that

such a system would fail to eliminate strikes and would, inevitably, lead to Government fixing of prices as well as wages. These same reasons against compulsory arbitration have often been advanced by organized labor.

The NAM report also had this to say about the Service:

The expertise and skill of FMCS is an important bulwark of free collective bargaining. It is important that Congress assure the high quality of the Service by—

(1) providing ample funds for full staffing by men of experience and stature, and for periodic professional training; and

(2) reasserting in unmistakable language the independent status of the Service as a separate Federal agency, with exclusive responsibility for governmental intervention.

The professionals on both the labor and management sides are fundamentally opposed to any system of forced solution of collective bargaining differences. Most thoughtful persons share that view. However, it is not difficult to panic public opinion after several disrupting major strikes take place and force a governmental course of action that may later be genuinely regretted.

Thus, it behooves all who believe in free bargaining to support it and make it work more successfully. Labor and management both, by exercising their bargaining freedom with reason and restraint, can assure its continuation and avoidance of any compulsory procedures.

The mediators of this Service are dedicated to the principle of bargaining freedom. They seek to remind the practitioners on both sides of the table, where the occasion seems to call for it, of the responsibilities of the parties to the public interest.

The role of the mediator is to assist through persuasion. He represents the Government, meaning all citizens, as a confidential adviser to both sides in a dispute. He should be well equipped with personal integrity, knowledge of labor relations concepts and practices, a fertile and imaginative mind, and persuasive capability.

But while the mediator can help and often supply the ingredients needed for a mutually acceptable compromise, it is the parties to a labor agreement who necessarily and properly make the final decisions.

This does not mean the mediator lacks any tools. He can puncture exaggerated positions. He can clarify the reality of a situation and make each side more aware of the consequences of its actions. He can suggest alternatives and, in limited situations, even make recommendations for a solution. But the mediator never crosses the line that would take away from the parties their right and obligation to make the final decisions.

Our mediation experience during the past fiscal year was marked by a moderate increase in strike activity and increasing pressures at the bargaining table. The major settlements included new 3-year agreements in the trucking, electrical manufacturing, petroleum, and meatpacking industries.

The trucking negotiations were marked by a development which deserves special mention here. It was a nationwide lockout on the part of the industry employers, after a few scattered and short-lived strikes had harassed the employers. The lockout was by far the largest ever experienced in this country.

Although the lockout did not last long, and work time lost during contract negotiations was held to a minimum, except for more serious idle periods in the Chicago area, the situation was historic.

Coordinated or coalition bargaining is another development of considerable consequence in labor relations. Examples were in the General Electric, Westinghouse, and Union Carbide negotiations discussed later in this report. In each case, unions which in the past had bargained separately with their employer, sought to bargain together to solidify their power, with the employer not too surprisingly resisting. The additional problems created for the mediator are obvious. Where the form of the bargaining is in question it is difficult to get the parties to agree on a basis for holding negotiations. It is hard to get beyond the question of bargaining form and into the actual contract issues. An impasse over the type of representation at the bargaining table often can lead to a long and costly struggle.

A third cause of concern on the current bargaining scene is a rising trend on the part of union memberships to reject the terms of tentative agreements reached between employers and union representatives. Increasingly, the handshake at the bargaining table indicating that negotiators for both sides have reached the best agreement they feel is reasonably possible, will fail in the ratification process.

The rate of such rejections has been the subject of a special FMCS study measuring only the active cases handled by the Service. These are the cases in which the mediator sat in joint sessions with the parties. There were

629 such rejections, or 8.7 percent of active cases in fiscal year 1964; 746 or 10 percent in 1965; 918 or 11.7 percent in 1966, and 1,019 or 14.2 percent in 1967.

Mediators were asked by questionnaires to evaluate the 1,937 rejection cases they handled during the 1966 and 1967 fiscal years. A compilation of their subjective analyses showed that a feeling of workers that they were being "short-changed," that is, the economic terms were insufficient, especially when compared with agreements reached elsewhere, is the major reason for rejections. But there were many other reasons ranked high by the mediators: Union politics, dissatisfaction of skilled workers, leaders misread the true feelings of their memberships, longstanding unrest over management policies, impatience and disillusionment of younger workers. Often a combination of these factors was responsible. The mechanics of ratification, including the type of voting and method of explanation of settlement terms, sometimes had an important bearing.

The rejection problem complicates bargaining since it can disturb the employer's faith that an agreement made with union representatives will actually stand up. Fear of possible rejection may make union leadership less ready to reach a tentative agreement.

This is a problem that will require attention and care by both employers and unions. Much can be done to explain to union members in advance of their decision the reasons why a tentative agreement was reached in order that they may make a reasoned and intelligent decision. The right to accept or reject the proposed terms of

his employment for a period of future years is important, but every effort should be made to secure intelligent decisions.

Further negotiations are required when a rejection occurs. Often the same terms, sometimes on a readjusted basis, are again submitted for ratification. In other cases, settlement terms are increased modestly, and less frequently they are increased substantially. Rejections sometimes result in strikes, but the survey showed that for

PREVENTIVE MEDIATION

The mounting genuine interest of the labor-management community in the preventive mediation program of the Service is most gratifying, and encouraging for the future.

As mentioned earlier, the preventive caseload increased to another new record level during the past fiscal year, rising from 922 to 1,175, or over 27 percent. Numbers alone fail to tell the story, however. It is apparent that the quality and substance of preventive activity has also improved substantially. Moreover, practically the entire mediation staff is participating.

Preventive mediation is the descriptive term used by the Service for its activities under the congressional mandate that the agency cultivate better permanent relationships between parties to labor agreements.

The endorsement and encouragement of the members of the National Labor-Management Panel, advisory to the Director of the Service, has been invaluable. The support of the panel, members of which are all leading prac-

the 2 fiscal years 1966 and 1967 no strikes occurred in nearly two-thirds of the rejection cases.

It should be clearly understood, moreover, that while the rejection rate rose to 14.2 percent of active FMCS cases during the last fiscal year, this rate would be much lower as a percentage of the total of all agreements negotiated annually in the Nation. The active cases tend to be the most difficult of settlement; otherwise the mediator's presence would not be required.

tioners in the act of meaningful collective bargaining, has provided a real impetus in gaining labor-management support for preventive mediation.

More and more labor organizations and employers are recognizing that present-day collective bargaining problems cannot all be solved at the bargaining table once every 2 or 3 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.

Not every preventive effort is completely successful. But mediators are more and more often experiencing situations in which relatively small problems were encountered and mutually solved. Greater problems were then tackled successfully. In a sizable number of cases, given such a working problem-solving technique, an employer and union will extend or renew a contract on mutually satisfactory

terms weeks and months ahead of a scheduled expiration, naturally with no threat of work stoppage.

Evidence is piling up in the preven-

tive case files of the Service that mutual attempt to find a better way to conduct union-management relations will pay off in terms of effort invested.

ARBITRATION

Arbitration is continuing to serve an extremely useful purpose in the day-to-day administration of contract problems.

The volume of requests to the Service for panels of arbitrators from our roster of qualified private professionals is still expanding. Additional staff has been required to handle this considerable caseload.

As noted in the last annual report, questions are being raised by manage-

ment and labor regarding the cost, time required, and other administrative features of the voluntary arbitration system. Undoubtedly arbitrators will have to revise their procedures as experience requires. By and large, however, arbitration of grievances is serving its purpose as a substitute for the exercise of economic power in determining solutions of day-by-day problems.

CONCLUSION

Every effort is being made to improve the service of the agency to labor and management. We are cooperating with the directives of the President to operate in the most efficient and economical manner possible. We are mindful that the work of the Service must be a rewarding investment in better labor relations in our country.

Our efforts for improvement include continuous training and retraining of the mediation staff in the latest problems and solutions in the ever novel and changing labor relations picture. In January of this fiscal year, the Service held a most successful seminar for mediators in Washington in which

many prominent speakers participated. One seminar speaker put into words a deep belief shared by the mediation staff.

This speaker was Ambassador Arthur J. Goldberg, U.S. Representative to the United Nations, and former Secretary of Labor, who said of collective bargaining:

The system we now have, evolutionary as it is, reflects the genius of American democracy in the industrial field. I believe the same judgment can be made of it as Churchill once made of democracy itself, when he said that it is the worst system of government ever devised—except for all the others.

WILLIAM E. SIMKIN,
Director.

Disputes Mediation

HIGHLIGHTS OF THE FISCAL YEAR

In reviewing the events in the field of labor relations during the past fiscal year, it is useful to discuss some of the issues which appear to be new or novel to the collective bargaining scene or issues being given increased emphasis by the parties. Often, such issues are merely re-emerging in somewhat different form.

An outstanding development during the past year has been the increased use by unions of coordinated bargaining which has been designated by some industry representatives as coalition bargaining. Under this concept of bargaining a group of unions affiliated with different Internationals having contracts with the same company, usually a multiplant operation, band together for the purpose of collective bargaining. Such coordination has the objective of achieving increased labor bargaining power and uniformity in contract terms.

Originally union coordination appeared to be confined to areas of advice, consultation, and coordination away from the bargaining table. In many instances, it was confined to the insurance and pension areas. More recently, it has taken the more affirmative form of joint appearance at the bargaining table of representatives of the coordinating unions.

The proponents of coordinated bargaining urge that it is a logical and necessary development to meet the challenge of the large multiplant corporations. They argue that as a result of mergers, amalgamations, and consolidations, corporations have grown in size and bargaining strength. They further claim that because of the high degree of integration of our industrial economy the reasons for maintaining regional and area differentials in wages and working conditions are no longer valid.

The opponents of coordinated bargaining urge that this type of bargaining carries within itself the seeds of its own destruction. They point out that it in effect removes the decision-making from the local level and intrudes upon the sovereignty of each International participating in such bargaining.

Coordinated bargaining has led to a multitude of problems for mediators. Many companies have resisted coordinated bargaining. Such companies normally insist that Commissioners schedule meetings at each separate, local level. Representatives of the union coordinating group usually take the position that such meetings are apt to hinder their bargaining strategy and urge the Service to schedule meetings in a company-wide basis.

The dilemma presented to the Service is apparent. If it schedules a meeting at the local level, the coordinating committee objects. If it attempts to schedule a meeting on a broader basis, the company may feel that the Service is catering to the wishes of the unions.

It is expected that until there is further judicial clarification of the permissible limits of coordinated bargaining, the attendant mediation problems will continue to impede the Service in fulfilling its statutory responsibility.

Outstanding examples of coordinated bargaining experiences during the past fiscal year occurred in the General Electric and Union Carbide negotiations.

This past year has also witnessed the increasing use of the lockout by employers, particularly so where employers had banded together into a bargaining association. Recent administrative and judicial clarifications of the use of the lockout have outlined the permissible use of this economic weapon. One of the outstanding examples of a lockout on a national scale occurred in the national freight (Teamsters Union) negotiations.

It is reasonable to expect that employers will make increasing use of this economic pressure device in future negotiations.

One of the byproducts of the continuing high level of our economy has been the relatively sharp increase in the Consumer Price Index. These rises in the cost of living have focused the attention of many unions on the wage area. This has manifested itself in two respects—first, in seeking general wage increases higher than those obtained in the prior fiscal year and secondly, in insisting that any long-term contract

contain an escalator clause as a safeguard against further cost-of-living increases. The unions argue that the rise in cost of living in the past several years has eroded real wages and that in a number of instances wage increases granted in prior negotiations fell behind the rise in cost of living during the same period. Many companies have resisted such demands on the ground that the fluctuation of the index introduces an unpredictable element in determining the future labor costs involved in manufacturing their products.

Some such issues have been resolved by unions and employers by placing maximum or minimum limits on the amounts payable as a result of living cost changes during the contract period. Also, a fixed allowance for possible future living cost increases has been negotiated in some cases. However the living cost problem may be resolved in negotiations, it is certain to be an increasing union demand in the ensuing year.

One of the most disturbing developments has been the continuation in the upward trend of rejections by the membership of tentative agreements arrived at by the negotiators for companies and unions at the bargaining table. In cases in which mediators participated in joint negotiations, which generally are the cases with the severest problems, the incidence of rejections has risen from 8.7 percent to 14.1 percent in the last 4 years.

This introduces an instability in the bargaining relationship between the company and the union which hampers negotiations and makes settlement difficult. Many students of the field have attempted to find the cause for

this phenomenon. Some of the reasons advanced are—impact of the Landrum-Griffin Act; impairment of the union leadership image resulting from Senate investigations some years ago; the raising of the educational level of the average worker so that he now questions negotiation decisions more closely; failure of union representatives to exercise leadership; the “communication gap,” as disclosed by recent surveys, between rank and file and their representatives, and the general “restiveness against the establishment” prevalent in society generally.

A special study of this problem has been completed by the FMCS, as noted in the introduction. Copies of the complete study will be mailed to interested persons, on request.

To meet this new challenge, the Service has also conducted workshops among its Commissioners to explore techniques which can help minimize the possibilities of such rejections.

In other areas of collective bargaining there has been a continuation of the trends and developments noted in previous reports. Most contracts continue to be of a 3-year duration. While a few instances of 4- and 5-year contracts have been reported, these have been confined, for the most part, to the construction industry.

If, as expected, unions place an increased emphasis on the incorporation of escalator clauses in new agreements, this may have an impact on contract duration. Unions failing to achieve such clauses may be reluctant to agree to a contract of more than a year's duration.

Wages have been and apparently will continue to be a dominant issue in negotiations. Here, again, the increas-

ing pressures of rising living costs have evoked demands for general wage increases substantially higher than those negotiated in prior contracts.

Because of the narrowing differential between skilled employees and the unskilled or semiskilled, brought about in a large measure by past union insistence on across-the-board increases rather than percentage increases, problems relating to the skilled employees have arisen. The shortage of skilled employees and their demand for wage differentials commensurate with their skills are requiring more attention of both labor and management at the bargaining table. It appears to be a fair assumption that one of the issues at most negotiations will be that of a skilled trades differential.

The trend toward longer vacations continued in the past year. A large majority of contracts negotiated provided for a third week vacation after 10 years of service and a fourth week after 20 years. An increasing number of contracts now grant a fifth week, usually after 20 or 25 years of service. A few isolated contracts introduced the concept of 6-week vacations.

In the holiday area, the trend appears to be eight or eight and a half holidays. A sizeable number of settlements provide for nine holidays. As was noted in our last report, there has been a recognition of employee desire to have a long weekend. This tendency has continued and more and more contracts are selecting as the eighth or ninth holiday a day which will produce the “little vacation” for employees. In this connection, it is interesting to note that legislation is under consideration in Congress that would

change dates of most standard holidays to fall on Fridays and Mondays.

In the fringe benefit area, most contracts negotiated this past fiscal year granted additional benefits. Few radically new concepts were introduced at the bargaining table. Most settlements were confined to improvements and expansions of existing plans.

There has been substantial improvements in the benefit level of a number of pension plans. Many provide for \$5-\$5.50 per month per year of service. The concept of early retirement, in one form or another, is fairly widely accepted.

For some time, it has been the practice of many companies to have a separate pension agreement of longer duration than the main labor contract. In the past year there has been a continuing drive by unions to have both the pension and collective bargaining agreement expire at the same time.

Another aftermath of the continuing rise in living costs manifests itself in union demands to apply the escalator principle to retirement programs to avoid erosion of monthly benefits.

It is expected that demands for improvements in pension plans will continue, particularly with respect to shortening time for eligibility and vesting, and increasing benefits to present retirees.

Negotiations in the past year in the insurance area were also characterized by expansions and improvements in existing benefits. This was particularly true in the matter of weekly accident and sickness benefits, hospitalization, and physician's care benefits. An increasing amount of contracts made provision for dental care and outpatient drug benefits. These develop-

ments are a reflection of rapidly rising medical costs.

Supplementary unemployment benefit plans were also improved, especially in the areas of amount and duration of benefits. Opposition to extending benefits was raised in some negotiations on the ground that the device of supplementary unemployment benefits was being utilized as an indirect approach to a guaranteed annual wage.

Even though it did not meet with too great a success, some unions continued their drive for increasing reporting pay from the traditional 4 hours to 8 hours.

Bereavement pay of 2 or 3 days is becoming a common contract provision. It is usually limited to members of the employee's immediate family.

A noteworthy development in labor-management relations resulted from the recognition by the National Labor Relations Board of the right of a union to withdraw from multi-employer bargaining. While the right of individual employers to withdraw from association bargaining, within certain limitations, was recognized for a long period of time, the issue of the correlative right of a union to do so was not raised before the Board until the past year. When the right of a union to do so was recognized, several unions exercised it particularly in the printing and publishing industry. As a result, traditional methods of bargaining were disturbed. In several instances, when the right was exercised, members of the employer association affected took a leaf from the strategy book of trade unions and insisted on their right to be represented by representatives of their own choosing. In these cases,

when unions exercised their right of withdrawal and demanded individual bargaining with each member of an employer association, each member of the association designated the other employers as part of his bargaining team. The long-range advantages of association bargaining, as opposed to the tactical short-range gains resulting from a withdrawal, may make many unions reluctant to exercise their rights of withdrawal.

During the next fiscal year, contracts in the nonferrous, auto, and aero-

space industry will be subject to renegotiation. Assuming the continuation of the present state of our economy and commitment in Vietnam, some of the main thrusts of the union demands will be in the wage area, particularly in substantial across-the-board increases and in special consideration for earnings of skilled workers. Whether these negotiations will produce some significant breakthroughs in the fringe area, it is difficult to predict. Of a certainty, negotiations will be difficult and prolonged.

SPECIFIC CASES OF SIGNIFICANCE

The following cases, reviewed briefly in alphabetical order, have been selected for special comment either because they have relative importance or because they emphasize particular problems and the manner in which these problems were resolved. Some of the cases also serve to illustrate the ever broadening range of techniques presently utilized in the mediation process.

AVCO Corp.

The Lycoming Division of AVCO Corp. manufactures various products for the U.S. Army, Navy, and Air Force. The principal activity of its Stratford, Conn., plant is the production of gas turbine engines, spare parts for such engines and overhaul thereof for the Army. The company is the sole supplier of engines for certain types of helicopters used in Vietnam.

The company employs approximately 8,700 people of whom 4,750 are engaged in production and maintenance

work and are represented by Local 1010 of the United Auto Workers Union (UAW). About 500 other employees are members of the Office and Technical Workers bargaining unit and are represented by Local 376, UAW.

