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LRA'S

ECONOMIC NOTES

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Death by decert

Over the last decade, a quarter of a million unionized workers were turned nonunion through decertification elections. Unions responded to over 25,000 decert petitions, faced nearly 10,000 decert elections, and lost over 7,000 bargaining units. In recent years, for every four workers organized through National Labor Relations Board elections, one has been lost through decertification. Financially, the cost of the decade-long decert drive can conservatively be estimated at \$400 million in lost membership dues. In addition, union resources have been sapped by legal fees and staff time diverted to fight decert petitions.

In some industries, decerts are virtually cancelling out all organizing gains. Unions in the retail industry participated in a total of 265 NLRB elections in the first three quarters of 1987 — a significant commitment of union resources. For all their efforts, they won 74 new bargaining units and lost 71 through decerts, for a net gain of three units. In communications, unions participated in a total 70 elections, won 23 bargaining units in representation elections, and lost 23 in decerts.

Although decerts technically require petitions initiated by employees without employer encouragement, employer involvement is pervasive. Decert elections are often nothing more than the most overt form of union busting, and their rise has coincided with the dramatic increase in other anti-union activities such as employer unfair labor practices, the use of labor-management consult-

ants, double breasting, and union avoidance strategies.

Decert elections and actual membership losses alone do not tell the whole story. The election statistics do not reflect the much larger number of decert petitions which are filed but never make it to the election stage. In 1986, unions were forced to respond to 1,640 decert petitions or disclaim interest in the units. These petitions resulted in 844 elections, with unions

losing 644 units. In addition, employers filed 525 challenges to union bargaining status through certification petitions calling for NLRB intervention. One hundred and sixty-four of these actually went to election, with unions losing 132 units. In some industries, the number of employer or employee-initiated certification challenges is almost equal to the number of union petitions filed for recognition of newly organized units. Every challenge — whatever the

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outcome — forces the union into a defensive position which may damage bargaining power and membership growth. The union win rate in decert elections is only 25%. Aggressive — and expensive — union campaigns are necessary to save a unit once a decert is underway. In too many cases, a union is forced to disclaim interest in a contested unit because it does not have the resources necessary to fight the decert. Decerts and the constant threat of decerts have become management tools to undercut union strength and militancy in negotiations.

Last year, the number of decert elections declined for the second year in a row, after a steady ten-year climb. In the 609 decert elections held in 1988, 15,716 workers were lost. The overall union win rate improved slightly to 28.6%. But part of this improvement was due to the slight shift of decert action towards larger bargaining units where the union win rate is generally higher. Although decert activity declined significantly for some unions such as the UFCW, it continued unabated in a number of highly vulnerable industries which are critical to the future of the labor movement.

DOWN AND DIRTY

Although employers are technically prohibited from encouraging or aiding employee-initiated decert petitions (RD petitions), illegal employer involvement is common and employers remain free to actively campaign against the union once an employee petition has been filed. In addition, management increasingly uses employer certification petitions (RM petitions) to challenge incumbent unions when employees cannot be persuaded to launch a decert drive. Consequently, NLRB procedures designed to protect fair representation and bargaining rights are increasingly used to destroy them. And the destruction is now concentrated in growth industries where union membership gains are essential for long-term union stability and growth.

Most vulnerable are small units with high turnover rates, such as those found in the wholesale and retail indus-

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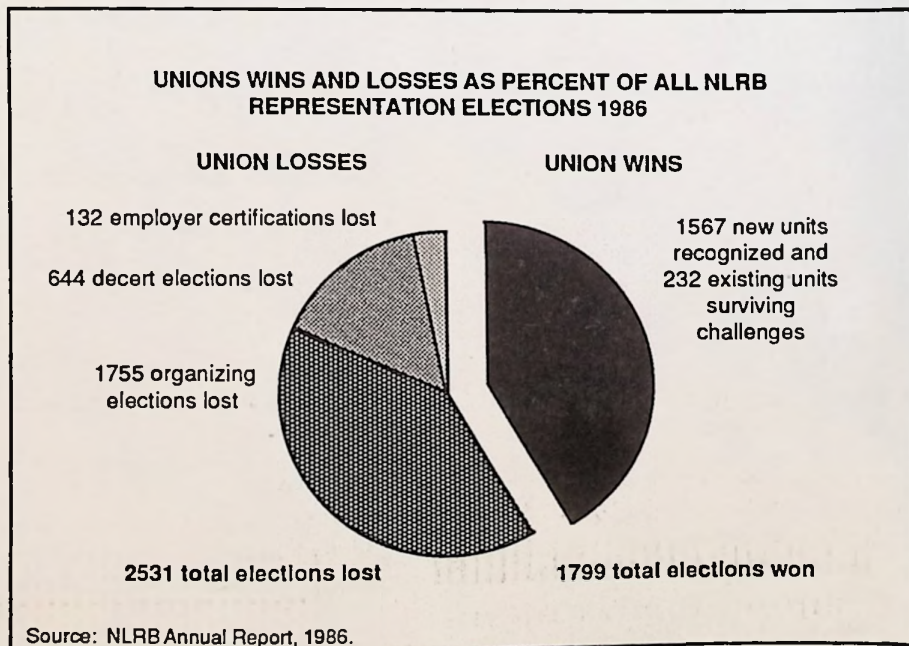
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try, where employers and supervisors maintain close contact with workers and workers may feel that they do not receive adequate attention from the international or district union offices. Also vulnerable are units located in areas with high unemployment, or where declining union bargaining power has resulted in low wage increases.

From 1984-1987, 75% of all decerts occurred in units of less than 50 workers, and the union win rate in these units was only 19%. By contrast, about half of all representation elections oc-

cur in units of this size, with union win rates averaging 50%. Over the 1984-1988 period, only 30 decert elections were held in units with 500 workers or more, with 20 units lost and an average union win rate of 33%.

The surge in decerts began in the mid-1970s. Fueled by the overtly anti-union posture of the Reagan Administration and the weakened state of the unions in the recession years, decerts peaked in the mid-1980s as union wage gains hit record lows. As more union firms are converted to nonunion status, competitive pressures on the



remaining union firms increase, and the temptation to decertify grows.

EMPLOYER DECERTS

The growth in employee-initiated decertifications has been paralleled by a growth in employer certification challenges. Although the NLRB does not classify employer-initiated certification challenges, or RM petitions, as decertifications, the consequences are the same, and RM petitions have been properly referred to as "employer-initiated decerts." The NLRB does not publish information on the circumstances surrounding RM petitions, but NLRB regional staff and labor relations experts agree that the majority of RM petitions are filed by employers intent on ousting an incumbent union.

