

## CHAPTER 5

### AMERICA'S STAKE IN 1973 BARGAINING RESULTS

W. J. USERY, JR. \*

When I arrived here the day before yesterday, one of the first persons I met was Joe Murphy, and Joe said, "Bill, I understand you are the luncheon speaker on Friday, and whatever you may say or do, if you do it in less than 15 minutes, I'll feel that it is great." That's very difficult, but I will try.

Yesterday you heard from Atlanta's Mayor Massell, who told you about all of the great things of the city. He was talking about the change of airplanes at the airport here, but I can go a little further. I was born just 65 miles south of here where some of the people I knew as a kid wanted to die and get to heaven, while others just wanted to die and go to Atlanta. I not only made Atlanta, but I even got to Washington, and that's a faraway place—or it was when I was a kid.

I threw away the speech that was prepared for me. First of all, this audience is one of the greatest audiences that can be assembled, as far as I am concerned, in the realm of labor-management relations and collective bargaining. People in this room have an essential role in that realm, and, as I will try to say in a minute, I think that we are in one of the most significant periods in our nation's history.

Now, I believe my role in the agency that I represent and your role are both essential to what we are trying to do. Yes, you have a great organization, great people. I have been a strong advocate and a strong supporter of the profession in which you function each day. I must hasten to say that in some recent speeches I have been somewhat critical, but only from the perspective of trying to make arbitration a better profession. I have criticized what I thought to be, in some cases, excesses in the cost, the length, the legality of decisions—the long awards which did not give real guidance to where the parties were trying to go in labor-management relations.

---

\* Director, Federal Mediation and Conciliation Service, Washington, D. C.

But overall, I think you have contributed greatly to the labor-management stability that we have enjoyed. Even though we have many problems, you are essential to the process, and I see your role as an expanding one, reaching into many more areas different from where we have been in the past. As Director of the Federal Mediation and Conciliation Service, I pledge to you my wholehearted and full cooperation that we might march together to bring about the type of industrial peace that we should have in this great nation of ours. And I also expect to consult with you and to seek your advice and counsel because in this room there are deans, there are professors, there are great lawyers, and on and on we could go—the outstanding people of the American community.

So with that I bring you greetings from the great City of Washington. It is an honor to hold a high office in your Government. It's a tremendous challenge, a great responsibility. It takes just about all of my time to concentrate on doing a better job in the field in which you and I are employed.

Talking about greetings from Washington brings to mind a story you might have heard. A little boy woke up one morning to find that his father was out of work, his mother was sick, and his little sister needed some milk. The little boy didn't know what to do, so he decided to write God a letter. And he said, "Dear God, my father's out of work, my mother is sick, and my little sister needs milk. Would you please send me a hundred dollars?" He addressed the envelope, put it in the mail box, and, as you can imagine, it found its way all the way to Washington—in fact, all the way to the Postmaster General. The Postmaster General looked at the letter and decided to open it. Now I don't want you to draw any conclusions regarding him and God right now. He opened the letter and looked at it; it touched his heart. He put \$5 in an envelope and sent it back to the little boy. In a few days the little boy got his \$5 and decided to write God another letter: "Dear God: Please don't send my money to Washington any more; they keep 95 percent."

I've been listening to your plans for the coming year, and I'll have to give Bob Helsby the credit for a story I've told many times that sort of illustrates the value of planning. A teacher called a little boy to the front of her classroom one morning and said, "Sam, what would you like to be when you grow up?" He

replied, "Well, my name is Sam. I'd like to grow up and be a man, and I'd like to go to Japan if I can, and I think I can." She called little Sadie up to the front of the room and said, "Sadie, what would you like to do when you grow up?" She said, "My name is Sadie. I'd like to grow up to be a lady and have a baby if I can, and I think I can." She called little Dan up to the front of the room and said, "Dan, what would you like to do?" He said, "Well, my name is Dan, and I don't care anything about going to Japan. I'd like to be a man, but I'll help Sadie with her plan if I can, and I think I can." When you've got a plan, as Director of FMCS, I'm anxious to help you carry it out.