The agreement between the company and the production and maintenance unit terminated on April 15, 1967. The Office and Technical Workers agreement expired on April 22, 1967. Negotiations began in February and mediators from the Service and the Connecticut State Board of Mediation and Arbitration entered negotiations in March. With the termination dates of the agreements rapidly approaching without any prospect of agreement, the Secretary of Labor requested the parties to meet with him in Washington on April 14, 1967. When the meeting produced no settlement, the President issued the Executive Order creating a Board of Inquiry under the emergency provisions of the Labor-Management Relations Act.



Union and management negotiators meet with Federal mediator, front center, after settling 23-week Westinghouse strike at Bloomington, Indiana.

A Taft-Hartley Board of Inquiry was created by the President on April 15, 1967. When Local 1010 struck on the termination of its agreement, members of Local 376 observed its picket lines. On April 17, 1967, the U.S. district court at New Haven, Conn., issued an injunction requiring a return to work by all employees.

Between April 19 and June 16, 1967, the mediators, including the Deputy Director of the FMCS and the Reverend Leo C. Brown, S.J., a special mediator, met with the parties. As a result of these negotiations, most of the noneconomic issues were settled. The principal issues remaining were wages, cost-of-living clause, pensions, health and accident insurance, supplementary unemployment benefits, seniority and the no-strike—arbitration clauses.

When no settlement seemed in sight, the parties were again called to Washington for more intense bargaining. These discussions were joined in by the international president of the union and several of his top staff, the president of the company and his principal negotiators, and top representatives of both the Department of Labor and

the Department of Defense. Agreement was reached on June 28, a week ahead of the scheduled expiration of the maximum 80-day court injunction. Both local unions ratified the agreement.

Elevator Manufacturers

This dispute, between the National Elevator Manufacturing Industry, Inc., and the International Union of Elevator Constructors, AFL-CIO, covered the major elevator manufacturers and maintenance companies throughout the country with the exception of New York City. The union represents over 14,000 employees of the various companies.

Historically, the parties had enjoyed a harmonious relationship without any work stoppage since the signing of an agreement in 1911. This agreement provided for the automatic adjustment of wages based on computing the area average of the five highest building trade rates out of seven agreed rates. Fringe benefits were negotiated outside the wage formula.

In the early 1960's, a dispute arose between the parties as to the application of fringe benefits which certain building trades unions had begun to compute as part of the wage package. The union insisted on getting credit for the full cost of all types of such increases, while the companies maintained that the formula was restricted solely to wage rates. This dispute was submitted to arbitration. The arbitrator ruled that where fringe benefit increases were negotiated and reported as part of the wage-rate package, they should be used in computing averages under the contractual formula. Subsequently, there were two further arbitrations. None of the decisions clarified the issue to the satisfaction of the parties. Because of the methods used by different building trades in reporting and computing increases, a disparity of rates in different elevator constructor local unions in various parts of the country resulted.

In addition to the wage issue, impasses developed on the questions of expense allowances and travel time, welfare, pensions, vacations, holidays, education fund, differentials between constructors and servicemen, and design and prefabrication.

The contract was due to expire December 31, 1966. Direct negotiations began early in October, and as the expiration date neared without agreement, the parties agreed to an extension to February 3, 1967.

The Service actively entered the negotiations late in January and meetings were held in Washington, Philadelphia, and New York City in an effort to avert a work stoppage. Despite intensive mediation efforts by a panel of mediators, including a representa-

tive of the national office, a work stoppage began on February 4.

During the course of negotiations, the Service proposed that the parties adopt a new wage formula. The new wage formula suggested was based on the average of the four highest trades of the seven agreed upon trades including all fringe increases. After arriving at the average, this would then become the elevator constructor wage rate. From this wage rate would be deducted the cost of any new fringe agreed upon mutually by the parties. The net figure would be the applicable wage rate. The parties also agreed to the establishment of a joint study committee to look into the problems of travel time and expenses.

Final settlement was reached on March 23, 1967, and normal operations were resumed within a few days.

With the formula operating to handle future wage increases and the parties in agreement as to the cost of fringes and the deduction of these costs from the wage package, the likelihood of any major issue arising in the near future to cause a cessation of work on a national scale has been minimized.

General Electric

In March 1966, a group of eight unions met in Washington, and adopted joint bargaining goals to be used in forthcoming negotiations with the General Electric Co.

The coordinated bargaining group was made up of the International Union of Electrical Workers, the United Auto Workers, the Allied Industrial Workers, The Sheet Metal Workers, the American Flint Glass

Workers, the International Association of Machinists, the American Federation of Technical Engineers, and the International Brotherhood of Electrical Workers. All are affiliated with the AFL-CIO.

The joint approach was regarded as a key test of the AFL-CIO industrial union department's program to coordinate bargaining efforts among unions having separate contracts with the same employer. The bargaining issues included wages, cost-of-living increases, additional holidays, greater union security, protection against job elimination by automation, and increases in pensions and welfare benefits programs.

The company termed the unions' demands unrealistic, suggesting the goals were many times as large as the guidepost limit urged by the Government. It also balked at bargaining jointly with the eight-union group. The company maintained that of the eight unions involved, only the International Union of Electrical Workers (IUE) was certified to bargain with GE nationally.

In July, General Electric stood by its decision of refusal to recognize coordinated bargaining and filed unfair labor practices charges against the IUE. The NLRB regional director dismissed this unfair labor practice charge against the unions. The regional director also issued a complaint on the basis of a previously filed IUE charge that General Electric had illegally refused to bargain with the IUE while negotiators from the other unions were present.

General Electric was directed to appear in the U.S. District Court to show cause why it should not bargain with IUE while negotiators from other unions representing GE workers were

present. The relief sought by the NLRB was to require the company to bargain with the union coalition in the interim and before any final determination by the Board in the pending unfair labor practice case. Also, the coalition group was joined by three more unions, namely plumbers, steelworkers, and the carpenters, bringing the total to 11.

The U.S. District Court granted the relief sought by the NLRB, but the Court of Appeals for the Second Circuit reversed the District Court. When Justice Harlan of the U.S. Supreme Court stayed the Court of Appeal's judgment, General Electric in effect was compelled to bargain with the coalition group.

Delegates from the 11 unions rejected General Electric's initial offer at a meeting held in Washington, D.C., attended by approximately 400 representatives of the various unions.

The union leaders stated that while General Electric's offer was better than those made in previous years, it would have to be improved to prevent a strike on October 2. The company modified its offer somewhat and suggested a 42-month contract and other changes. The union officials remained unimpressed. On September 30th, the union requested mediation assistance. The Director of the Service personally headed the team of mediators in negotiations with the parties in New York City, stating that FMCS would remain at the bargaining table until the deadline.

On October 2, the President appealed to the parties for a 2-week extension of contract negotiations, citing the importance of GE production to the Vietnam war. The President requested the Secretary of Defense, Secretary of Commerce, and Secretary of

Labor to join the Federal mediators in helping the parties explore every possibility of reaching a fair settlement. Both sides accepted the extension, as well as the President's proposal that the negotiations be transferred to Washington from New York.

A master agreement with IUE on a 3-year contract was reached, and ratified by the union with only a few hours remaining before the extension agreement terminated.

The wage increases of the agreement were estimated to be an average 11.4 cents per hour in the first year, 9 cents the second year, and 9.1 cents the third year of the agreement. A new cost-of-living clause provided for increases in October 1967 and October 1968. The formula called for a minimum increase of $\frac{1}{2}$ percent on each date. It provided that if the Consumer Price Index rose over 1 percent over a preceeding year period, the increases would be 1 percent. If it rose over 3 percent, the increases would be $1\frac{1}{2}$ percent. The maximum increases were pegged at $1\frac{3}{4}$ percent if the index should rise 3.5 percent or more.

Despite the agreement reached on the national contract, walkouts occurred at 10 midwest and east coast plants that idled thousands of workers. The FMCS was active in resolution of all these disputes.

The President set in motion the emergency dispute machinery under the Taft-Hartley Act with reference to one plant GE's Evendale, Ohio, plant which produces jet engines for aircraft used in Vietnam. A three-man Board of Inquiry held meetings in Cincinnati, and upon receiving its report, the President directed the Attorney General to seek an injunction. U.S.

district court Judge Carl A. Weirman ordered the striking unions to return to work.

After the issuance of the injunction, both parties resumed their bargaining with assistance of the Federal mediators and an agreement was reached prior to the expiration of the 80-day period.

General Electric's last remaining national labor dispute ended when the Independent United Electrical Workers (UE), agreed to a 3-year agreement based on the coalition pattern.

Hanford Atomic Project

This facility, located at Richland, Wash., is engaged in research for the Atomic Energy Commission. The entire complex was operated originally by the General Electric Co.

In early 1965, the AEC separated the various operations and several companies were awarded contracts for various segments. Battelle-Northwest was awarded the operation of the laboratories; Douglas-United Nuclear (a joint venture of Douglas Aircraft and United Nuclear), the operation of the reactors; Isochem (a joint venture of Martin Marietta and Monsanto Chemical), the chemical plant operation; and Federal Support Services, Inc. (subsidiary of I.T. & T.), the house-keeping responsibility.

The Hanford Atomic Metal Trades Council is made up of 19 locals of the AFL-CIO metal trades unions.

The first labor contract to be negotiated was between the Battelle-Northwest and the council early in 1965. This agreement provided a reopener on union security.

Douglas-United Nuclear negotiated an agreement with the union extend-

ing the term of the old general agreement to June 1, 1969. This agreement provided wage increases, agency shop, and other improvements, and provided for further negotiations on job classifications and wage rates. Isochem soon afterward signed an almost identical agreement with the union.

Meanwhile some pivotal classification rate adjustments which the union had negotiated with Douglas-United (DUN) were disallowed by the Atomic Energy Commission.

When Federal Support Services (FSS) entered negotiations, the union demanded completion of the job classification and wage rates negotiations with DUN and Isochem as a condition of settlement with FSS.

Due to the importance of the operations of this plant to the Government, a panel of mediators was assigned to the various disputes. In the absence of full agreement, a work stoppage involving a total of 1,200 employees of all four companies, began on July 8, 1966.

Prior to the strike, FSS, DUN, and Isochem met as a unit with the council. The latter two companies, under terms of their agreements, were obligated only to meet and discuss inequities. After the strike occurred DUN and Isochem refused to sit with FSS in joint negotiations. This created a problem because the council had stated that when agreement was reached with FSS it would not be submitted to the employees until complete agreement had been reached with the other companies on the same basis.

These complications were overcome and the work stoppages at these three companies ended on August 21, 1966.

Negotiations and the work stoppage at Battelle-Northwest continued until September 25. The real issue in this case was the council's demand that the company agree to a union shop. As negotiations progressed the parties agreed to an agency shop, but were unable to agree on a method of implementation. It became necessary for the panel of mediators to recommend implementing procedures. This was done. Both parties accepted and the strike was terminated.

National Trucking Agreement

The renegotiation of the national freight agreement between the Trucking Employers, Inc., and the International Brotherhood of Teamsters was marked by a lockout, national in scope and effectiveness.

The Trucking Employers, Inc., represent approximately 1,500 trucking companies engaged in over-the-road, for-hire transportation. The union is the bargaining representative of about 450,000 employees of these companies.

Under the bargaining format adopted by the parties, a master contract together with over 25 areawide and local supplements are negotiated simultaneously.

The bargaining of the areawide and local supplements is confined to those matters not covered by the master contract or matters which are in the master contract but, by specific provision, may be modified by such area and local supplements.

The principal issues involved wages, improvements in the health and welfare and pension plans, additional holidays, cost-of-living escalator clause,

vacations, funeral leave, and working conditions.

Concurrently with negotiations of the master contracts, negotiation of the Chicago area contract was taking place. The drivers in the Chicago area had chosen not to be included in the national freight contract but preferred to have their own independent contract even though the expiration dates were coterminous.

The 35,000 Teamsters in Chicago are represented by the International Brotherhood of Teamsters and an independent union. There are 10 employer associations representing the 2,500 truckowners in the area. In a number of cases, each union represented a part of the employees of the same employer. In addition, a number of firms operating in this area were members of the Trucking Employers, Inc. The two unions bargain jointly with the associations but have separate contracts.

In the middle of the national negotiations, the general president of the union was compelled to withdraw from the talks and, as approved at a union convention, he was succeeded by the vice president.

The employers insisted at first that the cost-of-living provision of the expiring contract be not included in the renewed contract and further that the wage increases totaling 11 cents per hour which the prior cost-of-living provision had yielded be credited toward any across-the-board increase agreed to in the new contract.

At the expiration of the contract and at the request of the Service, the union refrained from calling a nationwide stoppage. Despite the instructions of the international, a number of local stoppages occurred, particularly in the

South. The employers felt that these stoppages were attempts to whipsaw members of the association and to bring pressure to bear on individual firms thereof. Accordingly, the Trucking Employers, Inc., requested all its members to lock out their employees. The ensuing lockout became nationwide.

Despite the lockout, the Service urged the parties to continue their efforts to reach agreement. After almost day-and-night negotiations, a tentative agreement was reached with the assistance of the Service.

When the parties were discussing the drafting of the memorandum of agreement, a misunderstanding occurred. The union insisted that it agreed to accept the employer's offer only on the condition that if a better settlement was arrived at during the negotiations in Chicago, the improvements would be automatically included in the national contract. The employers were equally insistent that no such condition was discussed. The possibility of a rejection of the tentative agreement became a certainty.

It was apparent to the Service that unless and until agreement could be reached in Chicago, there was little possibility of reaching a final agreement on the national contract. Accordingly, the Service concentrated its efforts on the Chicago negotiations.

Area strikes and lockouts marred the Chicago negotiations and a number of truckowners entered into contracts with the independent union for wage increases far in excess of those tentatively agreed upon in the national contract. After round-the-clock negotiations, in which the Service participated, an agreement covering the Chicago area was arrived at by the parties.

The terms were slightly higher than those reached in the earlier tentative national freight agreement.

After further negotiations modifying the national agreement in the light of the Chicago agreement, both the national agreement and the Chicago agreements were ratified.

Under the terms of the new 3-year contract, employees will receive general wage increases totaling 55 cents an hour. This sum includes an 11-cent cost-of-living increase due under the terms of the expiring contract. The new contract also contains a limited escalator clause and provides for improvements in mileage rates, health and welfare and pension plan benefit expansions, additional holidays, funeral leave, and some of the union-sought improvements in working conditions. The total cost of all of the improvements was estimated to be about 75¢ over the 3-year period.

It was particularly noteworthy that despite the potential threat to the national economy, the Administration resisted the urging of many to invoke the emergency provisions of the Labor Management Relations Act. This compelled the parties to make meaningful decisions and to assume and exercise their basic responsibilities to the national welfare. The settlement was hailed by the press as an example of what can be accomplished by free and responsible collective bargaining without the necessity of governmental intervention or dictation.

Nevada Test Site

The longest strike in Nevada Test Site history was terminated after 129 days through the assistance of the Service.

The dispute involved operations of the Reynolds Electrical & Engineering Co., Inc., and Catalytic Construction Co., which provide construction, supply maintenance, and support services for the Atomic Energy Commission. The companies negotiate jointly with the many unions involved. The facility has a total employment of 6,700.

A total of 350 employees represented by the International Brotherhood of Electrical Workers (IBEW) and 190 by the Plumbers and Pipefitters were involved in this year's dispute.

The major unresolved issue in the long strike by these two unions concerned the effort of the companies to reduce travel and subsistence costs in order to achieve uniformity with other collective-bargaining agreements then in effect with other unions working at the site.

This issue has been the cause of recurring disputes at the site for several years. In the early days of the construction and operations at Mercury, due to the remoteness of the facility, union contracts contained provision for travel and subsistence payments to reimburse workers for the hardships involved. As the years passed and living facilities nearer the site were made available, the Atomic Energy Commission and the contractors felt the travel and subsistence payments should be reduced accordingly. The unions resisted this proposal and several work stoppages have occurred over the years over this one issue.

After intensive mediation efforts in which representatives of the national office joined the local panel of mediators, the negotiations were moved to the national office. When a negotiated agreement appeared unlikely, the par-

ties accepted a recommendation by the Director of the Service that these two remaining issues be submitted to an arbitration panel. The work stoppage which began July 1, 1966, ended on November 7.

To insure a continuing better relationship, the parties have agreed to reinstitute, with assistance of the Service, a joint Labor-Management-Government Committee which operated with some success prior to these negotiations.

A dispute involving about 70 employees, between the Reynolds Electrical & Engineering Co., Inc., and the Operating Engineers, caused a 52-day work stoppage. This work stoppage ended on March 1, 1967, when the parties acceded to the Commissioner's suggestion that the dispute be submitted to the Atomic Energy Labor Relations Panel.

New York Tugboats

In the past, strikes among workers in the New York City harbor have been frequent, with immediate and severe economic impact. Waterborne commerce is a key factor in business and employment in the Nation's largest city; any stoppage has widespread effects.

Talks for a new harbor contract between the Marine Towing and Transportation Employers Association and Local No. 333, Marine Division, National Maritime Union, got under way on September 15, 1966, with an expiration date of January 28, 1967. The principal issue was the union's demand for a fourth crew. Under the contract which expired January 28, 1967, every tugboat had three crews ranging from five to 12 men. While two crews were aboard, a third crew was ashore.

Under the union's proposal and long-term strategy for a fourth crew, each tug would have two crews aboard while it was operating, and two crews on shore leave. This would allow the men to have one day off for one day worked. In preparation for these negotiations, the parties agreed to have a study made of the estimated cost to the employers under the fourth-crew system. This established a 33-percent cost which the operators considered prohibitive.

A local Federal mediator entered the negotiations at the time of the impasse and as the deadline approached and pressure mounted, he was joined by the Service's Maritime Coordinator from the national office. The employers' final offer, following a 28-hour negotiating session, contained a fourth-crew provision. However, it also contained restrictions in vacation pay, holiday pay, overtime pay, and travel allowance. This was rejected on January 29, 1967, and the strike commenced.

Prompt resolution of the dispute was imperative. The National Maritime Union threatened to expand the tugboat strike into a "portwide tieup of all American shipping." New Yorkers were in the midst of freezing weather and were facing a fuel shortage as the 3,500 crewmen and captains refused to return to their jobs. In addition to bringing in one-third of the city's fuel supply, the 450 vessels supply most of the jet fuel used at the metropolitan airports and materials used in the construction industry. The tugs also assist the docking of ocean liners, and are used to haul accumulated raw sewage out to sea for dumping. A long strike would be a catastrophe. All of

these pressures were present in these negotiations.