The number of RM petitions climbed steadily for ten years to a high of 542 in 1987, and then fell to 388 last year. Over 130 RM elections were conducted in 1988, with an average union win rate of only 19%. In the coal mining and construction industries, the number of employer-initiated decert petitions actually exceeded the number of employee-initiated petitions. Large numbers of RM petitions were also filed by employers in the retail and wholesale trade, business services, and motor freight and warehousing industries.

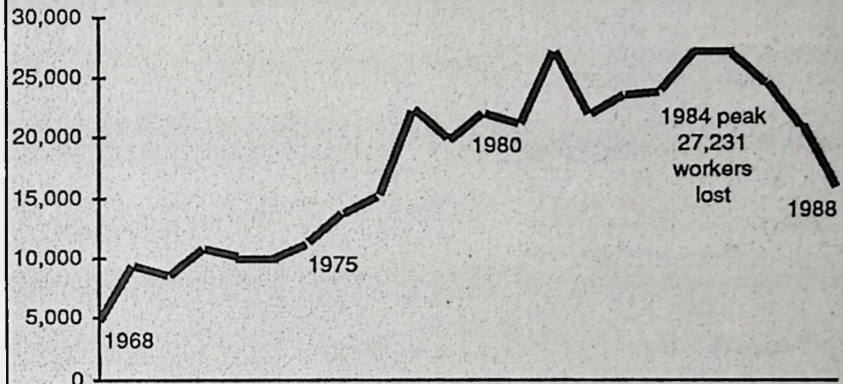
In a RM petition, an employer asks the NLRB to conduct an election based on a "reasonable belief" that the union has lost majority support. Employers commonly cite workforce changes resulting from layoffs, high turnover, or a strike. Over half of all employer-initiated decerts occur on the West Coast, where a number of shops are newly organized and employers are particularly hostile to unions. In 1976, an NLRB Task Force noted the wide regional discrepancies in the criteria used to determine sufficient evidence for an employer-initiated decert election and called for national standards, but the Board rejected the recommendation.

CONCERTED CAMPAIGNS

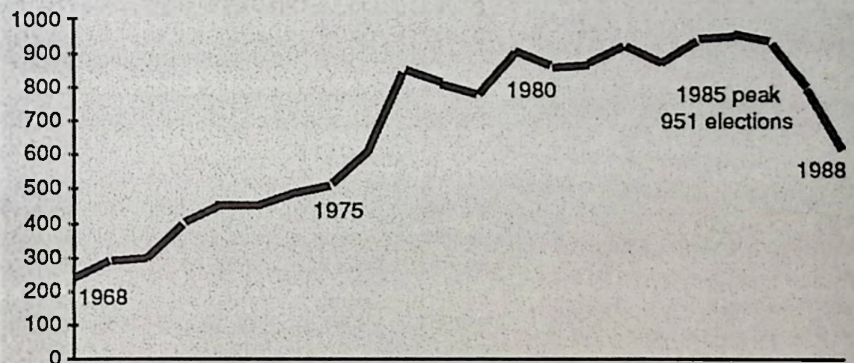
Employer involvement in employee-initiated decert petitions becomes ob-

UNION DECERTIFICATION ACTIVITY 1968-1988

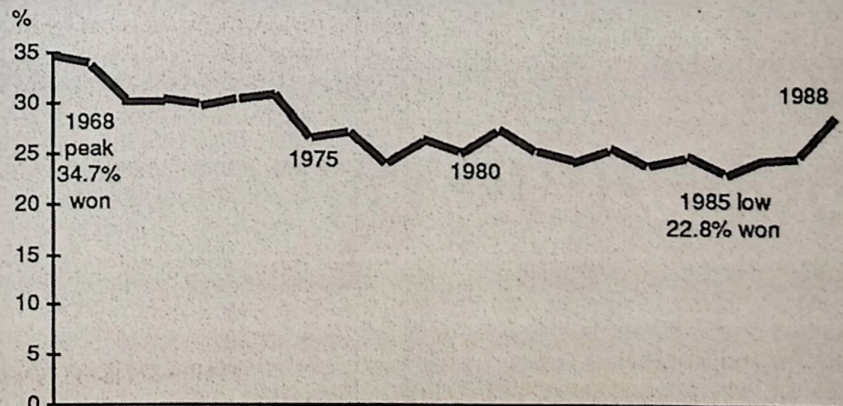
UNION WORKERS LOST THROUGH DECERTS



NUMBER OF DECERT ELECTIONS



UNION WIN RATE IN DECERT ELECTIONS



Sources: NLRB Annual Reports; BNA Special Services 1988.

vious in cases where decerts sweep whole companies and entire industries. From 1984-1988, the Teamsters faced 1269 decert elections, with an average win rate of 21%. According to Vicki Saporta, International Organizing Director, the IBT has faced company-wide decert campaigns from Pepsi in the soft-drink industry, Kraft in dairy products, and McKesson in the drug industry.

In the beverage wholesale industry, after years of good labor relations between IBT locals and wholesalers, labor-management consultants introduced the idea of decertification and targeted the industry for a concerted campaign. Decert drives with identical campaign materials and approaches appeared at a number of small separate wholesalers.

The IBT has established a national task force to fight decerts in the beverage wholesaling industry. The Teamster policy on decerts, Saporta says, is that "the best defense is a good offense." The IBT works to strengthen bargaining positions and to reinforce servicing to head off decert efforts. When a wave of decerts begins, locals in the company and the industry are alerted by the International.

While the Teamsters remain more vulnerable to decerts because of their high rate of participation in NLRB elections and their high representation rates for small shops, decert activity has declined in other unions. According to Al Zack at the UFCW, the number of UFCW decert elections fell by half last year. The UFCW faced only 39 decert petitions in 1988. It won 13, disclaimed interest in 12, and lost 14 with a total of 794 members. Just one year earlier, the UFCW lost almost 3,000 members to decerts.

According to Zack, the decline is part of the UFCW's overall strategy of moving away from NLRB procedures. Only 5.5% of all new UFCW members were brought in through NLRB elections last year. Also, the overall aggressiveness of the UFCW's organizing campaigns, including heavy use of picket lines, has discouraged employers from pursuing decerts.

Decert petitions do not necessarily

reflect anti-union attitudes. Workers angered by low wage gains or workplace problems and misled by management claims may turn against the union. The UFCW faced a company-wide decert campaign involving 4,500 workers at Preston-Safeway in Indiana. But once the union revealed management's true colors, the workers turned against the employer. The union blocked the decert and then waged a successful strike to settle the contract. To fight decerts, the UFCW uses a "borrowed manpower" strategy, where staff members are shifted from locals to other locals under attack.

Over the last decade, management has increasingly devoted its efforts to bargaining tactics and personnel policies designed to marginalize unions. As long as employers can force unions into a defensive posture through NLRB procedures, real representation rights cannot be maintained.