As Eli Rock said, I was just thrown into this role last week, and even if Joe Murphy hadn't talked to me about the length of my speech, I would probably have thrown it away anyway. Just a moment ago, as I looked around, I thought to myself that I have not been able to accumulate any great wealth in my lifetime, but I thought about how rich I am. As I look around at friends that I have been fortunate enough to obtain—high quality friends—I think I'm rich. So whatever thoughts I might have had when I came here today, I'm going away feeling much, much better because of all the friendships here. Together we have a great job to do in the future.

In just a very quick moment, I thought I would explore with you "America's Stake in 1973 Bargaining." It almost goes without saying that the stakes are high—extremely high. The settlements of these next rounds of bargaining can be very, very costly to us as Americans. I'm not talking about whether it's 5.5 or 5 percent or whatever it is. That's not what I'm really talking about. But where do we stand in the world today? Most of you know that for a number of years now I've been going to Paris as an American representative and chairman of the Working Party on Industrial Relations of the Organization for Economic Cooperation and Development, meeting with representatives of 23 other nations. I talk to colleagues on the committee from Japan, and I listen to them tell about all the things they are doing, their productivity, and the efforts they are making—the extreme enthusiasm they have about accomplishing so many things. All you have to do is to look about us today and see the real impact here at home of what they are doing in Japan.

When we think about the nations in Europe that have joined

---

together in the Common Market, we see another major competitor. The European nations are now working together hand in hand. Maybe France can do one thing, the Netherlands, the United Kingdom, Spain, or whatever country it may be, something else. We know that we have to be concerned and careful about where we are going and what we are doing.

Let's look back, quickly, to 25 years ago. Japan was devastated, and we helped that nation rebuild. Europe was devastated, and we helped it rebuild. We kept rebuilding with our own money, and we gave the finest technical advice we could give, the finest plants and equipment. I think it was our Christian duty and responsibility; I'm not in any way taking away from that. But in the short 25 years we find ourselves no longer the supplier of the world's goods—televisions, radios, refrigerators, automobiles, you name it.

So why do I say that this round of bargaining can be the most important we ever faced? It's because the cost could be high to us if we do not find ways not only to settle responsibly but to improve the efficiency of our operation and the quality of our goods and products. In the next 18 months, we'll have about 7.5 million people involved in direct bargaining negotiations, ranging from the electrical appliance industry to rubber, to trains, to trucks, to the Postal Service, to autos, to shipping, to steel, to airlines, and on down the bargaining schedule. All are industries critical and essential to the needs of our nation. In view of our present position in the world, we certainly have to be most concerned about the results of these bargaining situations and the solution of our economic problems here at home—inflation and productivity.

Since I took the oath of office last week, it is my duty and responsibility now to do everything possible to bring about industrial peace in this great nation. Although we must seek to avoid strikes, I am not concerned about avoiding strikes at any cost, because peace at any price is not peace that will be lasting for us and good for us.

What happens now is going to depend on each of us, you and me. There are some parties in negotiations who want to be left completely alone. They say, "We don't need mediation. We don't need arbitrators. We don't need fact-finding. We don't need anything." Yet there are many others who will want mediation, and I

hope we can give the very best. There are some who will want and will need fact-finding. There will be some who will use arbitration. We must be ready and able to provide the most effective assistance possible.

I might pause just a moment to hail a great innovation that was recently announced by Heath Larry and I. W. Abel. Some time last year I made a speech (some of you may have been there) in which I called for innovation and experimentation in collective bargaining. I said that collective bargaining needed a dose of adrenalin, that we needed to think of something new. Thank God, people have come forward with some new ideas and new thoughts. Now, due to the forward-looking agreement in steel, in the next few months we won't start stockpiling steel and importing more steel from abroad; that would cause us additional problems. I hope, and I'm sure that you hope, this experiment will work and will work well, and that it will catch on with other people and that we can build upon it.

In the middle of this summer, we face postal negotiations again. The law now calls for arbitration at the end of the line. Fortunately, we were able to avoid a nationwide postal work stoppage the last time around. Over 600,000 people are involved in these negotiations, in every hamlet and every community in all 50 states. There are some who shudder to think that we could just maybe have to take a strike in the Postal Service. There are others who say, "Well, we have arbitration, and they can't do anything."

Well, we all know that before the present law, we also had a law that said that postal workers couldn't strike. We also had pledges and commitments against any strike. But we did have a partial walkout, so we know that we, you and I together, have a role and a responsibility in these negotiations for mediation and for arbitration to see if we can bring about settlement successfully. I see these negotiations as being one of the most critical cases this year.