The mediators worked continuously with the parties. After a week stoppage and continuous hours of extensive negotiations, the strike was resolved on February 5 by a new offer. This included a fourth crew for each of the 450 vessels operated by the association. Other features included increased pension benefits and an automation job protection clause. The cost to the employers was assessed at 26 percent. Certain oiler job classifications would be eliminated but the overall result would require the employment of approximately 800 new men. This was the shortest New York tugboat strike in the bargaining history of the parties.

Norris Thermador Corp.

This plant, with a total employment of 2,600 employees at Vernon, Calif., is an important producer of critical defense materials. The contract between the company and the UAW expired on October 2, 1966. The Service entered the negotiations on September 29 at the request of the parties. A series of meetings was held and a final company offer was made which was rejected by the union membership on October 1. A 1-day stoppage began October 3.

As a result of a request by the Director of the Service, the employees returned to work the following day and the negotiations were moved to Washington. After a week's negotiations in Washington, a new 3-year agreement was reached which was ratified by the union membership on October 11, 1966.

Petroleum Industry

Negotiations in the oil industry are conducted on a plant-by-plant basis with simultaneous negotiations at each facility of each company. One exception is a major company, Sinclair, which negotiates a companywide agreement excluding only its marketing operations. The Oil, Chemical & Atomic Workers International Union represents approximately 60,000 workers whose contracts expired December 31, 1966.

The past history of the relationship has been one in which a settlement pattern would emerge which was then generally followed throughout the industry. There was some deviation from this format in the 1964 negotiations when Sinclair negotiated a national agreement providing for pension improvements while the balance of the industry provided a 2-percent wage increase in lieu thereof.

In the 1966 negotiations, the union set as a goal guaranteed employment plus other contractual improvements. As the contract termination date approached, the parties were close to an agreement on most issues, but the guaranteed employment, pensions, and the 2-percent wage differential resulting from the 1964 contract were still unsettled. The union, at this point, extended its strike deadline until January 9, 1967.

More than 25 Service mediators were active all over the country in conducting meetings at the various locations and the operation was coordinated from Washington. Intensive mediation efforts finally led to breakthroughs on the guaranteed employment issue with the various major companies. Sticky problems remained in

many areas but continuous meetings finally resolved them.

The Sinclair negotiation on a companywide basis remained. Here the problem of a wage catch-up left from the previous negotiation had to be coped with. It was finally resolved when a panel of mediators made a recommendation which both sides accepted.

The guaranteed employment issue took the form of wage retention for stipulated periods coupled with prior notice of intention to layoff, giving the union the right to strike if no agreement would be reached. There were improvements in pensions in the form of optional early retirement with no actuarial reduction, and substantial wage adjustments.

These settlements averted a nationwide strike. However, there were various plants where local issues did cause short work stoppages.

Raytheon Co.—IBEW

The company is a major producer of electronics for military and space missile programs. The union represents 10,000 of the total 18,000 employees in the company's complex of plants centered around Quincy, Waltham, Burlington, and Lawrence, Mass.

The major issues in the negotiations were economic and working conditions.

The union insisted that an increase substantially above the settlements already reached at Westinghouse and General Electric was needed. The company felt it would be economically unsound to grant increases that were higher than its competitors.

The old contract between the parties expired early in October 1966, but

a provision of the contract prevented strike action for 40 days. When the strike deadline approached without settlement, a representative of the national office was assigned and the negotiations were moved to Washington.

A work stoppage began on November 14. Further negotiations, both in Washington and at the local level resulted in final agreement ending the stoppage on December 21. A recommendation by the mediation panel formed the basis for the final settlement.

Rubber Industry

Bargaining in the rubber industry has historically been on the basis of companywide discussions, or nearly so, for the firms involved. In 1967, contracts expired on April 20 between the United Rubber, Cork, Linoleum & Plastic Workers of America and the Firestone Tire & Rubber Co. (11 locations, 19,500 employees); B. F. Goodrich Co. (9 locations, 11,000 employees); Goodyear Tire & Rubber Co. (11 locations, 20,000 employees), and with Uniroyal, Inc. (19 locations, 21,700 employees). The General Tire & Rubber Co. contract (2 locations, 3,000 employees) did not expire until May 15.

Negotiations began in mid-March involving Firestone, Goodyear, Goodrich, and Uniroyal. General, having a later expiration date, began negotiations 3 weeks later. Individual mediators of this Service were assigned to each case. The assigned mediators maintained close contact and held a number of separate meetings with representatives of both sides.

The parties were substantially apart on the eve of contract expiration and a

strike began on April 21 against the Goodrich, Firestone, and Uniroyal companies. The Goodyear agreement was continued on a day-to-day basis.

Negotiations were resumed shortly after the beginning of the work stoppage at all locations, but very little progress was made in the weeks that followed. On the premise that the likeliest companies to develop an industry pattern were Firestone and Goodrich, arrangements were made to have active mediation participation in these two situations.

Possibilities for settlement remained dim as the work stoppages entered their sixth week. The Director of the Service held a number of separate discussions with the union and Firestone officials on June 14, 15, 16. On the basis of these talks it became evident that each location was looking to the others for leadership in moving toward a pattern-setting settlement. The General Tire negotiations were still in progress on the basis of a day-to-day extension following the expiration of that contract on May 15. The possibility of a pattern being provided in these negotiations was dimmed when the union struck General on June 22.

The Service's next endeavor to assist in reaching a settlement came shortly thereafter. A meeting was arranged in Pittsburgh involving five companies (Firestone, Goodrich, General, Goodyear, and Uniroyal) and subcommittees from the various union groups involved. This represented a change from the historic companywide bargaining pattern. Meetings continued from June 22 to June 25. During the course of these sessions the issues were fully explored and some modifications in position were made. In addition, a

number of contract items were disposed of which were unique to individual companies. When it became evident that no further progress could be made under these circumstances, the meetings were recessed on Sunday, June 25.

The parties returned to their negotiating sites and resumed discussions on a companywide level. It was hoped that the return to company discussions would shortly produce a settlement. When such was not forthcoming and after separate consultations with the international union officials and various company spokesmen, mediation meetings were scheduled involving the union and the B. F. Goodrich Co. in Columbus, Ohio, beginning July 10. The FMCS panel was composed of the Director of the Service, the Regional Director for the area, and local mediators. Daily meetings developed slow but steady progress. The first several days were devoted largely to working out noneconomic issues.

On July 13, a tentative agreement was announced by the union and the General Tire & Rubber Co. meeting in Cleveland but several terms of this agreement were not suitable as a pattern for the four larger companies.

Early in the morning of July 15, after an all-night session with the mediation panel, a tentative agreement was announced by the B. F. Goodrich Co. and the union. This settlement differed from the General Tire agreement in the matter of paid holidays and vacations. Except for issues peculiar to individual companies, the B. F. Goodrich settlement established the pattern for the remaining firms.

The Firestone Tire & Rubber Co. reached agreement July 20; the Goodyear Tire & Rubber Co., which had

been struck July 14, reached a final settlement on July 27. The last firm to settle was Uniroyal, also on July 27.

This situation represented the long-strike, lasting 3 months, in the history of relations between the United Rubber Workers and the major tire companies.

A number of factors were present which complicated the negotiations: (1) The election of new international union officials in September 1966; (2) the announcement by the companies that they had entered into a mutual assistance pact whereby any one of them confronted by a strike would receive financial assistance from those continuing to operate; and (3) the parties were negotiating renewals of collective bargaining agreements but were faced with expiration of separate contracts covering pensions and insurance on September 15, 1967. The final settlement reached in these negotiations included resolution of the pension and insurance contract prior to the date of expiration.

These rubber industry settlements expanded supplementary employment benefits (SUB) beyond any previously existing levels. Another feature was the "umbrella" extension of pension and insurance benefits for a 90-day period beyond the expiration of contract dates.

Sperry Rand

The Sperry Gyroscope and Ford Instrument Divisions of Sperry Rand Corp. are located in Long Island City and Lake Success, N.Y. Negotiations are conducted separately but simultaneously by each division with the International Union of Electrical Work-

ers (IUE). Sperry Gyroscope negotiates with three locals and Ford Instrument with two. All locals are joined in the IUE's Sperry Rand Conference Board.

The contracts covering over 10,000 employees expired on June 2, 1967. The output of both companies consisted of precision instruments widely used by the defense agencies.

Negotiations were complicated because of the union's claim that the pensions were below standard despite their high cost.

Local mediators worked with the parties prior to the deadline date. When no solutions were reached, the Service called all the meetings into its regional office in New York City. No formal extension was entered into, but while negotiations continued, the union withheld strike action. A panel was set up when the regional director and a representative of the national office joined the local mediators in a series of intensive meetings lasting around the clock. On Monday, June 5, agreement was reached and a strike in these plants was averted.

Stewart-Warner Corp.

The company's primary product is heating and air conditioning equipment. Approximately one-third of the work force at the Lebanon, Ind., plant, however, is engaged in the production of mortar shell casings for the Department of Defense.

The Lebanon plant contract with the United Steelworkers of America expired on March 27, 1967. During the direct negotiations preceding the expiration date, the company demanded an additional labor grade to

conform to the national metal trades job evaluation plan then in effect. It maintained the new labor grade would afford it the opportunity to compete by introducing new civilian production-line products to provide employment and manufacturing stability when the munitions contract with the Defense Department was completed. The union resisted this demand, alleging the additional labor grade would establish a new minimum wage rate below the minimum rate then existing.

In the absence of an agreement at the contract expiration, 325 of the 450 employees in the plant, represented by the USWA, initiated a work stoppage on March 27.

In view of the importance of this situation to the Department of Defense, representatives of the national office of the Service joined a local panel of mediators in the negotiations. When it appeared unlikely that the parties could arrive at a solution to the problem, the mediators informed the parties that they were prepared to submit a written recommendation for the settlement of the outstanding issues.

The stated position of the mediators triggered further intensive bargaining by the parties. During the course of such bargaining, the company withdrew its demand for the additional labor grade. The parties soon reached agreement on the other outstanding issues without the necessity of the Service submitting its recommendations. The membership accepted the tentative terms of settlement and work was resumed on May 8, 1967.

TV-Radio Broadcasting

In January 1967 a tentative agreement covering the broadcast personnel

of the three major networks, namely, NBC, CBS, and ABC, was reached with the American Federation of Television & Radio Artists Union subject to continued negotiations on local agreements.

The parties were not able to reach agreement on local issues in New York, Los Angeles, and other major cities. The most crucial of these local issues related to "recapturing of commercial fees," a demand for separate seniority lists for FM personnel, and wage guarantees.

When an impasse developed and a strike appeared inevitable, the FMCS intervened. A work stoppage began on March 29, idling approximately 8,000 employees. This resulted in major curtailment of national and local broadcasting facilities at many large and small communities in the Nation.

The Service conducted strike settlement negotiations at Washington and New York. A 19-hour session on April 9-10 resulted in an agreement which was recommended by the National board members of AFTRA in New York City, Chicago, and Los Angeles, and approved by the membership.

Union Carbide Corp.

In the spring of 1966, various unions representing the employees at 11 different Union Carbide plants, involving the Metals Division, Stellite Division (now the Materials Systems Division), Silicones Division, Linde Products Division, and the Chemicals Division, formed a coordinating committee to bargain with Union Carbide on multiplant agreements involving vacations, pensions, insurance, and other contract provisions.

The unions contended that the company approach to these issues was to make a unilateral settlement proposal, which then was imposed upon the various local unions without an opportunity to bargain.

The company position was that it would bargain only on a plant-by-plant basis on fringe benefits as well as other contract terms.

Contract expiration dates for the various agreements ran from early July 1966 to early November 1966.

In addition to locally assigned mediators, the Service participated in the bargaining through both regional and national office representatives. Representatives of the Department of Labor participated on a few occasions. The unions (United Steelworkers of Ameri-

ca; Oil, Chemical & Atomic Workers; and International Chemical Workers Union), insisted upon bargaining for these 11 Union Carbide plants on a multiple-plant, multiple-union basis, while the company insisted upon negotiations conforming to the single-plant representation certifications.

This issue first came to a head at the Alloy, W. Va., plant in the Metals Division, where the employees were represented by the OCAW. Upon a stalemate developing the company locked out on July 2, 1966.

As other contracts expired, strikes occurred. The locations of the plants, effective dates of the strikes, the number involved in the bargaining units, and dates of settlement ratifications appear below.

Union Carbide Corporation—Various Unions

Location	Union and local	Date of strike	Idle (unit)	Settlement ratified
Alloy, W. Va., Metals Division..	OCAW, 3-89....	7- 2-66 ¹	1,224	2-12-67
Ashtabula, Ohio, Metals Division.	USA, 3081.....	8-28-66	795	4- 2-67
East Chicago, Ind., Electronics Division.	OCAW, 7-513...	8-27-66	150	3-22-67
Kokomo, Ind., Materials Systems Division.	USA, 2958.....	9-30-66	2,150	2- 3-67 ²
Long Reach, W. Va., Silicones Division.	Chemical Workers, 698.	8-31-66	227	3-18-67
Marietta, Ohio, Metals Division.	OCAW, 3-639...	8-29-66	1,135	1-27-67
Portland, Oreg., Metals Division.	USA, 3103.....	8-28-66	80	4-30-67
Sheffield, Ala., Metals Division..	USA, 3838.....	11- 9-66	340	11- 1-66 and 12-23-66
Speedway, Ind., Linde Division.	OCAW, 7-382...	10- 1-66	450	3-18-67
Whiting, Ind., Linde Division...	OCAW, 7-513...	11- 4-66	60	4-14-67
Whiting, Ind., Chemicals Division.	OCAW, 7-513...	10- 1-66	400	4- 6-67

¹ Lockout.

² Taft-Hartley injunction Dec. 23, 1966; settled prior to expiration.

Because of the critical need for alloys and parts for jet engines needed in the Vietnam conflict, a Taft-Hartley injunction relating to the Kokomo, Ind., plant, was issued on December 23, 1966, following the strike on September 30, 1966. Intensive mediation efforts by the Service resulted in an agreement between the parties in early January 1967, before the expiration of the injunction.

The individual plant settlements were reasonably comparable, but there was no movement toward a common expiration date nor multiple-plant bargaining.

West Coast Shipyards

Reference has been made elsewhere in this annual report of the mediation problems posed by coordinated union bargaining efforts with multiplant employers. A reverse situation was true in the 8-month dispute involving the Pacific Coast Shipbuilders Association and the International Brotherhood of Electrical Workers (IBEW). In this dispute, the IBEW broke away from a traditional multiunion bargaining group to seek a contract separate from that of its sister unions.

The dispute was important because it involved a long stoppage of facilities of the 11 shipbuilding concerns affiliated with the association in the San Francisco, Seattle, and Portland areas. The companies are involved in commercial and Government ship repair and construction, including work on the reactivation and repair of ships destined for use in the Vietnam conflict.

In prior years, master agreements covering craft union employees were negotiated between the association and

the Pacific Coast Metal Trades Council. In April 1965, the IBEW withdrew from the council and elected, with NLRB sanction, to bargain separately with the association. As a consequence the IBEW was not a party to a 3-year agreement reached in July 1965 between the association and member unions represented by the council. However, from July 1, 1965, until November 4, 1966, the employees represented by the IBEW continued to work without formal contract under the same terms and conditions included in the so-called Pacific coast master agreement.

The principal issue between the parties was the IBEW insistence on separate bargaining and wages and benefits based on electrician skills and circumstances, with the association contending for maintenance of a single mechanic's base rate uniformly applied to all skilled employees although represented by several unions.

The Service assisted in numerous meetings between the parties from March 1966, when bargaining began between the association and the IBEW, until November 4, when the IBEW strike commenced. The other crafts continued to work under their existing agreement but the output of the yards was increasingly curtailed for lack of electricians.

The strike continued until early March 1967, when the President invoked the Taft-Hartley Act's emergency provisions and a court injunction was obtained. The stoppage had extended over a 127-day period.

A panel of mediators, including the Special Assistant to the Director, worked both prior to and subsequent to the injunction in meetings with the

parties both in Washington and in San Francisco and had obtained agreement on a number of issues. The FMCS panel recommended and the parties accepted a proposal (a) to submit specified unresolved issues to the three members of the Presidential Board of Inquiry to make findings of fact and recommendations, if necessary; (b) not to strike or lock out at least until July 1, 1967, well beyond the 80-day limit of the court injunction; (c) to submit before a strike the final management offer to the membership for a vote to be conducted by the NLRB. Through this procedure the parties reached agreement on June 27, 1967, with the assistance of the members of the Board and without the necessity of recommendations being made. The IBEW membership ratified the agreement in the NLRB-conducted ballot.

The agreement provided for certain wage and other benefits beyond those contained in the earlier master agreement with the other yard crafts. However, the association reopened the master agreement to extend additional increases to the other crafts. A key feature was the IBEW agreement to again bargain jointly with the other crafts when all labor-management contracts in the affected yards expire on July 1, 1968.

Western Electric Co.

Western Electric Co. is a subsidiary of American Telephone & Telegraph Co., employing approximately 175,000 workers. These negotiations involved some 23,000 installers, represented by the Communications Workers of America.

Issues involved wages, health insurance, life insurance, vacations, and pensions. The pressure for very substantial wage increases, over and above wage guideposts, was strong. Negotiations went reasonably smoothly and a tentative settlement was reached.

Despite the unanimous recommendation by the union negotiating committee, however, another major instance of rank-and-file rejection of a tentative settlement resulted. The Service assigned a representative of the national office as part of the mediation panel which arranged for a day-to-day contract extension while continuous meetings were held. These efforts bore fruit and the new agreement was ultimately accepted by the membership.

This settlement had importance beyond this immediate negotiation because it established a pattern for the Bell System generally.

Westinghouse Corp.

The Westinghouse Corp. is one of the largest manufacturers of electronic equipment in the United States and is a major supplier of parts for the defense and space programs. Formal negotiations between the corporation and several different unions began about August 1, 1966. Approximately 100 local unions representing 75,000 members were involved in the dispute.