As is the case with most existing U.S. labor law, the approach to decerts is to repair the harm to the victim rather

than punish the violator. If the union wins the decert, its representation rights are restored and the employer may be ordered to bargain, but nothing more. There are no punitive actions to deter employers from pursuing decerts to avoid negotiating or to weaken, distract, or intimidate unions and their members.

Although most NLRB regions have enforced provisions requiring some objective evidence for employer-initiated decerts, employer involvement in employee-initiated decerts is widely tolerated. Because there is no effective deterrence, unions must bear the burden of answering petitions even where grounds for an election do not exist. The slow but steady drain on union membership resources can be stopped through legislative reform and union strategies to head off petitions and contest employer involvement. As the interviews with Tony Basileo and Joe Uehlein indicate, union victories are possible through close contact with members and solid contracts.

Who is Vulnerable?

Decerts can strike anywhere, but shops operating under the conditions described below are particularly vulnerable to an employee-initiated decert drive or an employer's attempt to amass evidence for a decert election:

- shops with high turnover since certification;
- small shops where the employer and supervisors have close contact with workers;
- shops where the union has been relatively inactive, where members feel they have not been adequately serviced, or where grievances have not been processed;
- new units that have not been able to negotiate a first contract;
- shops where a strike or work action was aborted or did not receive wide support, or where permanent replacements have been hired;
- units working under two-tier contracts or other contract provisions that sharply divide the workforce;
- shops working under labor-management cooperation programs or worker participation programs geared to marginalize the union and make it seem irrelevant;
- units working under concessionary contracts with low wage increases and weak benefits; and
- shops where labor-management relations have been either extremely harmonious, so that the union seems irrelevant, or extremely hostile, so that management can blame the union for the constant tensions and on-going threat of a strike.

DECERT BASICS

In an employee-initiated decert, petitions or cards asserting that the union is "no longer the representative in the appropriate unit" must be signed by 30% of the unit workers and filed with the NLRB regional office. The NLRB verifies the petition, holds a hearing, and then orders an election which is conducted under rules similar to those for representation elections.

Decert petitions may be filed between the 90th and 60th day prior to contract expiration, when the contract has expired and has not been renewed or extended, or after a contract has been in effect for three years. In new units, petitions may be filed one year from certification if no contract is in effect or within a "reasonable" length of time after voluntary employer recognition if a contract has not been negotiated. Since only just more than half of all new units successfully negotiated first contracts, they are particularly vulnerable to decert. Petitions can also be filed if the contract has no expiration date, if it has not been ratified and ratification is required, or if the contract does not contain substantial terms and conditions of employment.

The union may challenge the petition on grounds of employee eligibility, definition of the unit, or the timeliness of the petition. Unions may file an unfair labor practice charge against the employer if there is evidence that the employer instigated or unduly encouraged the decert petition. The petition is blocked while the ULP charge is investigated and dismissed if a ULP is found to have occurred. But management may take an active role in the decert petition process without overstepping ULP limits as they have been defined by the NLRB. In response to inquiries from a worker, an employer may provide information on the decert process, wording for the caption of a decert petition, phone numbers for the NLRB office, names of decert attorneys, and lists of employees' names and addresses. Depending on prior practice, the petition may be circulated during worktime.

Once a decert petition has been filed, the employer is free to actively campaign for decertification. Decert campaigns are similar to certification campaigns, and employers use many of the same tactics — handouts, bulletins, letters to homes, group meetings, and one-on-one meetings between supervisors and workers. They may legally guarantee continuation of all benefits and wage levels and job security for workers in the unit.

In cases where the decert petition is filed during the open period of the contract, the employer must continue to negotiate with the union unless the petition has been signed by 50% or more of the unit workers. Where a majority have signed, the employer may refuse to bargain, withdraw recognition after contract expiration, and unilaterally implement changes in the terms and conditions of employment. The employer may also implement changes while a union challenge to the petition is still pending. In one case, for example, the employer gave workers a unilateral 15% wage increase, but the NLRB did not find that it was intended to influence workers in the upcoming decert election.

In decert elections occurring during a strike, a permanent replacement is entitled to vote. After 12 months, strikers who have been permanently replaced are no longer allowed to vote. Because of this time restriction, unions facing decerts during a strike may be reluctant to pursue ULPs even when employer involvement is obvious.

Public Sector Decerts

In the public sector, 39 states have explicit laws providing for decertification of public sector unions, with most following the same provisions used for recognition or certification, including a "showing of interest" by 30% or more of the workers. In some states, recognition can be withdrawn by a simple majority vote of unit workers. In others, failure to comply with agency regulations or to maintain an active presence can be grounds for decert. Decerts in the federal sector are relatively uncommon.

Employer-Initiated Decerts

Each NLRB regional director is free to determine what constitutes sufficient evidence of loss of majority support, and the criteria vary from region to region. Management may submit data on workforce turnover, statements from workers that they no longer want the employer to bargain with the union, an employee petition requesting an end to representation, or evidence of a decline in dues checkoff authorizations or of lack of support during a strike. Employers commonly submit two or more types of evidence to strengthen their case. The evidence is considered confidential, and the ruling on the evidence is an administrative decision which is not subject to review or litigation. An employer may also refuse to bargain on the grounds that the union no longer represents a majority of unit workers. If the union does not pursue the matter by filing a ULP with the NLRB, a de facto decert results. If the union files a ULP, it then has to convince the NLRB that the employer does not have sufficient objective considerations to challenge its representation status before the NLRB will issue a ULP complaint.

Defeating Decerts

NCR decertified eight locals in two years, but hit a wall when it turned to IBT Local 111. In this interview with *Economic Notes*, Vice President Tony Basileo explains why.

Why did NCR initiate the decertification campaign after years of relatively stable relations?

It really began with the Reagan Administration's message that it was time to keep unions out of nonunion workplaces and get rid of them where they were already established. NCR has 5000 field engineers. Less than 600 were union before they began the decerts. NCR was afraid that more workers would begin to unionize and press for the higher wages and benefits that unions bring. We have about 220 members in Manhattan, Long Island, and New Jersey, organized since 1976. And there is a small BRAC local left in Cleveland.

Some of the locals that were decertified had 12-15 years of bargaining history with the company. One local in Atlanta, IBT Local 528, was the home-base local for International Secretary-Treasurer Weldon Mathis. They started to undermine the locals after strikes. They felt the time was ripe to go union-free. They were on a roll. They got rid of eight locals and we were next.

What did NCR gain by decertifying these locals?

They gained what any company gains when it operates in a union-free environment. They put themselves in a position to deal with the employees one-on-one. They followed a typical pattern after the decerts. For the first year, they gave big raises and treated people decently. But then they decided that overtime would be paid off in comp time instead of money. They took away five holidays and gave them floating holidays at a big savings to the company. There is no grievance procedure. If workers don't like the new policies, they show them the door.

What other changes have been implemented in the decertified shops?

