CHAPTER 2

ARBITRATION OF INTEREST DISPUTES IN THE LOCAL TRANSIT AND NEWSPAPER PUBLISHING INDUSTRIES

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CHAIRMAN HARRY H. PLATT: It may come as a surprise to some of you that the subject for discussion appears on the program for the second time in three years. Those who attended our meeting in Montreal in 1970 will recall the comprehensive, scholarly discussion of voluntary arbitration of contract terms by Professor Jack Stieber of Michigan State University. That discussion dealt largely with the results of a survey he conducted to ascertain the attitudes of union and management representatives toward voluntary arbitration of contract terms and to determine to what extent it is resorted to in private industry.

The traditional attitude toward arbitration of contract terms has been that it is of limited usefulness as an instrument for avoiding strikes and lockouts. And of course it is true that there has been less resort to voluntary arbitration for resolving interest disputes than for resolving grievances. In an audience as knowl-

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edgeable and sophisticated as this, it is not necessary to detail all of the reasons. It is sufficient to note that for some parties it is simply that they prefer the risks of work stoppages to the economic risks of arbitration. More precisely, they consider it too risky to entrust to an outsider, without any stake in their enterprise or relationship, the decision of vital issues which they may regard as life and death matters. For others, the presumed lack of objective criteria for making economic decisions or lack of confidence in the ability of arbitrators to make sound decisions has been a deterrent to the use of interest arbitration. Still others hold that such arbitration, whether voluntary or compulsory, is harmful because it tends to erode the collective bargaining process—the idea being that effective collective bargaining is impossible when the parties know that arbitration lies at the end of the road.

Yet, while all this may bespeak a lack of enthusiasm for interest arbitration or, as one commentator put it, a lack of impetus to the arbitration of contract terms in the private area, there is evidence which many would argue refutes that inference. Indeed, if any reminder were needed that a healthy, active interest in voluntary arbitration of contract terms still exists, one might look to last week's happening in Pittsburgh where the Steelworkers and the country's major steel producers committed themselves, nearly a year in advance of negotiations, to submit all issues not settled in collective bargaining by April 15, 1974, to final and binding arbitration by an impartial arbitration panel.

In all candor, I should tell you now that the subject as it appears on your program is an overstatement and requires modification. What our panel of experts will be discussing is not arbitration of interest disputes as an abstract idea or as a subject of academic interest. They will talk about interest arbitration in two of our major industries—local transit and newspaper publishing—where voluntary arbitration of contract terms has had a long history. And so, the subject for discussion is "Arbitration of Interest Disputes in the Local Transit and Newspaper Publishing Industries."

Arbitration of new contract terms has been an essential ingredient of labor relations in the local transit industry since the turn of the century. In a study of *Arbitration in Transit* made in 1951, it was noted that more than 600 new wage arbitrations occurred in the industry between 1900 and 1949. And I would hazard a

guess, based on my own familiarity with this industry, that at least as many arbitrations involving not only wages but many other issues have occurred since 1949. I think it is true that in the history of those cases will be found "the largest body of primary arbitration experience in the United States."

Our first two discussants are leading spokesmen for transit management and for transit labor in matters of collective bargaining and interest arbitration. Both are professionals and acknowledged experts in their field. They are noted particularly for their skill, versatility, and effectiveness in arbitrating contract disputes, as those who have been exposed to their expertise will attest. I should also mention that these two gentlemen have appeared as adversaries in nearly all the transit arbitrations that have occurred in this country in recent years, and with highly satisfactory results for their principals.

ARBITRATION OF NEW CONTRACT TERMS IN LOCAL TRANSIT:

THE UNION VIEW

MR. HERMAN STERNSTEIN: Happiness is having Big Steel and the Steelworkers agree to new contract arbitration a week before you deliver a paper on new contract arbitration at an Academy meeting. Hopefully, new relevance is thereby proclaimed for the process as practiced for 75 years in the transit industry where employees are represented by the Amalgamated Transit Union. Although it functioned well, new contract arbitration has not heretofore spread widely even to that part of transit where Amalgamated is not the bargaining agent. That it has not been more widely adopted is, in my opinion, most unfortunate, attributable largely to long-held and deeply felt prejudices rather than to evaluation of the facts and of performance in the transit industry.

Transit contract arbitration has frequently been attacked within the industry, by management as well as by the employees. Such attacks have typically been expressed in the same clichés as are used to justify the prejudice found elsewhere in industry. Arbitration has been called an impediment to peaceful negotiations because it offers an easy device to escape responsibility for making bargaining decisions. Arbitration has been characterized as