As in many negotiations that year, coordinated bargaining was one of the key issues. Other issues involved wages, a common expiration date for all participating unions, a uniform economic pattern throughout the industry, and the elimination of geographical wage differences.

The company was opposed to coordinated bargaining and protested the union's approach in the first meeting, but proceeded to bargain under protest. The International Union of Electrical Workers (IUE) being the largest union covered by a national agreement, was the focal point of coordinated bargaining, with representatives of other AFL-CIO unions sitting with the IUE representatives at the bargaining table.

Working under an extension recommended by the FMCS, the corporation and the IUE agreed on a 3-year contract 8 days after the expiration of the old contract. The new agreement has a common expiration date with other major Westinghouse unions of November 9, 1969. Pensions, insurance, and vacation agreements were for a term of 5 years. The settlement, though not identical, approximated that arrived at in the General Electric negotiations.

Twenty-three locals of the International Brotherhood of Electrical Workers (IBEW) struck for 13 days before a national agreement was reached for the service shops. This set a pattern followed by the manufacturing plants. A few of the locals remained on strike for several months after the national agreement had been reached because of

local issues. A common expiration with all unions was also a major issue in this dispute. This was finally agreed to and 3-year pact now expires on the same date as the other unions involved.

Each union involved placed different values on what was needed to satisfy their memberships; therefore, wage and fringe settlements with this company may show variations. However, the cost of the package was the same for each union involved. Now that all of the unions have a common expiration date, labor peace can be expected in the electronic industry for the next 3 years.

One of the unusual and significant points in the settlement with IBEW provides that if geographical wage differences cannot be settled on a local level, a Federal mediator may be called in to assist the parties in mediating their differences. However, the mediator may not arbitrate nor render a decision.

The coordinated efforts of many mediators throughout the country plus the personal participation of the Director of the Service and two national representatives were involved in the complicated settlement of these disputes.

Preventive Mediation

INTRODUCTION

Section 203 of the Labor-Management Relations Act of 1947 established the duty of the Service to engage in preventive activity for the purpose of minimizing the impact of labor-management disputes.

Conflict has long ago been recognized as an inevitable characteristic of a free economic system. Industrial peace in a free economic system requires thoughtful and intelligent management of that conflict if a maximum of freedom in collective bargaining is to be sustained with a minimum of loss to the community at large.

In carrying out this concept, the Service seeks to provide assistance to

labor and management on a year-round, voluntary basis. This assistance is primarily directed toward improving the general labor-management relations climate and eliminating specific problems and irritants that would likely cause serious trouble during contract bargaining or other crisis situations.

While the Service has been actively engaged in preventive work since 1947, it has only been in the last few years that the acceptance by labor and management of this assistance has created a significant upsurge in this type of activity.

STATISTICAL REVIEW

The preventive mediation program carried out by FMCS during the past fiscal year has been rewarding in many respects. The acceptance, dedication, and enthusiasm by the mediation staff, and labor and management in general, appear to have reached a high level of maturity. As indicated in the chart in figure 1, the formal assignment activity has reached a record high, and 92.7 percent of the mediator staff has performed in this important area during this fiscal year period.

This means that virtually every member of the mediation staff, except

those in training, was participating in this effort to help employers and unions develop more effective problem-solving procedures. These often took the form of labor-management committees meeting regularly to discuss whatever problems may arise. Consultation on specific problems during the contract term, or long-range liaison or surveillance of bargaining relationships or trends were other types of preventive activity. In still other situations, the mediator would conduct training sessions in the areas of human relations, communications, leadership, or respon-

sible grievance handling to assist labor and management representatives in improving their relationship.

The 1,175 assignments issued during fiscal year 1967 represent a 27.4-percent increase over the fiscal year 1966 performance. Of this total number of assignments, 34.3 percent or 404 cases consisted of activity involving labor-management committees, and 27.4 percent or 322 cases related to activity involving training. A breakdown of individual activity reveals that mediators conducted 1,210 labor-manage-

ment committee meetings and 1,210 training sessions. In the consultation-continuing liaison category, 397 joint meetings, 2,687 separate meetings, and 9,184 telephone consultations or contracts were conducted. A total of 1,340 audiovisual film showings were made in conjunction with the above-described activity.

The evidence of the response of labor and management to the intensified efforts by the mediation staff in this important area can be seen in figure 1.

SCOPE OF PREVENTIVE SERVICES

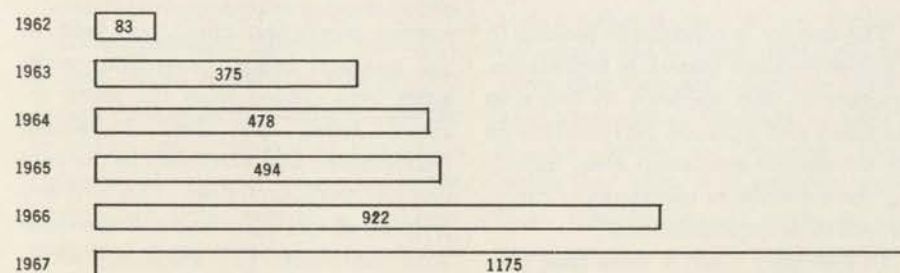
It would be impractical to try to set forth in this report all of the significant preventive mediation endeavors performed by the mediation staff during the year. The following are a few illustrative cases:

Prenegotiations: Two mediators have been working for several years to maintain labor relations harmony at an Atomic Energy Commission plant in the Midwest. Both sides gained a greater degree of mutual confidence through regular joint committee sessions over a period of time. This culminated in a new agreement, nego-

tiated and ratified during May 1967—some 16 months before the previous contract expiration date of September 15, 1968. This new agreement extends to September, 1970, or a total of 40 months from the date of ratification.

Training: Negotiations broke down and a strike occurred in a Midwest plant involved in the manufacture of a critical product. An injunction was issued subsequent to a report of a Presidential Board of Inquiry. An agreement was reached within the time limits of the injunction and the mediator immediately followed up his settle-

Figure 1.—Comparative Chart, Preventive Mediation Activity—By Fiscal Years



ment efforts with a preventive mediation assignment directed at repairing a badly disrupted labor-management relationship at this important defense plant. A series of training sessions was presented to both management supervisors and union committeemen. The parties have since indicated a much reduced grievance incidence and a stabilized relationship. The top company officials have indicated an interest in promoting this type of preventive activity in several other plants in various parts of the country.

Labor-Management Committee: A company on the west coast established a continuing joint labor-management committee at the urging of a mediator. In June 1967, letters of commendation from the Deputy Director of the FMCS were presented to both labor and management committee members for 3 years of progressive service. The president of this company subsequently stated in a letter to the Service that, while the management had approached the idea with some reservations, it had worked very well and had helped develop a very harmonious relationship. This effort is continuing.

Consultation: Ad hoc trouble shooting. A large Midwest company, a sole supplier for three large automobile manufacturers, was involved in a work

stoppage over an unresolved grievance. A mediator was dispatched on a preventive mediation troubleshooting assignment. After 4 days, the mediator persuaded the parties to resume work on the premise that he would continue to work with them to restore communications and find a better way to resolve future differences. After some two and one-half months of meetings and consultations, the parties amended their contract to provide binding arbitration as a terminal point in the grievance procedure. This practical resolution of their procedural problems was, of course, reached by the parties, but it was encouraged through the realistic discussion stimulated by the mediator.

This sample listing of preventive mediation endeavors is not intended to indicate that all such efforts result in success stories. Mediators frankly tell the parties that success is not guaranteed. The most that the mediators can hope for is to plant a seed of encouragement when the opportunity presents itself, in hopes that the parties will eventually engage in an honest improvement effort. But the success list is growing and the word is spreading as evidenced by the increased number of requests for preventive program assistance.

EVALUATION OF PREVENTIVE ACTIVITY

The Service is continually seeking to improve resource materials, techniques, equipment, and methods in order to maintain and upgrade performance in the preventive mediation area, including the expertise of mediators in carrying out their responsibilities.

In February 1967, a week-long pre-

ventive mediation clinic was held in the national office. Seventeen mediators were picked from the seven regions, based on their individual performance and versatility in the preventive mediation field. The primary purpose of this clinic was to have these field mediators: (1) Exchange ideas,

techniques, research materials; (2) Evaluate generally, all types of preventive mediation currently being performed and discuss possible improved methods, and (3) Identify new potential areas of development. The entire scope of preventive mediation was reviewed and assessed.

Joint Labor-Management Committees

This type of preventive activity is considered most promising in terms of potential basic improvement of the labor-management relationship. Mediators have been successful in establishing and leading meetings of this type when the parties might not otherwise meet. A respected neutral chairman can open channels of communication and cause the parties to engage in thoughtful, objective discussion of mutual problems. This creates a better climate for analysis of divergent viewpoints and can help to establish a better relationship for future understanding and respect.

As previous annual reports have pointed out, joint committees may take the form of prenegotiation committees; postnegotiation committees; study committees (ad hoc); joint labor-management committees (continuing); or review and planning committees.

As the percentage of mediators on the staff performing the important preventive mediation function increases, so does the expertise and skill proportionately increase in leading the parties to utilize one or several of the above enumerated types of joint committee activity. In other words, a mediator may lead a prenegotiation committee

into a postnegotiation contract review or an ad hoc study committee of a particular problem isolated during negotiations. The next step, after the primary functions of these committees have been fulfilled, could be to persuade the parties to continue their channels of communication by establishing a continuing joint labor-management committee. In other words, one type of joint problem-solving approach may lead into another, and thus a relationship developed in which decisions are reached through consultation and discussion rather than through a costly test of economic muscle.

It is impossible to enumerate all of the techniques that a mediator may employ in keeping constructive dialogue and harmonious relations foremost in the minds of labor and management. In keeping with the often-heard assertion that "there ought to be a better way" to conduct labor-management relations, it is gratifying to note the enthusiasm shown by unions and employers to the suggestions of the mediators in pursuing this most important objective.

Consultations

Mediators are in the unique position of being constantly exposed to a wide variety of labor relations problems. It is natural that many unions and employers look to the mediator for advice and counsel when a problem arises that they are unable to resolve. Mediators encourage them to seek assistance when an impasse looms, rather than allow it to seriously breach their relationship. If such ad hoc problems generate enough emotional

tension, they can erupt into wildcat strikes or lockouts. This type of dispute can become an all-out power struggle that is eventually resolved on a win-lose basis. An objective analysis of the causes contributing to the dispute is generally not possible in such a climate, so that the problem remains to emerge later. These problems require handling as they occur during the term of the contract to prevent them from becoming additional issues at the collective bargaining table.

Continuing Liaison

An example of this type of preventive activity is the program being carried out in the nationwide longshore industry. The Service has established a liaison program in which a mediator is assigned to maintain contacts and monitor developments in each major port. A coordinator is designated in the national office to correlate information from these field mediators so that the entire group can be advised of any impending problems. Mediators are being encouraged to initiate preventive assignments on a much broader scope, encompassing individual, key, or basic industries which are geographically dispersed. By coordinating with the Disputes Director, liaison systems such as that in the longshore industry can be established for other industries.

The Service has always maintained an informal system of liaison with key industries as described above. However, under a formal preventive mediation assignment, mediators are required to monitor specific situations and report formally, no less than monthly. This eliminates the omissions, gaps, and oversight that would occur by casual,

informal reporting, and creates an available continuing source of information to the Disputes Director.

The effects of this type of preventive activity are not as dramatic or as readily discernible as the other types of activity previously described. But the advantage of this long-range relationship is that any impending trouble can be readily detected and the Service adequately forewarned.

Training and Improvement of Grievance Procedure

This category pertains primarily to the training of foremen and stewards, although it does not preclude extending to other levels of labor and management. The forerunner of present training approaches utilized by the Service was the audiovisual program, which was devised and upgraded through the years. As the preventive mediation efforts intensified, the realization grew that audiovisual by itself did not provide the in-depth training necessary to provide lasting benefit. A typical training program currently being conducted might consist of six sessions, each lasting 1½-2 hours, with use of audiovisual materials. The program would probably include sessions on communications, leadership, responsible grievance handling, and human relations (the art of dealing with and motivating people.) Programs carried on with either party separately are conducted with the full knowledge and endorsement of the other party. At this point, it should be emphasized that the content of any training program is strictly impartial or bipartisan; one that could be given to either party separately or to both

parties jointly. Developing skill and expertise in the subjects listed above by foremen and stewards is of mutual benefit.

How deeply the Service should get involved in training activity has been a questionable matter. However, upon analysis, the Service concluded that in some instances: (a) Foremen are frequently promoted for technical competence rather than proven leadership ability, and (b) steward elections or appointment are frequently decided on the basis of personality or political considerations rather than proved leadership competence or ability.

Grievances, born at the shop level, can either be met and resolved constructively or allowed to grow into full-blown disputes. Since the foremen and stewards are at the very heart of the labor-management relationship, the Service, under the mandate of the Labor-Management Relations Act, felt obligated to direct attention to this area. The ultimate objective is, where possible, to improve the overall labor-management climate and thereby reduce potential emotional or crisis issues at the collective bargaining table.

Since mediation skills are not necessarily synonymous with teaching or training skills, the Service is constantly devoting effort to qualifying as many of its staff in this area as possible. Some mediators have developed these skills through intra-agency workshops, but probably the most widespread vehicle is the use of the "buddy" system. Some mediators possessing these skills, and others with self-starting type of ingenuity, are utilized as panel leaders with other mediators in conducting training sessions. This method of sharing techniques and skills has been very suc-

cessful in qualifying a large percentage of the mediation staff to perform in this area.

In some situations, the mediator's function has been limited to stimulation of a training program. The actual training leadership is secured from nearby universities or college sources or is supplied by the parties themselves.

One very important contribution of the preventive mediation clinic, in addition to the exchange of ideas, was the assembling from all participants of aids, techniques, resources, and materials that have been utilized to date. The national office is currently assembling all of this information into a preventive resource manual, which will be distributed to all field stations. A mediator, planning a training program, can consult this manual and request such aids and materials that he might need from his regional director or the national office. This will be an invaluable resource to the field mediator by relieving him of time necessary for research and preparation for a training program, much of which was performed in his off hours.

There was some initial skepticism by labor and management to this training approach. But the past year has seen increasing enthusiasm by both parties and, on many occasions, special requests have been made to the Service to originate and lead such programs.

During the year, the Service has adopted a policy of issuing certificates, upon request, to members of labor and management upon successful completion of an FMCS training program. Mediators report that these certificates

are highly respected and valued, and serve as a constant reminder of the very responsible roles that these participants play in labor-management relations.

Community-wide Activities

This area encompasses joint or tripartite community forums, Industrial Relations Research Association (IRRA) chapters, and labor-management seminar approaches in conjunction with universities. A mediator is in the unique position of being a respected, neutral expert in the community to help initiate such areawide

programs. One disadvantage is the substantial amount of time required. In spite of this, a number of mediators have thrown themselves enthusiastically into an endeavor of this type.

Certainly it is advantageous—in furtherance of improved practices in the Nation's established policy of collective bargaining—to encourage forums for labor and management representatives and others concerned with labor relations to exchange ideas become better acquainted and develop greater devotion to peaceful settlement techniques. Mediator assistance in these forums is most compatible with the mission of the Service.

SUMMATION

Substantial segments of labor and management have fully embraced the concept of preventive mediation as an extension of the free collective bargaining procedure. It is anticipated that preventive activity will continue at a level consistent with the present dedication and availability of time of the

present mediation staff. The staff of the Deputy Director is continuing efforts in several areas for the forthcoming year to effectuate a greater degree of efficiency, and availability of tools, techniques, resources, and assistance to the field staff.

MISSILE AND SPACE SITES PROGRAM

For the past 6 years, the Service has played an important role in a program established by the President to minimize work stoppages and maintain economic operations at 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. The Executive Order provided that

Federal Mediation and Conciliation Service mediators serve as chairmen of the local missile sites labor relations committees.

The national Commission had a tripartite membership of labor, management, and public representatives appointed by the President.

At the local level, committees were established, composed of representatives from the building trades and industrial unions, the construction and industrial contractors, and the appro-



Mediation commissioners attending Preventive Mediation Clinic in Washington to exchange ideas and experiences in methods to improve employer-union relationships.

priate Government procurement agencies. Under the guidance of FMCS mediators, these local site committees have attempted to resolve labor problems before they evolved into serious disputes.

Both at the local and the national levels, the use of established voluntary methods for the resolution of missile site labor disputes is heavily emphasized. When disputes were found not to be susceptible to voluntary methods on the site, consultation and assistance of the Commission resulted in reaching acceptable conclusions.

During the fiscal year 967, the Government's missile and space program continued to move forward virtually unhindered by serious labor disputes. In fact, 99.74 percent of all available work time on missile sites was free of work stoppages during this period.

In the same period, work was in progress on 10 missile and space sites. On these 10 sites, 9,654,100 man-days of labor were expended, while only 24,802 man-days were lost due to labor disputes.

The number of work stoppages during this year were sharply reduced to 41 from an average of 89 for each of

the preceding 5 years. The typical work stoppage on missile and space sites was of short duration (3.3) days and involved relatively few workers.

This work record in such a vital phase of our national endeavors is indicative of the success achieved through the voluntary program of labor, management and the Federal Service working together.

Subsequent to the end of the fiscal year, the President (by Executive Order 11374 issued on October 11, 1967) discontinued the Missile Sites Labor Commission as a separate agency and transferred its functions and responsibilities to the Federal Mediation and Conciliation Service.

In so doing, the President paid tribute to the successful and devoted efforts of Commission members.

This is an instance of a special procedure that was successful and that can be dissolved now because the volume of work at the sites has diminished. Special procedures should not be continued beyond their necessary life.

The transfer of all functions to the FMCS places a heavy responsibility on the Service because some serious disputes can be expected.

The mediator function at the sites has been an outstanding example of preventive mediation. It will be continued. Disputes not subject to mediation at the sites will be handled by

ad hoc special procedures. Former members of the Commission have assured the Director that their valuable services will be available, when and as needed.

Analysis of Mediation Activity

The dispute mediation work of the Service consists almost entirely of assisting companies and unions in their contract negotiations. The total activity for a particular year, therefore, is contingent upon the number of agreements which expire.

During fiscal year 1967, 86 percent of the total cases involved contract renewal or reopening negotiations and 12 percent involved initial contracts. The remaining 2 percent were concerned with the mediation of grievance situations of a last resort and exceptional nature.