We just went through our first workforce reduction in thirty years. They tried to pick any nine people they wanted for layoffs. But they had to deal with us in accordance with the contract. In a union environment, we were able to exercise some control over the layoff process. But in the decertified shops, they are bouncing workers around. People are running scared.

Why did the decert attempt fail at Local 111?

We run a fluid organization. We ran meetings all year around — separate meetings for each unit for the convenience of the members. We go to the people. We service the workers. We push the stewards to participate. We send out thirteen notices for a stewards' meeting, and all thirteen show up. Our stewards are part of the negotiating committee. It pays off.

We had the luxury of contact with the BRAC locals that were decertified. We garnered all the information a year in advance in anticipation of a decert effort. In October of 1987, at a stewards' meeting, we said that in utopia, not one person in any of our three units would run with a decert petition. We were lucky. Even with everything the company tried, not one person came forward.

I go to the offices at least once a month so that people see a union representative. In our Manhattan office, 50% of the workers are younger workers with less than five years of service. If they don't go to meetings and you don't go to them, the company can play on the idea that the workers pay their dues but the union doesn't do anything for them. The younger workers can't

From NCR's "GUARANTEE" to workers during a decert campaign:

"... You have no guarantee of anything from this union and never had. While non-union employees across the country are progressing at a faster rate than union members you are still being held back, and for your union dues are getting ABSOLUTELY NOTHING! Also, while you have escaped since 1978, you continually face the real possibility of a long strike. Your increases are also presently tied down to a union contract — a situation union-free employees are not handicapped with..."

relate to what it was like ten or fifteen years ago. Between membership meetings, stewards meetings, and visits to the offices, we try to see as many people as we can to tell our side of the story.

What was the total cost of the decert attempt to Local 111 in terms of legal fees and staff time?

It certainly took us out of normal operating costs, with legal fees for filing charges and conferences with the attorneys, large phone bills, and the expense of extra meetings. With eight decerts behind them, management thought that we would fall. But we won.

When no one came forward to initiate a decert, the management put a note in every paycheck. The note stated that workers had inquired about a decert, and that management had been instructed not to discuss it with the workers, but that anyone who wanted information could call the NLRB at the number provided. The next morning, I had four copies of the

note on my desk. Everyone started to joke about it. No one did their bidding.

Then management became frustrated, and started to do stupid things. They started calling people in. One was a chief steward with more than twenty years of service, who had an application in for a management position. They told him that he had all the qualifications but that his loyalty to the company was suspect. They said that if he would be willing to circulate a decert petition, that would demonstrate his loyalty to the firm. He told them to stick the job and filed charges with the Board. They got stupid out of desperation.

What other tactics did they use?

Two other young field engineers had applied for transfers. One was told that the union contract would cause a problem for his transfer, but that if he would help get rid of the union it might clear the path for him. They tried to give him two hundred envelopes to mail out to co-workers. In the other case, they instructed the senior manager to take the worker out to the bar, buy him a few drinks, and run the same pitch at him. We have heard of other attempts. They were never able to find anyone who would run with a petition.

How many ULPs were filed?

We gave all the information to the Board for three cases. As a result, the company had to post a notice for sixty days saying that they would not advocate a decert or promise transfers to workers who participated in a decert.

How have relations with the company been affected by the decert attempt?

We were negotiating a contract in the middle of the decert attempt. On the expiration day for our contract last June, we were very close to a strike. They would not budge on their demand for a flex week — 10-hour days four days a week, with no time-and-a-half for weekends. We pushed hard. The company came back, gave another half a percent wage increase, backed down on the workweek, and asked us

to withdraw our ULP charges on the decert before the Board. We decided that they were different issues, and that we would let the charges stand. They were dealing dirty; they had gone for our throats. Eventually, we got what we wanted, and the charges stood with the NLRB.

Did the show of union strength in the decert attempt help you in bargaining?

They knew that the workers were together 100%. Like any company that is close to an expiration, they were looking at the numbers. They knew that if there was a strike, it would be fully supported. They knew there were no weak links. So we were able to bang out a good contract with no concessions.

Fighting the decert solidified our organization, especially the Manhattan office where we have so many new workers with no union background and close interaction with managers. Management had saturated that office with anti-union statements. With all our communications about the decert attempt, all the workers — young and old, black and white — pulled that shop together.

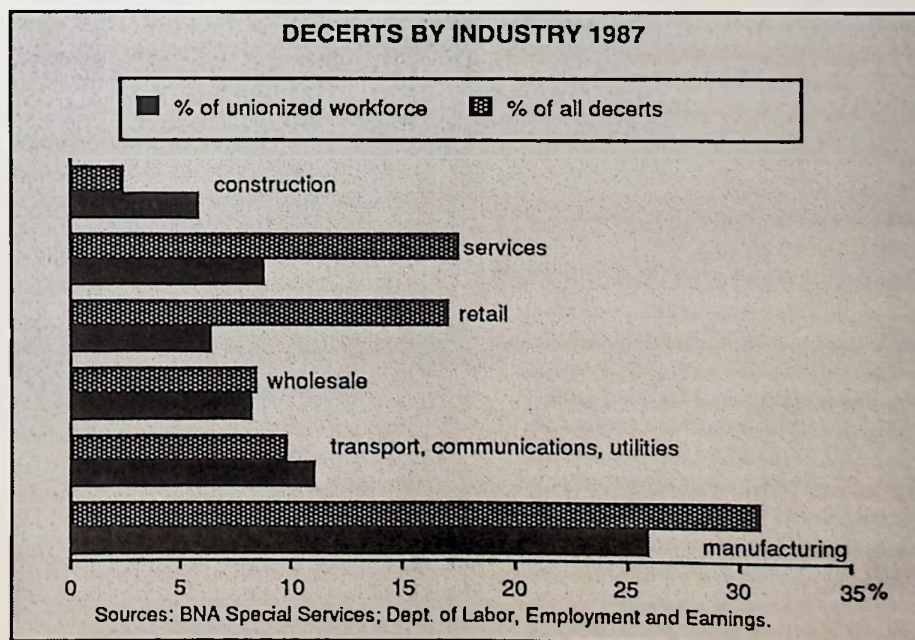
In the New Jersey unit, average seniority is twenty-three years, so there

is no way that management is going to BS those people. But in Manhattan, they tried to give the young workers a pitch about how bright they are, and how the company would like to do more for them, but is constrained by the union contract. But now these workers know the value of the contract.

They know that management promises come and go, and that the management people who make the promises may not be around long enough to see them through. We have seen seven management people sent out the door in the last two months, including a district manager with thirty years of service.

How has the Local 111 decert attempt affected nonunion NCR units?