As I have already stated, there are some other very significant negotiations that will have an impact upon us for years to come. You can be sure that all federal sector negotiations are going to be watched carefully; all private sector developments are going to be watched. Even the Government itself, in the postal situation, will be trying to hold the line against inflation. Now, as I have

---

said, strikes are not all bad; sometimes it is the more orderly way to protest, and I think that we shouldn't become too disturbed about some stoppages. But in many of these major situations that we are talking about, strikes could be so costly to us as a nation that it will be imperative that we give our very best to try to bring about peaceful solutions.

What are the things that we must produce in this year's round of bargaining? As I see it, and I'm not necessarily giving these in order, we must find ways to increase our production. We must find ways to get better quality products, and, at the same time, we have to see that we erase job dissatisfaction as much as possible or try to find ways to reduce it. I see job dissatisfaction as being a greater problem than we have ever faced because job satisfaction is essential to improved productivity. In addition, we must find ways to assure industry of sufficient profits, not only for stockholders but to reinvest so that we might improve our plant equipment to enable us to meet the competition that we now face.

Each of us should be happy, thankful, and grateful that the overtures toward peace have been made, and we can proudly hope that peace in the world can endure. What I'm saying to you is that we have another war that we are about to fight, and that's the war of trade. That means goods and prices. Can we compete? Can we make the quality product? Sure, we have the technical know-how; we have the ability; we have the skill; we have the expertise. But are we willing, labor and management together, to give, to participate in any way, so that we can compete for a greater America?

So you see why I say that this round of bargaining can be very, very costly. As I see this round, it's not just for three years, it's for the next decade.

We are faced with problems different from any we have ever been faced with before—different challenges. But I think we can overcome them. Look at the railroads. As I listened to Lew Gill speak yesterday, I was reminded of when Lew, Rolf Valtin, Bob Boyd, Bill Coburn, and Jake Seidenberg were appointed to a presidential emergency board. We had appointed a five-man board to upgrade the status of the board and to give it as much prestige as possible. Each of these distinguished men is a member of this Academy. I believe that the ultimate decision was a turning point that led to a common expiration date and the unions

working together. As members of that emergency board will recall, we had combined four different bargaining situations into one board determination. Some of the management people questioned the wisdom of this strategy, but I believe that all would agree now that that decision is what paved the way for all unions in the railroad industry to work together for one common objective and, subsequently, for the early negotiated settlement by all the unions together this year.

In addition to the rail industry achievement and the encouraging development in the steel bargaining situation which I have already mentioned, another favorable turn of events involves the trucking industry, one of our very significant bargaining situations in terms of economic impact. You will recall that three years ago we had problems in the trucking industry because of the Chicago locals. After we had reached a national settlement, it was superseded by a higher settlement reached at Chicago. That settlement, involving three Chicago locals, required the upward adjustment of the national agreement and built close to 50 cents more into the economy. These locals now have agreed that their termination date will coincide with that of the national over-the-road agreement, and they will accept the settlement negotiated nationally. This is another series of important bargaining developments which portend well for the future. It means that you and I must work harder to capitalize on this developing trend of bargaining maturity and responsibility.

You have noticed that I haven't said much about Phase III, some people are talking about Phase IV, and I guess it won't be long before we hear speculation about Phase V. Which phase we are in is not so important. What's more important is how well we exercise our bargaining responsibilities. I see my role as commanding an active, energetic organization, not as trying to knock on somebody's door to see if we can get into negotiations. That's not our desire. The desire is to determine, with the parties, how we can be of assistance in helping to promote good, sound, labor-management relations so that we might move forward in an industrial society and compete with the rest of the world. As I say, it calls upon you not only to make your services available even more readily, but also probably to make your services available in many different ways. You will serve well by making your services available in the professional

---

way you usually do, in a cost and time framework in which we can move with due rapidity and not let things just build up and simmer and, thereby, cause more and more problems.

So I look forward to not only serving you in this role as Director of the FMCS, but I look forward to working with you and the other agencies of government which have mediation responsibilities, whether it be in racial strife or other areas. By cooperating, together we will advance the cause in which we all believe. The stakes for America are very high, and unwise settlements could be very, very costly for all of us.

You and I cannot rest on our laurels. We still have a lot of work to do.