Mediators closed a total of 17,447 cases during fiscal year 1967. In 7,193 of these, mediators participated to the extent of holding joint and separate mediation conferences. This is 41.2 percent of the total cases in which they maintained contact with union and

management from the first notification until a final closing. In the remaining 10,254, the case was closed without direct participation of the Service. As illustrated in figure 2, the participation percentage has increased in recent years from 34.5 in 1960 to 41.2 in 1967.

Mediators often accomplish a great deal by way of suggestion, assistance in the communication process, and persuasion in nonjoint meeting situations. Since it is impossible to determine the degree to which mediation has contributed toward a settlement, the Service divides its cases into two categories; "joint meeting cases" and "nonjoint meeting cases."

In figure 2 the joint meeting cases are shown as the shaded part of each bar; the nonjoint meeting cases as the white portion. Figures 2 and 3 give an indication of how the Service fits into

Figure 2.—Cases Closed by Mediators

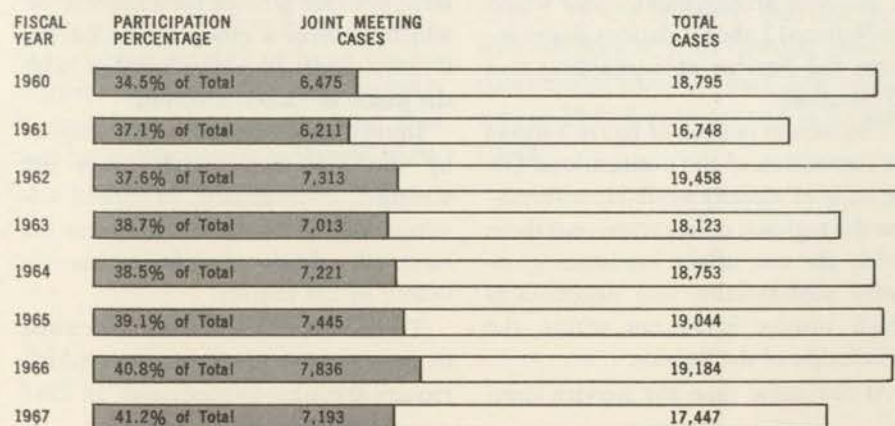


Figure 3.—Dispute Notifications Received by the Service

Notifications received during year.....	92, 921
30-day notices required by LMRA.....	87, 865
Requests from union and/or company.....	938
NLRB certification.....	4, 056
Intercessions by FMCS.....	62
Cases pending at close of previous year.....	5, 145
Total notifications processed.....	98, 066
<i>Disposition of Notifications</i>	
Notifications not assigned.....	71, 821
Screened for lack of jurisdiction.....	13, 975
Consolidated with other notifications into assignments corresponding to actual group negotiations.....	57, 846
Cases closed administratively after inquiry by mediators.....	3, 348
Screened for lack of jurisdiction.....	940
Settled prior to inquiry, erroneous notice, etc.....	1, 684
Consolidated with other cases.....	724
Cases closed by mediators.....	17, 447
Cases with joint and separate mediation conferences.....	7, 193
Cases followed closely by mediators from assignment until final closing, but requiring only informal mediation with no joint conferences.....	10, 254
Cases pending at end of year.....	5, 450
Total notifications processed.....	98, 066

the collective bargaining of the Nation as a whole.

The first portion of figure 3 shows the dispute notifications received by the Service. The largest group consists of 30-day notices required by the Labor Management Relations Act of 1947. The second largest number comes from an informal arrangement under which the National Labor Relations Board informs the Service of bargaining unit certifications.

The second portion of figure 3 shows the disposition of the notifications. On the basis of already available information the regional offices screen out those which do not affect interstate commerce substantially, and negotiations which involve issues not within the jurisdiction of the Service.

At the same time the Service com-

bines notices to correspond with actual group negotiations taking place. For example; the Service consolidates into one assignment or case the several notices that may have been received for the several plants of one company, if the parties involved are bargaining for those plants in one negotiation. Similarly, one case is made for a negotiation which involves a group of companies, if that group bargains together with the union or unions involved.

Immediately after an initial inquiry by the mediators, other cases are screened, consolidated, or closed administratively for other reasons on the basis of additional information revealed by the inquiry.

Thus the notifications are narrowed to that number of negotiations which require attention by mediators. In 1967

there were, as indicated, 17,447 of these, and of that number 10,254 were concluded by the parties themselves in direct negotiations.

The data of figure 3 is a record of notifications received and assignments made by the seven regional directors in a manner best suited to the operation of the Service and to careful following of critical negotiations by the mediators located in 77 cities throughout the country.

Some indication of the caseload carried by a mediator at any one time may be obtained by dividing the 5,450 cases pending on June 30 by the 260 mediators on duty that date. The average number of cases being processed by mediators was, therefore, 21 per person on the last day of the fiscal year.

The 5,450 cases pending at the end of 1967 exceeds by 305 the 5,145 which were carried over from the prior year. This is an added reason for the total closed cases in 1967 being lower than in 1966.

Figure 4 shows the States in which the negotiations took place in the 7,193 joint meeting cases of the fiscal year. For comparison similar data are listed for the 4 prior years.

Figure 5 shows the issues involved in the same 7,193 joint meeting cases, together with similar data for prior years. The average number of issues has increased from 3.5 in 1961 to 4.7 in 1967. It should also be kept in mind that each issue may consist of several parts.

For example, the issue of wages might include not only a general wage change, but also incentive pay, call-in pay, shift differentials, escalator clause, bonus plan, profit sharing, and/or other aspects of the basic issue. Added to the tabulation is a record of the joint mediation conferences conducted in each of the indicated years, showing the gradual increase from 3.02 conferences per case in 1961 to 3.58 in 1967.

Work Stoppages

Of the 7,193 joint meeting cases, 1,901 involved work stoppages. Of these, 640 occurred prior to any joint mediation conference.

The information in figure 8 is illustrative of the value of mediation prior to any real deadline.

Twenty Years of FMCS

Due to changes in the method of recording the degree of mediation activity during the brief history of the FMCS, no continuous account of the work of the Service is available.

The tabulations in figure 9 show the terminology used in different periods and describe degrees of activity included. It will be noted that the current category of joint meeting cases is considerably narrower than prior measures of FMCS participation in negotiations.

Figure 4.—Cases Closed After Joint Meetings, Fiscal Years 1963–67, by State or Territory

State	Number of cases					State	Number of cases				
	1967	1966	1965	1964	1963		1967	1966	1965	1964	1963
Alabama.....	95	94	103	95	102	Nevada.....	19	27	25	21	23
Alaska.....	6	16	8	7	8	New Hampshire.....	19	22	26	30	22
Arizona.....	23	46	34	27	26	New Jersey.....	325	313	310	327	302
Arkansas.....	67	48	63	55	48	New Mexico.....	20	17	34	15	21
California.....	478	546	496	439	496	New York.....	491	485	480	461	430
Colorado.....	65	89	81	82	61	North Carolina.....	47	53	71	51	43
Connecticut.....	83	88	110	93	105	North Dakota.....	33	26	31	28	19
Delaware.....	12	6	12	16	7	Ohio.....	647	695	669	721	664
District of Columbia...	47	50	41	40	40	Oklahoma.....	41	48	33	43	43
Florida.....	106	117	120	104	115	Oregon.....	77	99	102	97	74
Georgia.....	113	113	95	79	83	Pennsylvania.....	475	488	398	391	387
Hawaii.....	18	14	10	15	12	Rhode Island.....	38	52	27	46	48
Idaho.....	47	29	29	41	58	South Carolina.....	24	17	21	16	8
Illinois.....	559	648	631	633	564	South Dakota.....	8	11	14	15	10
Indiana.....	280	339	297	291	270	Tennessee.....	169	165	145	141	146
Iowa.....	130	174	134	121	124	Texas.....	257	277	206	164	222
Kansas.....	86	92	102	94	82	Utah.....	46	60	52	60	57
Kentucky.....	148	171	136	143	161	Vermont.....	19	14	11	20	16
Louisiana.....	77	86	75	79	90	Virginia.....	59	71	69	71	80
Maine.....	45	38	33	25	29	Washington.....	132	159	135	134	153
Maryland.....	61	88	73	79	82	West Virginia.....	58	64	54	53	57
Massachusetts.....	289	313	285	281	247	Wisconsin.....	291	312	286	274	222
Michigan.....	405	460	509	453	441	Wyoming.....	12	19	14	6	10
Minnesota.....	227	250	264	241	219	Puerto Rico.....					1
Mississippi.....	33	38	32	23	25	Guam.....	2				
Missouri.....	309	294	353	396	374						
Montana.....	42	47	58	49	50						
Nebraska.....	33	48	48	35	36						
						Totals.....	7, 193	7, 836	7, 445	7, 221	7, 013

Figure 5.—Frequency of Issues Appearing in Cases Closed After Joint Meetings, Fiscal Years 1961–67

Issues	1967 frequency	1966 frequency	1965 frequency	1964 frequency	1963 frequency	1962 frequency	1961 frequency
Wages.....	6, 655	7, 516	6, 899	6, 428	6, 265	6, 544	5, 526
Pensions, insurance, welfare.....	4, 692	4, 726	4, 362	3, 767	3, 596	3, 455	2, 653
Vacations, holidays.....	4, 677	4, 771	4, 399	3, 826	3, 582	3, 341	2, 773
Duration of contract.....	4, 320	4, 552	4, 111	3, 700	3, 551	3, 454	2, 780
Hours and overtime.....	2, 260	2, 267	2, 025	1, 901	1, 746	1, 743	1, 314
Job classification.....	1, 929	1, 866	1, 658	1, 425	1, 403	1, 173	792
Seniority.....	1, 651	1, 794	1, 699	1, 601	1, 599	1, 517	1, 219
Guarantees.....	1, 608	1, 413	1, 230	1, 077	1, 011	923	637
Working conditions.....	1, 552	1, 540	1, 514	1, 405	1, 337	1, 273	713
Union security.....	1, 502	1, 589	1, 409	1, 304	1, 257	1, 214	1, 001
Grievance—arbitration.....	1, 290	1, 361	1, 280	1, 129	1, 115	1, 088	813
Management prerogatives.....	1, 228	1, 238	1, 174	1, 117	980	816	660
Other actual contract issues.....	579	496	461	548	605	906	772
Total issues.....	33, 943	35, 129	32, 221	29, 228	28, 047	27, 447	21, 653
Total joint meeting cases.....	7, 193	7, 836	7, 445	7, 221	7, 013	7, 313	6, 211
Average issues per case.....	4.7	4.5	4.3	4.0	4.0	3.8	3.5
Number of joint mediation conferences held..	25, 749	26, 835	25, 183	23, 399	21, 809	23, 119	18, 769
Average joint mediation conferences per case..	3.58	3.42	3.38	3.24	3.11	3.16	3.02

Figure 6.—Industries Involved in Joint Meeting Mediation Cases by Size of Bargaining Unit and Establishment, Fiscal 1967

Industry	Number of cases	Number of employees	
		In bargaining unit	In the establishment
Manufacturing.....	5,013	1,533,018	3,562,548
Construction.....	515	280,367	1,090,501
Public utilities, communications, transportation.....	494	788,154	1,717,089
Retail, wholesale, and service industries....	1,089	173,226	667,216
Mining, agriculture, and finance.....	82	23,687	37,785
Totals.....	7,193	2,798,452	7,075,139

Figure 7.—Workers Involved in Joint Meeting Mediation Cases by Size of Bargaining Unit and Establishment, Fiscal 1967

People involved	Number of cases	
	Based on size of bargaining unit	Based on size of establishment
1000 or more.....	391	1,032
500 through 999.....	427	711
100 through 499.....	2,538	2,976
Less than 100.....	3,837	2,474
Totals.....	7,193	7,193

Figure 8.—Strike Prevention in Dispute Mediation

	Cases	Percentage
Cases with at least one joint mediation conference before a real deadline.....	6,553	
Number of these in which no stoppage occurred.....	5,292	.81
Cases with a deadline postponed for mediation.....	1,509	
Number of these in which no stoppage occurred.....	1,201	.80

Figure 9.—Twenty-Year Record of FMCS Dispute Mediation

Fiscal year	Total cases closed by mediators	Degree of participation		
		Active cases*	Consultation cases* (Some advice or assistance given to company and union)	Stand-by cases* (Close contact maintained with company and union, but no direct mediation required)
		Joint Meeting Cases & Separate Meeting Cases		
1948**.....	8,173	4,879	673	2,621
1949.....	15,047	7,046	1,187	6,814
1950.....	14,367	6,470	1,364	6,533
1951.....	13,500	6,163	1,258	6,079
1952.....	13,563	5,729	727	7,107
1953.....	14,943	6,697	516	7,730
		Formal cases*	Informal cases*	
1954.....	13,795	7,172	6,623	
1955.....	13,892	7,114	6,778	
1956.....	14,629	7,229	7,400	
1957.....	13,217	6,069	7,148	
1958.....	14,576	6,031	8,545	
1959.....	19,661	7,178	12,483	
		Joint* meeting cases	Nonjoint meeting cases* (separate meeting cases, advice or assistance cases, and all other cases in which a mediator maintained close contact but in which no direct mediation with joint meeting was required)	
1960.....	18,795	6,475	12,320	
1961.....	16,748	6,211	10,537	
1962.....	19,458	7,313	12,145	
1963.....	18,123	7,013	11,110	
1964.....	18,753	7,221	11,532	
1965.....	19,044	7,445	11,599	
1966.....	19,184	7,836	11,348	
1967.....	17,447	7,193	10,254	

*Terminology used in annual reports and all other records during designated years.

**Aug. 22, 1947 (beginning date of FMCS) to June 30, 1948.

DEFINITIONS

The following definitions may assist in understanding the tabulations in this analysis:

Case: A term applied to a negotiation between a company and union, which has been brought to the attention of the Service and which has been assigned to a mediator for his close attention and any necessary mediation activity.

Joint Meeting Case: A negotiation in which a mediator conducted at least one joint mediation conference. The term "joint meeting" as used by the Service normally consists of a series of joint and separate mediation conferences with the parties, extending over a number of hours.

Nonjoint Meeting Case: Any case followed closely by a mediator from the receipt of the notification until a final closing, but in which no joint mediation conferences were necessary.

Notice: A notification to the Service submitted in accordance with section 8(d) (3) of the Labor Management Relations Act of 1947. Any written or oral communication

received by the Service concerning the reopening, modification, termination, or renewal of an existing contract is considered a reason for assigning a mediator to inquire into the status of the negotiation.

NLRB Certification: A record given the Service to notify the appropriate regional office that an election has been held among a group of employees and that a certain union has been certified as their representative. The purpose of this informal modification is to alert the Service of a possible need for mediation.

Request: A specific request by one or both parties to provide mediation, usually in an initial contract or grievance situation. These are in addition to Taft-Hartley notices and for cases not requiring such notices.

Intercession: A case in which no notice has been received, but in which the Service intervenes on its own motion because of the impact of the negotiation on national defense or the economy.

Issue: A problem or point of disagreement between a company and union.

Arbitration

INTRODUCTION

For the 12th consecutive year, the arbitration caseload of the Service increased materially. During fiscal year 1967, the number of requests for panels rose to 6,955, a 23-percent increase over fiscal year 1966, and the number of panels submitted to the parties rose to 7,623, a 21.9-percent increase over fiscal year 1966. A summary of the continuous increase in all aspects of the arbitration caseload over the past 10

years appears in figure 10. Notwithstanding the fact that increasing costs and delays of arbitration continue to be a disturbing and as yet unsolved problem, there is no indication that the arbitration process for the settlement of grievance disputes will not continue its ever-increasing acceptability by both labor and management as the means by which these disputes are resolved.

ROLE OF THE SERVICE IN ARBITRATION

Arbitration is a private, voluntarily established disputes settlement system created by the parties who wish to establish a forum in which their disagreements can be settled swiftly and with finality. Procedures and remedies available to parties who have agreed to arbitrate their differences are chosen by the parties themselves, and are not imposed upon them by outside authorities or agencies.

The Federal Mediation and Conciliation Service is one of a very few agencies which perform administrative functions in the field of labor arbitration. These functions are performed in accordance with published arbitration regulations of the Service, or in accordance with procedures specified in the parties' own labor agreements.

The agency's regulations set forth a number of possible methods for the selection of an arbitrator. These regulations also provide that upon the arbitrator's selection, the Service withdraws from active participation in the case, the subsequent relationship being between the parties and the arbitrator who has been selected. Nevertheless, the Service is prepared to take any necessary action, at any stage in the proceeding, to insure that a case is processed promptly and in accordance with the authority conferred by the parties' collective bargaining agreement. It is abundantly clear, however, that it is not the role of this agency to interpret a collective bargaining agreement. That is the function of either the arbitrator or the court. The Service

limits itself to the determination of its authority to act under the terms of the parties' collective bargaining agreement.

For example, the Service declines to rule on matters of arbitrability, the right to submit multiple grievances to a single arbitrator, etc. Although a possible course of action may occasionally be suggested to the parties to resolve such matters between themselves, it is the agency's official position that questions of this nature are to be determined either by an arbitrator or by a court of competent jurisdiction, rather than by the Service.

Despite the increase in controversies over procedural and other issues, these questions are raised in an insignificant number of the total cases handled. For the most part, the parties who obtain arbitrators through the Service's facilities are in complete agreement on all administrative and procedural details.

VOLUME OF ARBITRATION

Again in fiscal year 1967, there was a marked increase in the FMCS arbitration caseload (fig. 10). In fiscal year 1966, the Service reported receipt of 5,654 requests for panels; in fiscal year 1967, the parties to collective bargaining agreements requested 6,955 panels, an increase of 23 percent. The Service actually submitted 7,623 panels in fiscal year 1967, an increase of 21.9 percent over fiscal year 1966. The difference in the number of panel requests from the number of panels submitted is accounted for by the fact that more than one panel per case is

The "Arbitration Policies, Functions, and Procedures" of the Service have not been revised since January 8, 1957. Many events have occurred and many court cases have been decided regarding the arbitration process since that date, all of which make the updating of the "Arbitration Policies, Functions, and Procedures" desirable. It is anticipated that this will be accomplished during fiscal year 1968.