We are organizing a unit on Long Island that was decertified in 1986. Some of the people called us to come in. The fact that we were able to defeat a decert has opened a lot of eyes. If we win Long Island, we have a good shot at some other nonunion NCR divisions. We signed a good contract and fought off a decert at the same time. With NCR specifically, we have reports of widespread discontent. There is real potential to unionize. Across the country, the pendulum is swinging back, and unions have a chance to grow.



When strikes are broken

From Phelps Dodge to International Paper, employers have forced workers out on strike with the aim of decertifying or dramatically weakening their unions. Private sector labor law in the U.S. guarantees workers the right to strike. But with the exception of strikes in response to employer unfair labor practices, it does not guarantee them the right to their jobs once a strike occurs. The employer's ability to replace workers has increasingly turned the strike into a management tool.

The employer's right to operate during a strike with nonunion employees or replacement workers takes precedence over the workers' right to their jobs. This imbalance is supported by legal prohibitions on mass picketing. Under the Taft-Hartley Act, picketing intended to prevent employees from entering or leaving a company constitutes unlawful restraint and coercion, and the NLRB can order the union to cease and desist from such activity.

If such picketing is determined to be violent the courts may ban all picketing and the states have the right to exercise police power. The law is so stacked against the workers on strike that a company is within its rights to refuse to reinstate workers following a strike if they call replacement workers or nonstrikers names that are "indecent, obscene and disruptive of industrial peace."

OPERATING DURING STRIKES

Political and economic conditions made operating during a strike and outright union-busting a costly option for employers in the postwar years. Most presidential administrations and the courts viewed outright union-busting as an unnecessary disturbance of the industrial relations climate. Employer reticence to break strikes declined in the late 1970s and 1980s, however, as employers adopted tougher approaches to bargaining in

the context of increased competition, and as economic, technological, and political conditions made plant operation during a strike and the use of replacement workers more viable. High rates of unemployment, the decline in well-paying blue-collar jobs, and the fall in unemployment insurance coverage, generated a plentiful supply of replacement workers for industries paying union rates.

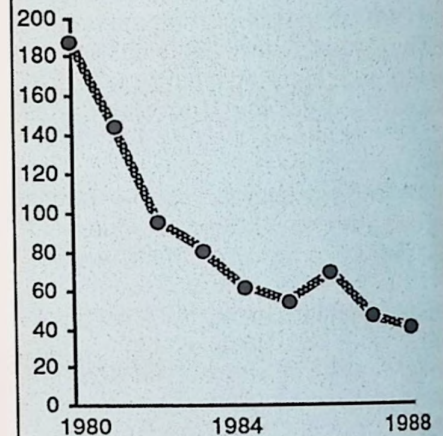
The trend towards less labor intensive operations and the growing ratio of salaried to hourly personnel have made continued operation in the face of a strike more feasible. Perhaps most important, the anti-union climate of the last decade makes strike-breaking more politically and ideologically acceptable, and provides employers with a sympathetic NLRB and federal courts.

Employers that are able to maintain sufficient market share and profitability with a replacement workforce are often intent on outlasting strikers until they are able to engineer an election to decertify the union. Replacement workers are eligible to vote in a decertification election one year after the expiration of the contract. In recent cases like the UPIU strike against the International Paper Company, the striking union has been forced to end the strike in order to stave off outright decertification. The union is then forced to build support among the replacement workforce occupying the striking workers' jobs, or find itself facing a decertification election down the road.

STRIKE COSTS

The potential for permanent job loss has increased the cost of striking for workers and reduced the propensity to strike. Consequently, there has been a long-term decline in the number of strikes since the late 1970s. In 1974, 424 strikes involving more than 1000 workers took place compared to 40 in

STRIKES AND LOCKOUTS OF 1000 WORKERS OR MORE 1980-1988



1988 — a record low.

Moreover, strikes now last longer. Since the mid-1970s, the average duration of all strikes has been increasing at a rapid rate. The average strike lasted 35 days in 1980, compared to 25 days in 1975. The Bureau of Labor Statistics discontinued the collection of data for average strike duration in the early 1980s. But the average number of days each striking worker is out can be calculated for strikes involving more than 1000 workers. In 1988, each striker was out for an average of 35 days, compared to 14 days in 1982. Strike duration from the late 1950s to the early 1970s — the period during which few firms chose to operate during strikes — fluctuated within a very narrow range of 22-25 days.

The dramatic reduction in strikes and the rise in strike duration are signs of a fundamental shift in the balance of power between unions and employers. It is no longer the case that strike activity can be predicted as a simple function of broad economic conditions, as was true in the period of relative indus-

trial relations stability for the thirty years following the war.

Structural economic changes, the break-up of pattern bargaining, Reagan-era politics, and more aggressive employer strategies have overwhelmed the positive impact that the upturn phase of the business cycle normally has on union bargaining leverage. In many cases, the strike — labor's ultimate weapon — has been turned into a tool for management to destroy unions.

RESTORING THE BALANCE

The increased power of employers, however, has not altogether eliminated the strike from labor's tactical arsenal. Where workers are able to shut down an employer's operation and win the public opinion battle, and where a shortage of replacement workers exists, strikes can be successful. The Eastern strike is a good example. The unity of the various unions at Eastern along with a shortage of pilots and mechanics shut Eastern down. Those factors, combined with sympathetic public opinion derived from an effective solidarity campaign, put the workers in a strong position.

There are also times when workers will decide to strike even when the odds of success are small and the potential costs of striking are great, simply because they have no other option. This is seen most clearly in situations where employers demand extraordinary concessions and workers feel that the risk of complete job loss is worth taking.

A good example of this is the wave of strikes that swept the meatpacking industry in the early and mid-1980s, when over 50% of the industry's workforce was involved in strikes. Workers were striking in response to concession demands of up to 50% in an industry where the injury rate is over 100% in many plants.

The fact that employers are more willing and able to permanently replace their workforce has prompted many unions to experiment with new tactics. Most popular are in-plant struggles and coordinated corporate campaigns which are used instead of strikes to im-

pose costs on the employer while keeping the workers from being replaced.

Although there has been a dramatic decline in strikes, the strike will not become irrelevant as some commentators have suggested. The ability to shut down production is still labor's ultimate source of strength. But for the strike to become a more viable weapon, a number of changes will be necessary. The large industrial unions such as auto, communications, aerospace and steel, will have to take the lead with coordinated and effective strike actions if the strike is to regain its place in labor's tactical arsenal. Data from periods when strike activity has grown shows that unions in smaller industries tend to follow the lead of the large industrial unions. Large successful strikes buoy the confidence of workers in other industries, and change the overall labor

Major private sector strikes and lockouts where permanent replacement workers were used to break the strike:

1981

Browne and Sharpe — IAM

1983

Magic Chef/Maytag — Molders
Greyhound — ATU

1984

Phelps Dodge — USWA
Continental Airlines — ALPA, IAM

1985

BASF — OCAW
Hormel — UFCW
Chicago Tribune — Printing unions

1986

Colt Firearms — UAW
TWA — IFFA
Boise Cascade — UPIU

1987

John Morrell — UFCW
International Paper — UPIU

1988

N.Y. Tugboat Association — ILA

The AFL-CIO's Industrial Union Department has published two reports which provide detailed information on campaign strategies for unions facing hostile employers:

**Developing New Tactics:
Winning with Coordinated
Corporate Campaigns (1985)**
**The Inside Game: Winning with
Workplace Strategies (1986)**

Both are available from the IUD,
AFI-CIO, 815 16th St., N.W., Room
301, Washington, D.C. 20006,
(202) 842-7800.

relations climate.