The "Arbitrator's Report and Fee Statement" was changed during fiscal year 1967 so as to identify more clearly the kind of issue or issues involved in the arbitration case reported upon by the arbitrator. It will, of course, take some time for meaningful statistics to be available based upon the information taken from the newly changed report, but when they are available, it is believed that they will be of much greater value to the labor-management community than was the information taken from the prior report form.

submitted in instances in which a mutual choice could not be made from earlier panels in that case.

Last year the Service reported that the large increase in 1966 in the number of awards over the preceding year was misleading because there were a substantial number of awards processed in 1966 which were carryovers of 1965 cases. Consequently, the decrease in the number of awards from 2,441 in fiscal year 1966 to 1,967 in fiscal year 1967 should not be surprising. Nevertheless, it would appear that there is a continuing trend of a

larger and larger percentage of cancellations of cases, either after requests have been submitted for panels or after arbitrators have been appointed. The Service has not yet found a means of solving the problem of the inconvenience to arbitrators which occurs when cases are canceled after appoint-

ments have been made, particularly when the cancellations occur in close proximity to the scheduled hearing date. However, there is continuing study of this problem in the hope that there may be a solution which will be satisfactory to the parties and to the arbitrators.

NEW ARBITRATORS

There is a continuing problem of maintaining a roster of a sufficient number of experienced and acceptable arbitrators. The Service is trying to increase this supply by adding new arbitrators to its roster, in the hope that the parties will see fit to select relatively inexperienced arbitrators in cases where experience is not a compelling qualification. In this effort, 66 arbitrators were added to the roster in fiscal year 1967.

An individual who has had limited or no experience as an arbitrator is not added to the roster until a careful investigation and evaluation of his training and experience indicates that he possesses a thorough and deep background in labor-management relations sufficient to qualify him for addition to the roster. Each applicant for addition to the roster is discussed with members of the labor-management community in the area in which he might expect to receive cases in order to determine, insofar as possible, the degree of acceptability that the applicant might expect. Needless to say, fairness, impartiality, and character are also necessary prerequisites.

The Director and the General Counsel consider all available information supplied by the applicant or

developed during the investigation before a decision is made on whether the applicant should be added to the roster. The Service continues to inform all parties to whom the names of inexperienced arbitrators are submitted of the fact that they do lack experience, and limits the number of inexperienced arbitrators on any one panel submitted to the parties.

The Service is continuing its cooperation with the American Arbitration Association and the National Academy of Arbitrators in developing training programs for new arbitrators. The arbitrator training program in the Cleveland area was concluded at the beginning of fiscal year 1967, and it is believed that the results of this program will be more fruitful than were the training programs previously conducted in Chicago and Pittsburgh.

Although no new training programs have commenced since the Cleveland program was completed, exploratory meetings were held in conjunction with the American Arbitration Association in the St. Louis area. It is premature at this time to announce that there will be an arbitrator training program in St. Louis, but it is hoped that, since the labor and management representatives in the St. Louis area

are convinced that there is a critical shortage of qualified arbitrators in that area to meet the caseload, these representatives will now accept the responsibility of working with the Federal Mediation and Conciliation Service, the American Arbitration Association and the National Academy of Ar-

bitrators in the formulation and implementation of an arbitrator training program. In this regard, the Service is convinced that the labor-management community in the area in which the training program is conducted must actively participate in the program if it is to be even reasonably successful.

ARBITRATION CASE STUDY

The Service has prepared a detailed analysis of time lags and costs in a representative sample of cases administered by the Service. A comparison of these statistics in fiscal year 1967 with fiscal year 1966 is shown in figure 11.

The average fee per case in fiscal year 1967 increased 10.5 percent over fiscal year 1966. This increase was due to a combination of the following:

1. An increase of 1/10 day per case charged for study time,
2. An increase of 1/10 day per case charged for travel time, and
3. An increase of almost \$5 average per diem charge by the arbitrators.

Although the average time per case between the time of hearing and the date of award rose from 47.2 days in 1966 to 49.3 days in fiscal year 1967, it is encouraging to observe that this in-

crease is far less both in terms of days and percentage than the increase that occurred in fiscal year 1966 over fiscal year 1965. (It will be recalled that in 1966, the increase was 36.8 percent over 1965.)

Based upon the sample of 499 cases, briefs were filed in 321 of them. After the time between the date of hearing and the date of final briefs in these 321 cases is taken into account, the result is that the arbitrators rendered their decisions in the 499-case sample in 29.8 days after submission. In view of the agency regulations which require that awards be issued within 30 days of the close of the hearing, it is obvious that many arbitrators are not complying with our regulations. The Service is continuing its study to determine methods by which both cost and delays in arbitration can be adequately controlled.

BIOGRAPHICAL SKETCH UPDATING

The Service is in the process of updating all of the biographical sketches of arbitrators on the roster. When this program is completed, the per diem fee for each arbitrator will be shown on the biographical sketch for the first time. By adding this information, the parties may consider the individuals'

per diem fees along with other factors in determining which individual they may desire to serve as the arbitrator. The completion of the program of updating all biographical sketches and adding the per diem information will be completed during fiscal year 1968.

ARBITRATION AWARDS RENDERED, BY STATE, DURING FISCAL YEAR

A breakdown of arbitration awards by State during fiscal year 1967 is shown in figure 12. The geographical caseload distribution shows that Ohio is again the leader, having twice as many awards as Pennsylvania, which was second. Other States in the top 10 were Illinois, California, Indiana, Tennessee, Texas, New York, Missouri, and New Jersey, in that order.

Except for the replacement of Michigan by Missouri, the top 10 were the same as those in 1966, although Pennsylvania and Illinois reversed positions, California and Indiana reversed positions, as did Texas and Tennessee. The Service received arbitration awards from every State with the exception of South Dakota, Utah, and Hawaii.

Figure 10.—Arbitration Unit Workload—Fiscal 1958-67

	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958
Requests for panels or direct appointments.....	6,955	5,654	5,048	4,791	4,279	3,548	3,174	2,835	2,292	2,321
Panels submitted.....	7,623	6,255	5,453	5,172	4,497	3,808	3,347	2,993	2,423	2,411
Appointments.....	3,953	3,430	3,333	3,182	2,757	2,555	2,231	2,039	1,756	1,755
Awards.....	1,967	2,441	1,887	1,952	1,618	1,733	1,553	1,320	1,226	1,140

Figure 11.—Sample Results of Duration and Cost Data in Arbitration, Fiscal Years 1966 and 1967

	Per case averages	
	1966	1967
Hearing time (days) charged.....	1.0	1.0
Study time (days) charged.....	1.7	1.8
Travel time (days) charged.....	.3	.4
Total time (days) charged.....	3.0	3.2
Average fee charged.....	\$417.31	\$461.00
Average per diem charged.....	\$139.10	\$144.06
Average expenses charged.....	\$54.45	\$65.05
Average total charges.....	\$471.76	\$526.05
Time between grievance filed and request for panels (days).....	80.4	80.3
Time between request date and list sent (days).....	5.2	3.9
Time between date list sent and appointment (days).....	29.4	32.7
Time between appointment and hearing (days).....	59.5	61.5
Time between hearing and award (days).....	47.2	49.3
Total time between request and award (days).....	141.3	147.4
Number of cases sampled.....	1,209	499

Figure 12.—Arbitration Awards, by State, Fiscal 1967

Alabama.....	40	Nevada.....	19
Arizona.....	13	New Hampshire.....	1
Arkansas.....	29	New Jersey.....	67
California.....	128	New Mexico.....	23
Colorado.....	5	New York.....	99
Connecticut.....	7	North Carolina.....	9
Delaware.....	4	North Dakota.....	1
District of Columbia.....	18	Ohio.....	267
Florida.....	42	Oklahoma.....	28
Georgia.....	54	Oregon.....	9
Idaho.....	1	Pennsylvania.....	133
Illinois.....	131	Rhode Island.....	3
Indiana.....	123	South Carolina.....	11
Iowa.....	31	South Dakota.....	0
Kansas.....	20	Tennessee.....	121
Kentucky.....	31	Texas.....	105
Louisiana.....	28	Utah.....	0
Maine.....	3	Vermont.....	2
Maryland.....	39	Virginia.....	44
Massachusetts.....	18	Washington.....	17
Michigan.....	65	West Virginia.....	40
Minnesota.....	15	Wisconsin.....	38
Mississippi.....	9	Wyoming.....	5
Missouri.....	68	Alaska.....	1
Montana.....	5	Hawaii.....	0
Nebraska.....	7		

Administrative Management

INTRODUCTION

The Federal Mediation and Conciliation Service is an independent agency established by the Labor Management Relations Act, 1947, effective August 22, 1947. It is the successor agency to the U.S. Conciliation Service, formerly a bureau within the Department of Labor.

As an independent organization within the framework of the administrative branch of the Government, the Director serves at the pleasure of the

President with the advice and consent of the Senate. The present Director, Mr. William E. Simkin, has served since March 31, 1961, having been appointed by former President Kennedy.

Under the provisions of the act, the Director is responsible for the organization and operation of the Agency, including the selection and appointment of the professional staff without regard to Civil Service Commission laws and regulations.

ORGANIZATION

Fiscal year 1967 was the first complete fiscal year operating on the basis of the newly organized structure depicted in the functional chart (fig. 13). This reorganization accomplished the intended purpose of placing more emphasis on long range dispute preventive efforts as portrayed in greater detail in chapter III. The geographic organizational structure of the Service is shown in the regionalization map (fig. 14). This shows the seven regional offices, 67 field offices, and three field stations. At the close of the fiscal year there were 260 mediators staffing these locations. There are from one to 14 mediators stationed at the regional or field office locations, depending upon

the volume of labor-management dispute activity existing or anticipated in the area serviced by the specific office. An essential requirement in each location is a mobile and flexible mediator staff sufficient to service the industrial complex of the area.

The three field stations are occupied by mediators who work from their residences. At all other locations adequate facilities for joint and separate mediation conferences must necessarily be furnished as well as office space.

The regional offices are located at New York, Philadelphia, Atlanta, Cleveland, Chicago, St. Louis, and San Francisco. Each is staffed with a regional director, assistant regional di-

rector and a small administrative and clerical staff in addition to the mediator staff.

The national office is responsible for policy formulation and program development; coordination of regional activity; supervision and coordination in the mediation of nationally significant cases; liaison with other governmental agencies and representatives of labor and management; public and press relations; administration of the arbitration program; conduct of operations analysis and audits; direction of training activity; mediator selection and placement; and administrative management and fiscal control.

This year was the first complete year when advantages of computer facilities could be realized. Through these efforts the geographic organization manpower structure was verified, updated, and controlled more efficiently. In addition, computer use made available more immediate, significant, usable knowledge

of trends and developments in the mediation function.

As anticipated, this advanced management technique permitted a current revision of data relating to all seven regions that had heretofore taken a 2½-year span of study utilizing outdated information. It is expected that expanded use of computer facilities will improve our data gathering and analyzing techniques yet further in the future.

The regional organizations are primarily responsible for the substantive determination of jurisdiction; mediation of cases within the region; preventive mediation and related activities; regional and local public and press relations, liaison with representatives of labor, management, elected officials, and civic leaders; participation in meetings and conferences related to labor-management relations; and supervision of regional administrative functions.

PERSONNEL

The permanent employee strength of the Service increased from 426 to 435 at the end of fiscal year 1967. As shown in figure 15, this was a net increase of nine over the previous year.

The FMCS ceiling or limitation on employment established by the Bureau of the Budget for fiscal year 1967 was 462 positions, of which not more than 442 could be occupied by permanent employees.

The extra 20 positions are available for temporary employees serving ad hoc boards, panels, consultants, expert mediators, and temporary clerical and secretarial help.

As of June 30, 1967, there were 435 permanent and eight temporary employees, seven below the permanent ceiling and 19 below the maximum ceiling.

The Service recruiting effort is concentrated in the main in the mediator category. During the past fiscal year, 18 new mediators were added to the staff while 14 were separated. The field mediator staff at the end of the fiscal year was 260. Including regional directors, assistant regional directors, and national office personnel, a total of 287 professionals were available and engaged in mediation.

FEDERAL MEDIATION AND CONCILIATION SERVICE June 30, 1967

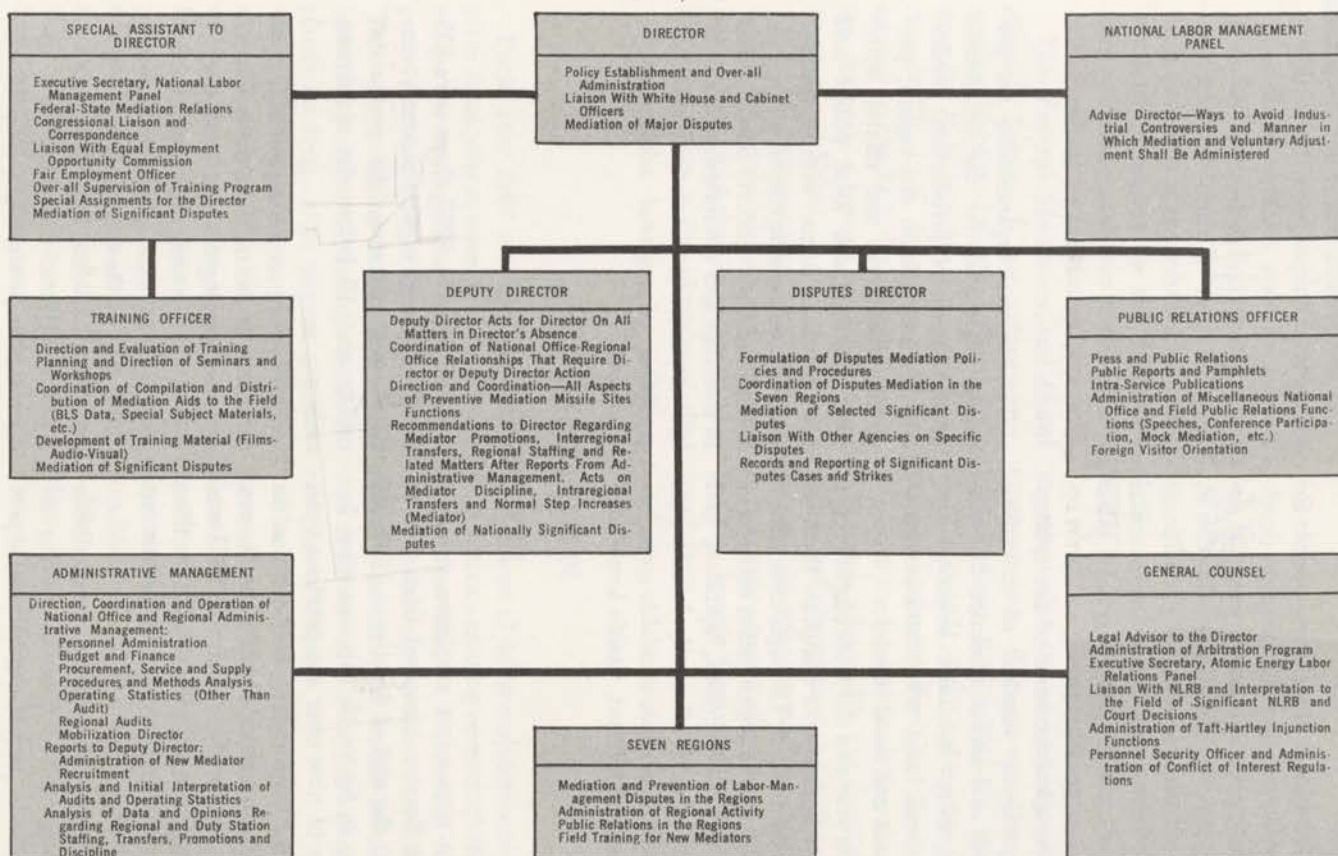


Figure 13.—Functional Chart

Figure 14.—FEDERAL MEDIATION AND CONCILIATION SERVICE
Regionalization Plan—June 30, 1967



Figure 15.—Permanent Employees of the Federal Mediation and Conciliation Service, by Type of Position, as of June 30, 1966, and June 30, 1967

Fiscal years ending—	Departmental		Field		Total
	Administra- tive and clerical class	Mediator class	Administra- tive and clerical class	Mediator class	
June 30, 1966.....	52	14	91	¹ 269	426
June 30, 1967.....	53	13	95	¹ 274	435
Increase.....	+1	-1	+4	+5	+9

¹ Includes 7 regional directors and 7 assistant regional directors.

The agencywide personnel turnover rate in fiscal year 1967 decreased slightly to 9.8 percent, compared with 10.1 percent in the previous year. For the mediator staff alone the turnover was 5.3 percent, compared with 4.9 percent in the previous year.

The temporary employment during the year included six expert mediators to provide assistance in special situations, particularly in the West Coast Shipyard Industry Dispute and the Avco Lycoming situation. Other temporary employment included services performed by the 12 members of the Na-

tional Labor-Management Panel. Two retired mediators were returned to active duty during the year on a temporary basis to assist in meeting peak workload situations. Fifty-nine consultants were employed to participate in the mediator training seminar, workshops, and related activities.

Twenty-two temporary clerical, and secretarial appointments were utilized to insure continuing staff support of operations during absences of the permanent employees in periods of illness and vacation.

MEDIATOR RECRUITMENT, SELECTION, AND DEVELOPMENT

Effective mediation depends to a large extent on the intellectual capacity, integrity, and persuasive abilities of the individual mediator. In its recruiting and selection efforts, the Service therefore, concentrates on attracting candidates of the highest professional qualifications.

The mediator position is excepted by statute from the usual civil service eligibility requirements for entrance into Federal service. Selection for appointment is made by the Director after

careful investigation, evaluation, and personal interviewing. Salary scales and job benefits are similar to those of positions under civil service.

The Service encourages persons with good educational background and extensive experience in labor relations to apply for mediator positions. However, vacancies are not numerous and the competition for them is very keen. It is estimated for the 18 mediator positions filled in 1967 that 10 times that number of applications were received and proc-

essed. Involved in the selection process is, first, the determination, by application review, that the minimum qualification requirements are met or exceeded. Thereafter follows a series of interviews at the field and national office levels. Individual evaluations and recommendations are made by each interviewer on each applicant interviewed. These are of assistance to the Director, who, under authority invested in him by the Labor-Management Relations Act, makes the final selection.

In recruiting the highest quality mediator personnel, the Service is able to point to a ladder of promotion up which mediators of demonstrated above-average ability and performance may expect to move. Newly appointed mediators are usually employed at either Government grade GS-11 or grade GS-12. The latter is the customary entrance grade (currently \$10,927 per annum). The first year of employment is a combination probationary and training period, at the end of which promotion to the next higher grade level takes place upon satisfactory completion of the probationary training period. At the grade GS-13 level a mediator is considered to have attained the first journeyman grade (annual salary range: \$12,873-\$16,905). The second journeyman grade is at the GS-14 level (annual salary range: \$15,106-\$19,813). Promotion to this latter grade requires a continued demonstration of above average competence and an ability to

perform successfully in all phases of Service programs. Salaries noted above will be increased by approximately 4.5 percent as a result of 1967 congressional action.

The financial resources of the agency do not permit an extensive mediator-trainee program, although there are three such positions to which young men of unusual potential but lacking in labor relations experience, may be appointed with the ultimate objective of becoming full-fledged mediators. These positions are at the grade GS-7 or GS-9 level. (Entrance salaries of \$6,451 and \$7,696.)

Grade promotions of mediators were authorized during fiscal year 1967 as follows:

GS-9 (trainee) to GS-11 (trainee)...	3
GS-11 (trainee) to GS-12.....	6
GS-12 to GS-13.....	19
GS-13 to GS-14.....	9
GS-14 to GS-15 (national office positions).....	5

Frequently, new mediators accept Service appointment at an initial salary reduction or no initial increase above their former salaries in private industry. For instance, in the 5-year period ended June 30, 1967, 58 percent of all new mediators employed during that period accepted appointment at an initial salary below that currently received, and an additional 14 percent received no initial increase. Because of the prospects for possible future promotions, some applicants accept appointment offers despite an initial income loss.

INTERNAL OPERATIONS ANALYSES

The Service is continuously concerned with the most effective utilization of the manpower resources available to the Agency. This objective is sought principally through a continuing program of regional operations audit and statistical analyses. Involved in each regional audit is: (1) An analysis of manpower utilization, including workload evaluation and proper distribution of the mediator staff; (2) study of program and policy conformity, including dispute case jurisdiction, mediation of grievance disputes, and case reporting; (3) an examination of the handling of strike cases in order to determine whether there are techniques or procedures which might have more general application in reducing the incidence of future work stoppages; (4) a review of special subjects particularly applicable

to one region or of some special immediate interest to the Service.

With availability of current and comparable data through use of computer facilities, regional operations analyses were conducted for five regions. In addition, various other studies were possible.

Based on the workload analyses and reviews of the mediator manpower distribution, it was determined that present field offices and stations were properly located. In addition, recommendations were made for adjustments in the mediator staff at FMCS offices in Pittsburgh, Allentown, Birmingham, Dayton, Cincinnati, Kalamazoo, South Bend, Evansville, Wichita, Kansas City, Indianapolis, and Salt Lake City.

At the end of the fiscal year, these changes were either completed or were in process of being completed.

PERFORMANCE AND INCENTIVE AWARDS

The key objective of the performance and incentive awards program is to improve the efficiency, economy, and effectiveness of Service operations through recognition of competency and superior performance and through encouragement and use of employee skills and ideas. Governmentwide, the Federal Salary Reform Act of 1962, and the Government Employees Incentive Awards program, established by statute in 1954, give formal recognition to the basic program.

During the fiscal year 1967, competency ingrade salary advances were approved for 204 employees. Each of

these was made upon certification by the supervisor that the employee has maintained and further, is expected to maintain, an acceptable level of competence in the performance of his assigned duties.

In addition, high-quality performance salary increases, equivalent to an ingrade salary advance, were awarded to 24 mediators and 14 administrative and clerical employees. These awards are based on recommendations by the supervisors that, in each case, the employee is demonstrating a high quality of performance substantially in excess of the normal performance require-

ments of the job. These actions are authorized by the Federal Salary Reform Act of 1962.

During fiscal year 1967, Regional Director William F. White was awarded the Service's highest honor and received a distinguished service plaque and a \$500 award. Mediator Charles F. Werkheiser, Philadelphia, Pa., was awarded a meritorious service plaque and \$250. In addition, two employees were given monetary awards for the adoption of their suggestions to improve operating methods and procedures within the Service. They are Robert P. Baker, Atlanta, Ga., and Patricia A. Payne, Salt Lake City, Utah. One group award in the amount of \$200 was given for the suggestion to computerize our data compilation and analysis procedures. Two secretarial employees won awards as follows: Mildred A. Fraser, \$210 for sustained superior performance, and Anne R. Parks, \$145 in recognition of outstanding performance. The amount of such awards is based upon the annual salary of the employee concerned.

The Service gives recognition also to total Government service by awarding length of service certificates to its employees on completion of 10 years of service and at following intervals of 5

years. During fiscal year 1967, certificates were awarded as follows:

Length-of-service awards, fiscal year 1967

<i>Years:</i>	<i>Number</i>
10 -----	14
15 -----	14
20 -----	4
25 -----	24
30 -----	3
35 -----	1
Total -----	60

Upon retirement from the Service, each retiree is presented with a plaque commemorating his total Government service. Eight employees were separated by retirement and received such plaques during the year.

Retirement plaques

<i>Years:</i>	<i>Number</i>
22 -----	1
23 -----	2
24 -----	1
28 -----	2
30 -----	1
32 -----	1
Total -----	8

SECURITY CLEARANCE

The position of mediator is designated as sensitive under the criteria of Executive Order 10450, and requires a full field investigation of all appointees to determine eligibility and suitability for assignment to the mediator position. The principal reason for the sensitive designation is that mediators frequently participate in labor

contract negotiations involving establishments engaged in production related to national defense and security. During the past fiscal year 21 clearances were authorized, and all mediator employment has been certified as clearly consistent with the interests of national security as required by Executive Order 10450.

FINANCIAL STATEMENT

Congress appropriated \$7,100,000 initially for FMCS salaries and other operating costs for fiscal year 1967. Subsequently a supplemental appropriation in the amount of \$180,000 was requested and \$110,000 was approved to cover an estimated 60 percent of the cost of the Federal employee salary increases which became effective July 4, 1966. The Service agreed to absorb \$70,000 of the total pay increase cost.

Of funds available in 1967, approximately \$55,000 was earmarked for expenses of ad hoc boards and panels, and to provide for the compensation

and other related expenses of expert mediators and consultants. During the year expenses of four Taft-Hartley Boards of Inquiry were provided but it was not necessary to appoint special ad hoc boards or panels. Consequently, funds in the amount of \$20,000 were returned as savings to the Treasury from this activity.

Figure 16 illustrates a comparative summary of FMCS financial activity for usual Service activity during fiscal years 1966-67. Figure 17 is applicable to board, panel, and related activity only during the same periods.

Figure 16.—Salaries and Expenses for Fiscal Years 1966 and 1967

	Fiscal year 1966	Fiscal year 1967
Appropriations:		
Initial.....	\$6,610,000	\$7,100,000
Supplemental (pay increase).....	115,000	110,000
Total available.....	6,725,000	7,210,000
Obligations:		
Personnel compensation.....	5,257,688	5,693,940
Travel.....	520,955	542,009
Other.....	832,670	952,885
Total.....	6,611,313	7,188,834
Savings.....	113,687	21,166

Figure 17.—Expenditures, Special Employment, Fiscal Years 1966 and 1967

	1966 total	1967					
		Total	Special panels	Boards of in- quiry	Expert media- tors	NLMP	Consul- tants
Salaries.....	\$18, 869	\$15, 350		\$1, 320	\$12, 330	\$250	\$1, 450
Travel.....	5, 616	6, 635		2, 782	2, 952	817	84
Communications.....	362	537		537			
Other.....	12, 989	12, 317		892		2	11, 423
Total.....	37, 836	34, 839		5, 531	15, 282	1, 069	12, 957

Training

Scope

The training activities of the Service are in four specific areas: (1) The orientation and initial training of newly appointed mediation staff members, (2) a continuing educational program for seasoned mediators, (3) development and modification of reference and resource material to assist the staff in dispute and preventive efforts in supplementing mediation methods and techniques, and (4) resource service for special projects originating in either the national office or in the field.

Orientation

Three classes of newly appointed mediators participated in orientation conferences during fiscal year 1967. During the period July 18-29, 1966, there were seven new staff members taking part in the program. From October 24-November 4, 1966, a class of nine participated and from April 10-21, 1967, a group of five attended.

The conferences are designed to focus quickly and effectively the attention of the new mediators, with their diverse backgrounds in collective bargaining, on the policies, procedures, and methodology of mediation. Lectures, group discussions, film and filmstrips, case studies, simulated mediation sessions, and problem assignments fill a compact schedule for the 2-week peri-

od. Appropriate administrative rules and regulations are also included on the agenda. The new mediator is required to engage in a number of practical exercises in a variety of sample mediation problems and administrative requirements.

The immediate subsequent phase to the orientation conference is field training under the direct supervision of the mediator's regional director and assistant regional director. After a short span of time learning regional procedures, the new mediator is assigned to mediation cases as an observer. Later he is named as a member of a mediation panel, and, as his own individual progress indicates, he will chair mediation meetings of less complex cases. Interspersed with the aforementioned duties are additional training sessions with senior mediators of the region, as such assignments are scheduled by the regional director.

National Seminar

Seminar series XI was held in Washington, the week of January 8-13, 1967. In recognition of its 20th anniversary, the Service conducted its most outstanding program in the seminar series. A single seminar for all mediators of the Service able to attend was held, rather than the usual schedule of two separate seminars, each for half the mediator staff.

With the theme of "Collective Bargaining—A Look Ahead," seventy of the Nation's most prominent industrial relations figures joined with the entire mediator staff in the discussion of key problems in collective bargaining. The outstanding assembly included top ranking government officials, international union presidents, industry leaders, renowned academicians, widely respected arbitrators, and others known for major contributions to the labor-management community.

Specific topics discussed during the 5-day meeting included an appraisal of collective bargaining in a free society; the impact of equal employment opportunity requirements on bargaining; the relationship between FMCS and other agencies; grievance and arbitration procedures; employment-management relations in the Federal government; bargaining problems of professional, technical, and clerical employees; and multiemployer and coordinated bargaining.

The program was arranged to provide for general sessions, small-group workshops, panel presentations, question-and-answer periods, and informal meetings between the mediators and non-Service participants. In addition, the exchange of information between mediators from a variety of regions and industrial experience is a seminar additive of considerable value. The staff regards the opportunity to meet with other mediators as an essential feature of this activity.

Workshop Series

The FMCS workshop series, inaugurated in 1964, is an important portion of the Service's continuing educa-

tion program for its mediator staff. The workshops are designed to bring together a limited number of field mediators and knowledgeable resource persons for a weeklong concentration on problem areas in collective bargaining.

During fiscal year 1967, three workshops were held in Washington. These workshops were on "Setting Production Standards," "Preventive Mediation Clinic," and "Select Problems in Collective Bargaining."

The session concerned with production standards was held October 10-14, 1966. The general topic was divided into four particular subjects—stopwatch time study, work sampling, standard data, and predetermined motion time systems. The theoretical presentations were balanced with practical exercises for the mediator attendees with attention directed to the direct applicability of the workshop to collective bargaining.

During the period February 13-17, 1967, the workshop centered attention on the preventive mediation phase of the mediation function. A review of the experience of highly qualified staff members provided the backdrop for intensive discussion of the techniques and methodology of the various types of preventive mediation efforts. An extensive interchange of successful experiences, materials, and approaches enabled the conferees to draw up resource information adaptable to most situations encountered by the mediators in this area of their responsibilities.

Suggestions for new and improved films, filmstrips, topic outlines, ques-

tionnaires, and other materials useful in preventive mediation work were also obtained through discussions at this clinic. These suggestions are being implemented.

The concluding workshop of the fiscal year was held April 24-28, 1967, on "Select Problems in Collective Bargaining." Included among the problems discussed were negotiations in the transportation industries, union rank-and-file membership attitudes, review of statistical information relevant to the utilization of FMCS by the parties, labor relations activity in the Federal government, the annual wage proposal, problems of skilled trades, trends in coordinated bargaining, and the drafting of contract language.

Forty-nine field mediators, or approximately one-fifth of the mediator staff, participated in the workshop series during the fiscal year. Coupled with the wide range of collective bargaining knowledge represented by this group is the equally broad experience of the dozen outside consultants taking part in the program. The expert advice obtained plus the timely topics under consideration continued to maintain the high degree of acceptability of the Service's workshops by the participants.

Regional Training Activity

The constant shifting of factors affecting collective bargaining plus the widespread geographical structure of FMCS places considerable emphasis on the training followup at the regional level. As workload, needs, and availability of personnel permits, all regions

are participating in training activity geared to meet their particular requirements.

In the main, regional training activity divides into field training for recently acquired mediator staff members; regional conferences for the entire mediator staff; area conferences for stations with similar collective bargaining problems; a variety of programs for clerical and other administrative support personnel, including regional clerical conferences; and periodic staff conferences, particularly in the larger offices.

Emphasis is naturally placed on the continuing training of new mediators following the 2-week orientation conference. The direct supervision of the regional and assistant regional directors is augmented by measures each region has developed to assure recently selected mediators of proper attention. A significant contribution to field training is the Mediator Development Committee of region 5. Newcomers to the region are assigned to one of the four seasoned mediators of the committee. The makeup of the development committee is altered each year and the regional executives are convinced the plan has been working successfully.

Regardless of the level of functioning, all newly hired support personnel and those considered for upgrading have their training plans scheduled by their respective regions. Such training may be on-the-job job rotation, assignment to special Government or non-Government programs, or regional conferences.

Interagency Training

Interagency programs, at the national and regional level, were attended by FMCS administrative staff members. These ranged from 1-day seminars to weeklong seminars on a variety of appropriate administrative subjects.

During the summer of 1966, two members of the Neighborhood Youth

Corps, part of the Department of Labor's Manpower Administration, were trained by FMCS personnel in regional locations.

Fiscal year 1967 was also marked by increased participation by the Service's training officer in the foreign technical assistance programs of other Government agencies.

Public Relations

Mediators engaged in 954 public relations assignments during the fiscal year, compared with 610 during the prior fiscal year. This is a new high level of activity, indicating expanding mediator participation in a wide variety of projects designed to explain the work of the Service and the function of the collective bargaining process.

It is apparent there is a great deal of interest, at all levels of the population, in learning more about collective bargaining, its faults and advantages, its history and future prospects. This interest is evident among students in high schools, colleges and graduate schools as well as among the more sophisticated collective bargaining practitioners, those who actually engage in negotiations.

The mediator staff devotes as much time as is possible, without neglecting mediation activities, to helping fulfill this need for information about collective bargaining and its role in the Nation's economic and social life.

Public relations assignments covered a wide variety of activity, including speeches to interested groups such as labor or management conventions, seminars and workshops; participation in panel discussions, simulated bargaining sessions (mock mediation), film showings, published articles, and radio and television appearances.

A total of 229 audiovisual showings were recorded for the fiscal year. The Service is continuing its efforts to develop new audiovisual and other discussion resources to fill the ever-growing demand for information on contract bargaining, grievance handling, preventive activity, and other aspects of labor-management relations.

Mediators always welcome an opportunity to explain the operation and function of the Service and its impartial role in helping unions and employers reach their own solutions to mutual problems. Confidence in the Service and greater understanding of its mission can contribute substantially to more widespread use of mediation as the method devised by the Congress to insure smoother functioning of the bargaining process.

The Service continued to extend cooperation to the Departments of State and Labor in assisting in acquainting foreign visitors with this Nation's programs and policies. Most of these foreign visitors are keenly interested in the American system of free collective bargaining. Many are seeking to adopt this Nation's bargaining system in some form in their own countries. They are consequently keenly interested in the mediation process.

During the fiscal year, a total of 88 groups of foreign nationals, consisting

of 301 individuals from 37 countries, visited the national, regional, and field offices of the Service.

The countries represented included Argentina, Austria, Australia, Belgium, Bolivia, Brazil, British Honduras, Ceylon, Chile, Columbia, Cyprus,

Dominican Republic, England, Ethiopia, Germany, Ghana, India, Indonesia, Italy, Japan, Netherlands, New Zealand, Okinawa, Pakistan, Paraguay, Peru, Philippines, Sierra Leone, Spain, Thailand, Turkey, Uganda, Venezuela, and Vietnam.

National Labor-Management Panel

This advisory group continued to perform its valuable function of assisting the Director and the Service in reviewing mediation practices and in planning future operations and dispute-handling procedures.

Three new members of the panel were appointed by the President in 1966, early in the fiscal year. They were John C. Quilty, vice president of personnel and industrial relations, Shell Oil Co.; Nelson G. Ball, vice president, industrial relations, Goodyear Tire & Rubber Co.; and Anthony J. De Andrade, president, International Printing Pressmen & Assistants' Union of North America.

The President also reappointed two panel members to new 3-year terms: J. Paul St. Sure, chairman, board of directors, Pacific Maritime Association, and Irving J. Bluestone, administrative assistant to the president, United Automobile Workers union. (The Service was saddened by the death of Mr. St. Sure soon after his reappointment.)

The role of the panel, as authorized by the Labor Management Relations Act of 1947, is to advise the Director of the Service on the avoidance of industrial controversies and the manner in which mediation and voluntary ad-

justment shall be administered, particularly with reference to controversies affecting the general welfare of the country.

Membership on the panel, appointed by the President, consists of six outstanding representatives of management and six outstanding representatives of labor, serving staggered 3-year terms. In practice, the panel meets regularly, usually on a quarterly basis but sometimes more frequently.

The Director has found the advice and counsel of the panel to be extremely helpful in formulating and implementing mediation policy. The membership of the panel is made up of prominent practitioners in the collective bargaining area and all members have been most generous in the time they have devoted in discussion with the Director and his staff of current and anticipated labor-management problems and trends.

Members of the panel gave substantial assistance in the advanced leadership training program of the Service by participating in the annual seminars and quarterly workshops.

The panel roster is printed separately at the beginning of this annual report.

Federal-State Relations

The end of fiscal 1967 brought to a close the first complete year of experience under the new system jointly adopted by the FMCS and the Association of Labor Mediation Agencies (organization of State mediation agencies) for handling any problem or complaint that might arise between the Service and any State mediation agency.

The fact it was hardly necessary to use this procedure during the year is indicative of the high accord and harmony between the FMCS and the various State agencies. The few problems which did arise were informally and successfully handled and without resort to the involvement of the Director of the Service or the President of ALMA.