A nationwide fight for the restoration of company-wide, industry-wide, and pattern bargaining is also necessary. In the International Paper strike, workers at the four mills on strike were solid and able to impose strike costs on IP. But the fact that the other mills were still working because of a lack of common expiration dates undercut the union's leverage.

Labor will need to broaden the base of support for strike actions. The Jobs with Justice coalition has already built up a reservoir of experience in this regard. It has been most active in building support for strikes from other unions as well as from community, civil rights, women's, and religious organizations.

Finally, labor will have to pursue an aggressive worker-rights legislative package that includes constraints on employers' ability to replace workers. A bill currently sponsored by Congressman Joseph Brennan of Maine would prohibit employers from hiring strike replacements for the first ten weeks of a strike. In addition, the Paperworkers' call for a ban on decertifications during strikes should be implemented. Recent positive changes in public opinion in favor of worker rights, verified in polls and in the Machinists strike, indicate that the climate is ripe for such a legislative campaign.

The art of warfare

AFL-CIO Industrial Union Department Special Projects Director Joe Uehlein talks about new union weaponry for tough times.

When is the Special Projects Department called in?

We step in when there are special problems in organizing or bargaining or where companies are following the Phelps Dodge scenario. They put the concessions on the table, force people out on strike, and then move to bust the union through decertification. We come in with a range of alternate strategies. We call our programs coordinated campaigns for one very important reason. We use the corporate campaign mode in terms of external pressures. But we also place a big emphasis on worksite pressures, in conjunction with a corporate campaign or independent of one.

Could you give an example of an internal campaign?

Last year we worked with the Sheet Metal Workers at their request for a strategy at Carrier, the air conditioner manufacturer, with five big plants in New York, Tennessee, Texas, and California. It had been a family-owned company, with good labor relations for many years. It was a very profitable company which shared the profits in good contracts. It was a model of a collective bargaining system working as well as can be expected.

United Technologies bought Carrier out and all that changed. The first contract the union negotiated with UTC was concessionary — the first ever in their history. With the second contract, the Sheet Metal Workers were tipped off that the company was going to go after more concessions and try to break the union. It wasn't just a rumor — UTC had been sending all its supervisors to training programs conducted by a big Atlanta-based union-busting firm.

The contract expired in May 1988, so in October 1987 we started local-by-local worksite action training programs

to vastly expand the level of local union leadership. In a shop of 1,000, we had a worksite organizing committee of 100 trained people. We did three training programs in each local. It was very intensive and very successful. These locals were typical of those in any industry where unions had done well and had not been forced into militant action over the years. But they knew they were now facing a real threat. They had never coordinated their bargaining, so we started to move toward that.

What were your objectives?

First we decided that the ultimate objectives were to save the union and to get the locals operating in unison. We spent months doing a thorough analysis of UTC and Carrier, looking for corporate campaign angles, but we didn't find a lot. We found some information that we held back and is still in our arsenal. But we knew that the worksite actions would be the driving force of the campaign.

We traced the flow of work through Carrier in each plant — what came in the receiving department, what happened to it in the mill, and what came out in shipping — in real detail. We knew that the Syracuse plant made compressors and shipped them to the Tennessee plant where the contract would expire in May, so we put emphasis on Syracuse.

We trained all through October, November, and December, and in January we began actions on small things which were important because people began to get the flavor of direct action and to feel and experience their power. Seemingly simple things like having T-shirt days where all the workers at Carrier — system-wide — wear the same T-shirt, or button days, are important in creating emotional links between workers in plants that are

geographically far apart. We established a sophisticated one-on-one, worker-to-worker communication system on the shop floor through which we could learn quickly what's on the minds of the workers, and also get the word out about actions. We established a union newsletter at Carrier called *Airscoop* that was distributed in every plant through the one-on-one structure.

Our tactics developed from the less confrontational solidarity building actions to more direct, hard-hitting actions. The idea was to get the company thinking that a collective bargaining agreement is as much in their interest as it is in ours. Really, our ultimate goal was to change the company's analysis of the union, and to force them to change their strategy. Carrier viewed the various locals as weak, and as not communicating much with each other, so they decided to launch an offensive. The idea is to subdue the adversary psychologically, to change its mind-set. Through our aggressive, coordinated, "inside game" program, we were able to do that.

By the time the contract was about to expire, we were running the plants backwards. The workforce was well organized, disciplined, and acting in concert. At the final hour we reached a settlement that included improvements in wages and benefits at the plant in Tennessee. A key element in the union's success was the commitment of staff and resources by the Sheet Metal Workers Union.

Could you describe an external campaign?

In contrast to Carrier, our campaign with the Steelworkers at a hospital in Birmingham, Alabama, was strictly external. We identified public image as a vulnerable point for the hospital. We went to the Mayor and the City Council

and a phoney Medical Clinic Board which ostensibly oversees the operations of the hospital.

The hospital had tried a decent a year earlier, but out of 350 workers, the company only got 20-30 votes. It surprised us because the workers had no raise for five years and no contract, and we thought we might lose the dam thing. After the workers showed that kind of will and determination to keep the union, we went in with a broad external strategy. If they were willing to fight, we were willing to put the resources into it. IUD assigned a full time staff person who is still there.

The city of Fairfield holds all the deeds and notes on land, buildings, and equipment — it owns the hospital — so we put together a religion/labor coalition to raise questions about the \$6 million bond issue where there was no accountability. We raised questions about cutting wages in light of a highly profitable operation. We raised questions about the hospital's plans to transfer hundreds of beds out of Fairfield — a working-class area — out to the suburbs, where there is an upper-middle-class white community.

We created a public sense of accountability at a hospital that had none. It was very effective. There had not been a contract in five years, and no negotiations for three years. Employees were working under imposed conditions. We held a press conference announcing the results of our study of the hospital's finances, and raising questions about the bond issue. A few days later the hospital called the Steelworkers office and said that they wanted to negotiate, and they are now in negotiations.

We released only the summary findings of our audit, but we have a lot of detail generated by an accounting firm that went through the hospital's books after we got a Board order. We will soon release the detailed report and it will really hit them hard. They have denied that they are profitable. Even though we are negotiating, we are not going to let up on the pressure until there is a signed agreement.