The ever-improving Federal-State relations produced a high degree of cooperation in dispute-case handling, the exchange of ideas and the furtherance of the positive aspects of the mediation profession.

State mediation heads, at the invitation of the Service, participated in leadership roles in the 1967 FMCS Annual Mediator Seminar. Such participation included representatives of the States of New York, Massachusetts, New Jersey, Michigan, Pennsylvania, Wisconsin, and the City of Toledo, Ohio. Individual State mediators participated in the various FMCS workshops held during the fiscal year. The Director addressed the annual conference of the Association of Labor Mediation Agencies.

FMCS regional directors continued to meet with heads of agencies located within their respective regions. The FMCS-ALMA Liaison Committee continued discussions on matters of general concern to the mediation profession. The overall result of these numerous joint activities is perhaps the finest relationship to date between the FMCS and the various State mediation agencies.

APPENDIX A

Labor Management Relations Act, 1947

TITLE I—AMENDMENT OF NATIONAL LABOR RELATIONS ACT

SEC. 8. (d), For the purposes of this section, to bargain collectively is the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making of a concession: *Provided*, That where there is in effect a collective-bargaining contract covering employees in an industry effecting commerce, the duty to bargain collectively shall also mean that no party to such contract shall terminate or modify such contract, unless the party desiring such termination or modification—

(1) serves a written notice upon the other party to the contract of the proposed termination or modification sixty days prior to the expiration date thereof, or in the event such contract contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification;

(2) offers to meet and confer with the other party for the purpose of negotiating a new contract or a contract containing the proposed modifications;

(3) notifies the Federal Mediation and Conciliation Service within thirty days after such notice of the existence of a dispute, and simultaneously therewith notifies any State

or Territory agency established to mediate and conciliate disputes within the State or Territory where the dispute occurred, provided no agreement has been reached by that time; and

(4) continues in full force and effect, without resorting to strike or lock-out, all the terms and conditions of the existing contract for a period of sixty days after such notice is given or until the expiration date of such contract, whichever occurs later:

The duties imposed upon employers, employees, and labor organizations by paragraphs (2), (3), and (4) shall become inapplicable upon an intervening certification of the Board, under which the labor organization or individual, which is a party to the contract, has been superseded as or ceased to be the representative of the employees subject to the provisions of section 9(a), and the duties so imposed shall not be construed as requiring either party to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract. Any employee who engages in a strike within the sixty-day period specified in this subsection shall lose his status as an employee of the employer engaged in the particular labor dispute, for the purposes of sections 8, 9, and 10 of this Act, as amended, but such loss of status for such employee shall terminate if and when he is reemployed by such employer.

APPENDIX B

Labor Management Relations Act, 1947

TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE; NATIONAL EMERGENCIES

SEC. 201. That it is the policy of the United States that—

(a) sound and stable industrial peace and the advancement of the general welfare, health, and safety of the Nation and of the best interests of employers and employees can most satisfactorily be secured by the settlement of issues between employers and employees through the processes of conference and collective bargaining between employers and the representatives of their employees;

(b) the settlement of issues between employers and employees through collective bargaining may be advanced by making available full and adequate governmental facilities for conciliation, mediation, and voluntary arbitration to aid and encourage employers and the representatives of their employees to reach and maintain agreements concerning rates of pay, hours, and working conditions, and to make all reasonable efforts to settle their differences by mutual agreement reached through conferences and collective bargaining or by such methods as may be provided for in any applicable agreement for the settlement of disputes; and

(c) certain controversies which arise between parties to collective-bargaining agreements may be avoided or minimized by making available full and adequate governmental facilities for furnishing assistance to employers and the representatives of their employees in formulating for inclusion within such agreements provision for adequate notice of any proposed changes in the terms of such agreement, for the final adjustment

of grievances or questions regarding the application or interpretation of such agreements, and other provisions designed to prevent the subsequent arising of such controversies.

SEC. 202. (a) There is hereby created an independent agency to be known as the Federal Mediation and Conciliation Service (herein referred to as the "Service," except that for sixty days after the date of the enactment of this Act such term shall refer to the Conciliation Service of the Department of Labor. The Service shall be under the direction of a Federal Mediation and Conciliation Director (hereinafter referred to as the "Director"), who shall be appointed by the President by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$12,000 per annum. The Director shall not engage in any other business, vocation, or employment.

(b) The Director is authorized, subject to the civil-service laws, to appoint such clerical and other personnel as may be necessary for the execution of the functions of the Service, and shall fix their compensation in accordance with the Classification Act of 1923, as amended, and may, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such conciliators and mediators as may be necessary to carry out the functions of the Service. The Director is authorized to make such expenditures for supplies, facilities, and services as he deems necessary. Such expenditures shall be allowed and

paid upon presentation of itemized vouchers therefor approved by the Director or by any employee designated by him for that purpose.

(c) The Principal office of the Service shall be in the District of Columbia, but the Director may establish regional offices convenient to localities in which labor controversies are likely to arise. The Director may by order, subject to revocation at any time, delegate any authority and discretion conferred upon him by this Act to any regional director, or other officer or employee of the Service. The Director may establish suitable procedures for cooperation with State and local mediation agencies. The Director shall make an annual report in writing to Congress at the end of the fiscal year.

(d) All mediation and conciliation functions of the Secretary of Labor or the United States Conciliation Service under section 8 of the Act entitled "An Act to create a Department of Labor," approved March 4, 1913 (U.S.C., title 29, sec. 51), and all functions of the United States Conciliation Service under any other law are hereby transferred to the Federal Mediation and Conciliation Service, together with the personnel and records of the United States Conciliation Service. Such transfer shall take effect upon the sixtieth day after the date of enactment if this Act. Such transfer shall not affect any proceedings, pending before the United States Conciliation Service or any certification, order, rule, or regulation theretofore made by it or by the Secretary of Labor. 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.

Functions of the Service

SEC. 203. (a) It shall be the duty of the Service, in order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.

(b) The Service may proffer its services in any labor dispute in any industry affect-

ing commerce, either upon its own motion or upon the request of one or more of the parties to the dispute, whenever in its judgment such dispute threatens to cause a substantial interruption of commerce. The Director and the Service are directed to avoid attempting to mediate disputes which would have only a minor effect on interstate commerce if State or other conciliation services are available to the parties. Whenever the Service does proffer its services in any dispute, it shall be the duty of the Service promptly to put itself in communication with the parties and to use its best efforts, by mediation and conciliation, to bring them to agreement.

(c) If the Director is not able to bring the parties to agreement by conciliation within a reasonable time, he shall seek to induce the parties voluntarily to seek other means of settling the dispute without resort to strike, lock-out or other coercion, including submission to the employees in the bargaining unit of the employer's last offer of settlement for approval or rejection in a secret ballot. The failure or refusal of either party to agree to any procedure suggested by the Director shall not be deemed a violation of any duty or obligation imposed by this Act.

(d) Final adjustment by a method agreed upon by the parties is hereby declared to be the desirable method for settlement of grievance disputes arising over the application or interpretation of an existing collective-bargaining agreement. The Service is directed to make its conciliation and mediation services available in the settlement of such grievance disputes only as a last resort and in exceptional cases.

SEC. 204. (a) In order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, employers and employees and their representatives, in any industry affecting commerce shall—

(1) exert every reasonable effort to make and maintain agreements concerning rates of pay, hours, and working conditions, including provision for adequate notice of any proposed change in the terms of such agreements;

(2) whenever a dispute arises over the terms or application of a collective-bargain-

ing agreement and a conference is requested by a party or prospective party thereto, arrange promptly for such a conference to be held and endeavor in such conference to settle such dispute expeditiously; and

(3) in case such dispute is not settled by conference, participate fully and promptly in such meetings as may be undertaken by the Service under this Act for the purpose of aiding in a settlement of the dispute.

SEC. 205. (a) There is hereby created a National Labor-Management Panel which shall be composed of twelve members appointed by the President, six of whom shall be selected from among persons outstanding in the field of management and six of whom shall be selected from among persons outstanding in the field of labor. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term, for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, four at the end of the first year, four at the end of the second year, and four at the end of the third year after the date of appointment. Members of the panel, when serving on business of the panel, shall be paid compensation at the rate of \$25 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence.

(b) It shall be the duty of the panel, at the request of the Director, to advise in the avoidance of industrial controversies and the manner in which mediation and voluntary adjustment shall be administered, particularly with reference to controversies affecting the general welfare of the country.

National Emergencies

SEC. 206. Whenever in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for

commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations. The President shall file a copy of such report with the Service and shall make its contents available to the public.

SEC. 207. (a) A board of inquiry shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute.

(b) Members of a board of inquiry shall receive compensation at the rate of \$50 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses.

(c) For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U.S.C. 19, title 15, secs. 49 and 50, as amended), are hereby made applicable to the powers and duties of such board.

SEC. 208. (a) Upon receiving a report from a board of inquiry the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof, and if the court finds that such threatened or actual strike or lock-out—

(i) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations or engaged in the production of goods for commerce; and

(ii) if permitted to occur or to continue, will imperil the national health or safety,

it shall have jurisdiction to enjoin any such strike or lock-out, or the continuing thereof, and to make such other orders as may be appropriate.

(b) In any case, the provisions of the Act of March 23, 1932, entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," shall not be applicable.

(c) The order or orders of the court shall be subject to review by the appropriate circuit court of appeals and by the Supreme Court upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 29, secs. 346 and 347).

SEC. 209. (a) Whenever a district court has issued an order under section 208 enjoining acts or practices which imperil or threaten to imperil the national health or safety, it shall be the duty of the parties to the labor dispute giving rise to such order to make every effort to adjust and settle their differences, with the assistance of the Service created by this Act. Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.

(b) Upon the issuance of such order, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), the board of inquiry shall report to the President the current position of the parties and the efforts which have been made for settlement, and shall include a statement by each party of its position and a statement of the employer's last offer of settlement. The President shall make such report available to the public. The National Labor Relations Board, within the succeeding fifteen days, shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General

within five days thereafter.

SEC. 210. Upon the certification of the results of such ballot or upon a settlement being reached, whichever happens sooner, the Attorney General shall move the court to discharge the injunction, which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, including the findings of the board of inquiry and the ballot taken by the National Labor Relations Board, together with such recommendations as he may see fit to make for consideration and appropriate action.

Compilation of Collective Bargaining Agreements, etc.

SEC. 211. (a) For the guidance and information of interested representatives of employers, employees, and the general public, the Bureau of Labor Statistics of the Department of Labor shall maintain a file of copies of all available collective-bargaining agreements and other available agreements and actions thereunder settling or adjusting labor disputes. Such file shall be open to inspection under appropriate conditions prescribed by the Secretary of Labor, except that no specific information submitted in confidence shall be disclosed.

(b) The Bureau of Labor Statistics in the Department of Labor is authorized to furnish upon request of the Service, or employers, employees, or their representatives, all available data and factual information which may aid in the settlement of any labor dispute, except that no specific information submitted in confidence shall be disclosed.

Exemption of Railway Labor Act

SEC. 212. The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

APPENDIX C

Executive Order 10946

ESTABLISHING A PROGRAM FOR RESOLVING LABOR DISPUTES AT MISSILE AND SPACE SITES

WHEREAS a successful missile program is vital to our national security, and a successful space program is vital to the national interest, therefore uninterrupted and economical operations at missile and space sites are imperative; and

WHEREAS manufacturers, construction concerns and labor unions involved in the missile and space programs have pledged their cooperation in avoiding uneconomical operations and work stoppages at missile and space sites; and

WHEREAS the Government has the clear responsibility for encouraging such cooperation and providing a proper framework for its effective operation:

NOW THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. For the purpose of developing policies, procedures, and methods of adjustment for labor problems at missile and space sites, there is hereby established a Missile Sites Labor Commission composed of: the Secretary of Labor, hereby designated as Chairman; the Director of the Federal Mediation and Conciliation Service, hereby designated as Vice-chairman; three representatives of the public, three representatives drawn from labor and three representatives drawn from management, as designated by the President.

Alternates may be designated by each member of the Commission.

In carrying out its duties the Commission shall consult fully with the Secretary of Defense, the Administrator of the National Aeronautics and Space Administra-

tion, and the Chairman and the General Counsel of the National Labor Relations Board, and such officers and the officers of other Government agencies concerned shall cooperate fully with the Commission.

The Commission is hereby empowered to employ an Executive Secretary and to delegate such powers to its Chairman, Vice-chairman and Executive Secretary as it may deem appropriate. Subject to the provisions of Section 9 of this order, the Commission may employ such staff as may be necessary and may incur other necessary expenditures.

SEC. 2. The Commission shall arrange for the establishment at each missile or space site of appropriate Missile Site Labor Relations Committees. Such Committees shall be composed of representatives of manufacturers and construction concerns, labor organizations, contracting agencies and a Mediator assigned by the Federal Mediation and Conciliation Service. These Committees will be so constituted and instructed as to take account of any necessary and appropriate distinctions in representational interests. It shall be the primary functions of such Committees to anticipate impending problems and to arrange for proper disposition of them prior to the time that such problems become acute, utilizing fully all voluntary settlement procedures already in existence, and encouraging establishment of adequate grievances and jurisdictional procedures where such procedures do not now exist, to the end of preventing any interruptions of efficient performance of work. The Commission

will take such steps as are necessary to assure that labor organizations will assign appropriate international union representatives to missile sites on which their members are working for the purpose of obtaining the full cooperation of each such international union.

SEC. 3. The Commission shall establish procedures whereby it will be advised of any labor relations problem at any missile or space site which it appears cannot be settled by the voluntary settlement procedures already in existence or by action instituted by the local Missile Site Labor Relations Committee. In such event the Commission shall establish such procedures as appear to it necessary and appropriate to produce a satisfactory settlement of such problem, relying in the first instance on presently established private or governmental procedures, including available legal proceedings, so far as these will be effective.

SEC. 4. The Commission is authorized to establish special panels, composed of members of the Commission or others (as designated by the Chairman of the Commission), to hold hearings in disputed matters over which the Commission has jurisdiction, to make findings of fact, to make recommendations for the settlement of such disputes, to obtain agreement for final and binding arbitration of such disputes, to mediate such disputes, to issue such directives and to take such other action as the Commission may direct. These panels will be so constituted as to take account of any necessary and appropriate distinctions in representational interests, and in the event of conflict between manufacturing and construction groups of either industry or labor the panel shall be composed of public members only.

SEC. 5. The Commission shall develop with the federal contracting agencies and with the parties programs for obtaining, in collective bargaining contracts or other agreements or arrangements covering work at missile and space sites, the inclusion of effective commitments that there will be no lockouts or work stoppages at such sites, with adequate procedures being established for the expeditious resolution of grievances and labor problems at such sites.

SEC. 6. The Commission shall take such other action as will promote the policies of this order, and shall make recommendations to government agencies, labor organizations or other authorized employee representatives and employers to assure efficient and economical completion of missile programs.

SEC. 7. Contracting agencies shall make appropriate assignments of labor relations representatives to each missile or space site on which they are operating and issue instructions and directives to insure that the policy and purposes of this Order are fully understood and will be carried out by the persons responsible for the progress of work on a day-to-day basis.

SEC. 8. The National Labor Relations Board and the General Counsel of the Board are requested to establish accelerated procedures for dealing with matters at missile and space sites within the Board's jurisdiction, in accordance with law, and to make such assignment of personnel as is necessary to this end; provided that voluntary procedures for the adjustment of such matters shall continue to be used wherever available, appropriate and effective but the provisions of this Order shall not affect the authority of the Board under the National Labor Relations Act, as amended.

SEC. 9. The matter referred to in this Order is hereby found to constitute an emergency affecting the national interest within the meaning of the provisions appearing under the heading "Emergency Fund for the President—National Defense" in Title I of the General Government Matters Appropriation Act, 1961 (Public Law 86-642), approved July 12, 1960. During the fiscal year 1961 the expenditures of the Commission may be paid out of an allotment made by the President from the appropriation made under the aforesaid heading "Emergency Fund for the President—National Defense"; and during the fiscal year 1962, to the extent permitted by law, such expenditures may be similarly paid from any corresponding or like appropriation made available for such fiscal year. Such payments may be made without regard to the provisions of (a) section 3681 of the Revised Statutes (31 U.S.C. 672),

(b) section 9 of the act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 673), and (c) such other provisions of law as the President may hereafter specify. Members, and employees of the Commission and panel members appointed under this Order, shall, if not otherwise compensated, receive such compensation and allowances as the Presi-

dent shall hereafter fix, in a manner to be hereafter determined.

JOHN F. KENNEDY

THE WHITE HOUSE,

May 26, 1961.

[F.R. Doc. 61-5060; Filed, May 26, 1961;
1:32 p.m.]

APPENDIX D

Executive Order 11374

ABOLISHING THE MISSILE SITES LABOR COMMISSION AND PROVIDING FOR THE PERFORMANCE OF ITS FUNCTIONS

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. The Missile Sites Labor Commission is hereby abolished, and its functions and responsibilities are transferred to the Federal Mediation and Conciliation Service.

SEC. 2. The Director of the Federal Mediation and Conciliation Service shall establish within the Federal Mediation and Conciliation Service such procedures as may be necessary to provide for continued priority for resolution of labor disputes or potential labor disputes at missile and space sites, and shall seek the continued cooperation of manufacturers, contractors, construction concerns, and labor unions in avoiding uneconomical operations and work stoppages at missile and space sites.

SEC. 3. The Department of Defense, the National Aeronautics and Space Administration, and other appropriate government

departments and agencies shall continue to cooperate in the avoidance of uneconomical operations and work stoppages at missile and space sites. They shall also assist the Federal Mediation and Conciliation Service in the discharge of its responsibilities under this order.

SEC. 4. All records and property of the Missile Sites Labor Commission are hereby transferred to the Federal Mediation and Conciliation Service.

SEC. 5. Any disputes now before the Missile Sites Labor Commission shall be resolved by the personnel now serving as members of the Missile Sites Labor Commission under special assignment for such purposes by the Director of the Federal Mediation and Conciliation Service.

SEC. 6. Executive Order No. 10946 of May 26, 1961, is hereby revoked.

LYNDON B. JOHNSON.

THE WHITE HOUSE
October 11, 1967.

[Filed with the Office of the Federal Register, 4:38 p.m., October 11, 1967]