One of the hospital directors runs a Chevrolet dealership in Birmingham

and we are leafletting his dealership. We are looking for directors who are vulnerable in other external ways and we will take the campaign to their front doors so that they will agitate the management to settle because it is hurting them.

Is there a difference between a hospital that relies on its public image and a corporation like United Technologies when it comes to a corporate campaign?

Yes, and it all comes down to the power structure analysis. That analysis tells us where the vulnerabilities are. With United Technologies, you don't do a public campaign. Many people don't understand power structure analysis. They think it's research or gathering information. That's an important element, but you have to intimately understand organizational and personal self-interest when you analyze the power structure. You have to think about what makes that organization tick. You have to look at the top five or six decision-makers and discover what makes them tick.

Every organization and individual is different. We have criteria for the analysis and we do a lot of training on it, but you have to cast a broad net initially and then identify the hot spots. For example, we worked with the Steelworkers a year ago on a campaign against McDermott International, which owned

"Many people don't understand power structure analysis. They think it's research or gathering information. That's an important element, but you have to intimately understand organizational and personal self-interest. You have to think about what makes that organization tick."

Babcox/Wilcox, which was closing down three tube mills north of Pittsburgh. The union wanted to buy the mills but the company wouldn't talk to them. The union had done a feasibility study, the plants were modern, and the workers thought they could operate them. The company still said that they would sell the mills but not to the union.

We cast a broad net with research for information about McDermott. The company is headquartered in Geneva but incorporated in Panama, with U.S. offices in New Orleans. There was no public vulnerability at all that we could see. We kept digging on a local basis. We went into land deed offices and local courts. In New Orleans, in the IRS Tax Court, we found a thousand pages of docket where the IRS claimed that the company owed \$1 billion in back taxes over five years.

That was it for us. We read those thousand pages in detail — all the deductions that the IRS had disallowed, including seven corporate jets that were used almost exclusively for hunting and fishing trips. One deduction was for \$7,000 for one year — which works out to \$140 a week — for hair styling for the wife of the CEO.

Then we wrote a letter to the SEC asking to look at the files on McDermott. But we got a letter back from the SEC saying that some files were confidential and intended for law enforcement purposes. That was all we needed. We did this in preparation for the annual McDermott shareholders' meeting in New Orleans. We tipped off the *Wall Street Journal* to come to the meeting because it would be hot.

At the meeting, we had local union officers from the two mills. The first question was, "Are you aware that there is a SEC investigation into the affairs of this company, and if so, why didn't you report it to the shareholders in the proxy statement?" The Chairman of the company said, "There is no SEC investigation." Then the Steelworkers leafletted the meeting with the SEC letter. The shareholders were put on notice that the company was not telling them everything.

The next question was, "Are you aware that the IRS claims that you owe

\$1 billion in back taxes?" For shareholders, this is big stuff — they are thinking of their equity. The Executive Vice President said that the IRS claims are exaggerated and that it was really only \$400-500 million — he admitted it before it even went to final trial.

The *Wall Street Journal* was writing all this down and the shareholders started to talk among themselves, asking, "What in the hell is going on here?" Within a few hours of the adjournment of the meeting, they began to negotiate with the Steelworkers for the sale of the mills. The union was among the final three sealed bids. We didn't get the mills, but the point is that we got to the table — we were players — by exercising all the leverage we could.

That's an example of an external campaign — not public — but totally external. You can go external public like the Farm Labor Organizing Committee did with Campbell Soup — cream of exploitation soup. They called into question the whole "soup is good food" slogan. They hurt Campbells. They brought in the religious groups.

You can go public with consumers. Or you can go external without the broad public as we did with McDermott. Or you can stay totally internal as we did with Carrier. You have to understand self-interest. On occasion, people will do something because it is the right thing to do. But self-interest is a powerful force, and we have to recognize that and deal with it in these campaigns.

How do the different IUD units work together?

The IUD's reason for being is to carry on the CIO's notion of coordination, whether it's in organizing or bargaining. We run a very successful regionalized organizing program in the Southeast. It's relatively traditional in that we work through the normal NLRB elections process. We win over 60% of the elections we go to. When we run into particularly difficult employers, our organizing director in Atlanta calls up and we go in to help.

The election should be viewed as one important step in a long process.

You have to win the election, get a first contract, and build the union. After you win an election, it may take a long time to get a first contract, and the energy can dissipate. We look at building the union from the first day on, building a committee and going for small winnable issues before the election itself. If you organize in that way, you are building the union from the beginning, and the election is just one step in building empowerment.

It may seem rather fundamental, but the truth of the matter is that we have drifted away from that. There were times in the 1950s when the collective

"If you know yourself and your enemy, you will endure a thousand wars. When we do a power analysis, we analyze ourselves as much as we analyze the company, so that we know what resources are available within the complex trade union structure."

bargaining process worked relatively well. It isn't working anymore, and it hasn't since the late 1960s. It's one chapter in *The Inside Game* we call "Back to the Future." We have to go back to the 1930s to see what worked and then reshape it to fit today's context.

In bargaining, it's the same type of coordination. We have four people on staff in the IUD to manage the coordinated bargaining companies. If one of them thinks that they will have a tough time, we move in to help them. We have a safety and health program at the IUD that is very extensive. We are very big on working with environmental groups. We think that these are relatively untapped issues and we will be training organizers to define these safety and environmental issues and use them to show the company that we are players in a larger sense and to

build our power in their eyes.

I go back to Sun Tzu's *The Art of War*. It may sound esoteric, but it's very basic. If you know yourself and your enemy, you will endure a thousand wars. When we do a power analysis, we analyze ourselves as much as we analyze the company, so that we know what resources are available within the complex trade union structure. We follow those basic tenets of warfare and apply them to today's context. If we continue to do that, unions will win.

There is no magic wand. People have looked at corporate campaigns in that light, and it's a big problem. We have to understand that corporate campaigns are a powerful tool but you have to understand self-interest, power, and timing — all the elements that Sun Tzu, John L. Lewis, and Saul Alinsky talked about. We have to internalize all that history through the IUD and pass it on to locals.

What about International campaigns?

There has been a great influx of foreign investment in the U.S. For example, 60% of the cement industry and 40% of chemicals are foreign owned. International work has always been the right thing for us to do, but now it is an absolute necessity. Either we do it, or we are out of the power picture.

We work through the International Federation of Chemical, Energy, and General Workers (ICEF) based in Brussels — one of the Trade Secretariats — to establish meaningful and pragmatic solidarity actions. ICEF set up a computer mailbox and bulletin board system so that we can communicate with unions everywhere from South Africa to the Asian countries instantly. When a trade unionist is jailed, we can respond in seconds.

In the case of the Hercules Chemical Company, we targeted them years ago for a special campaign. Labor relations had taken a turn for the worse. It was a highly unionized company with some good contracts, and we didn't want to see it deteriorate. In our analysis we found that 40% of its revenues came from foreign operations — joint

ventures. They were turning foreign competitors into partners. They were producing on every continent, in a type of dual sourcing arrangement, so if they shut down on one they could source it from somewhere else.

Working through ICEF, we held a world council of Hercules unions meeting, and put together a strategy for building relationships. We started a worldwide newsletter for the unions to communicate with each other. For example, the French asked a question via computer about production levels for certain chemicals at a plant in Virginia. They asked because the company was shutting down certain departments in France, claiming that there was production in the Virginia plant. So we started sharing information so that the company couldn't hoodwink us and so that we had the same information internationally.

Unions here have to understand and promote the notion that this is a two-way street. There must be reciprocity. A union in Brazil with Union Carbide asked us for help last summer. They had negotiated good settlements with Kodak and DuPont, but Union Carbide would not even recognize them. We have a coordinated bargaining committee with Union Carbide so we put that to work. We started to communicate with local management about the situation in Brazil. The local union committee would ask for a meeting with management — a pretty routine thing — and then bam, we would throw Brazil on the table. They didn't know what to do, so they called headquarters. This happened all over the country.

At the same time we sent letters to the CEO from the shop workers telling him that we support the Brazilian union. Union Carbide is based in Connecticut, so we were able to alert the Hartford paper to report on the local union leader in Brazil. We were looking at public image. Union Carbide was hurt by Bhopal and has tried to shore up its image, so we attacked it again by showing what it was doing in Brazil with low-paid exploited workers. It finally settled after pressure here and a strike in Brazil. What we did was important and the local union officer from Brazil came to our convention to thank the U.S. Union Car-

bide workers.

Has the role of the strike diminished?

The effectiveness of the strike is clearly not what it once was. But if we look at the full range of strategies and use them to build our power from the shop floor up, the strike will come back as an effective weapon. There are situations now where the strike fits into our strategy and we recommend it. If we had been ultimately forced to strike Carrier, we would have been far more prepared because of all the inside game work we did. It's all a process of building our power, obviously, but also our aggressiveness and creativity.

We use broad rules because we want people to think creatively about problem-solving. The highest form of warfare is to never bloody the sword. We have to ask what that means in a specific industry. We have to internalize these fundamental concepts so that if we strike, it will be a better strike.

How would you characterize employer aggression today as compared to the 1960s?

The economic basis for management opposition is there, but it's only part of the story. You have to look at it industry by industry. In manufacturing industries, for example, management took the opening to attack us — economics aside — on a philosophical basis. They have never accepted unions. There were points in history where they had to live with unions and deal with them, but ideologically, corporate America doesn't think that unions should exist. As soon as the opportunity arose and some unions were beaten back, employers decided to declare open warfare on the unions. PATCO was not the beginning but the culmination. We had already been through eight years of hard core battles before PATCO. Profitable companies decided to go after unions on an ideological basis.

In our cement campaign, for example, we went to Germany to meet with Heidelberger Cement — a big producer in the U.S. The CEO is a Social Democrat — a liberal in the

German scheme of things — and a 26-year member of the German cement workers' union himself. He sat across the table from us and said, "When in America, do as the Americans do." He

"We use broad rules because we want people to think creatively about problem-solving. The highest form of warfare is to never bloody the sword. We have to ask what that means in a specific industry. We have to internalize these fundamental concepts so that if we strike, it will be a better strike."

was telling us that it was time to bust unions in the U.S. The company was profitable, but it could be even more profitable. They never do it in Germany — it's not socially acceptable. He told us that given the industry-wide plan to bust the unions, "if I don't go along, I'll be blackballed among American cement producers." Economics is part of it, but there has been a shift in employer strategies.

What is your sense of the future?

I am optimistic because there has been a real change in the labor movement over the last five or six years. Unions are much more aggressive in organizing. We are organizing outside the NLRB in a number of industries. You can talk to labor lawyers who don't know the members of the Board. Years ago, they knew those people because they were dealing with the the Board every day. Unions are smarter. It has taken us a decade to adjust to the corporate onslaught, but we are adjusting and there is an openness to new ideas that was not there ten years ago. The labor movement was built for the long haul. The 1990s are going to be an exciting decade for organized labor.

EMPLOYMENT

EMPLOYED CIVILIANS

Total	116 million
	percent
Men	55
Women	45
Blacks	10
Youth (16-24)	17
Managerial	12
Professional/Technical	16
Administrative/Clerical	16
Sales/Service	25
Production/Craft	27
Farming	3
Part-time	19

OFFICIAL UNEMPLOYMENT (Feb.)

Total	6.3 million	(5.1%)
Black		11.9%
Hispanic	6.8	
White	4.3	
Teenagers	14.8	

REAL UNEMPLOYMENT

12.8 million (11%) (official unemployed + discouraged workers + those with special employment needs + involuntary part-time workers calculated for hours lost)

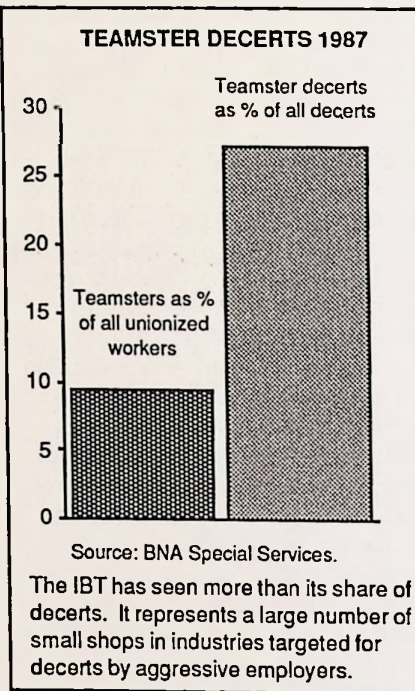
LABOR SHORTAGES

The labor force is expected to grow by 1.2% between 1986 and 1996 — the slowest labor force growth rate since the Great Depression, due to a decline in entry-level workers. The number of young workers will drop by 10% between 1986 and 1996. This long-term decline should increase bargaining leverage and have a positive impact on union strength in the 1990s.

DOWNSIZING

Employment at manufacturing firms with 500 or more employees declined by 6.7% between 1982 and 1986, while employment at small manufacturing businesses rose by 16.5%, according to the Small Business Administration.

ECONOMIC NOTES



HOURS and CONDITIONS

HOURS

Average hours full-time workers (Nov.)	43.1
Average overtime hours manufacturing (Jan.)	3.9

JOB-RELATED INJURY AND ILLNESS RATES (per 100 workers)

1983	7.6
1984	8.0
1985	7.9
1986	7.9
1987	8.3

JOB TURNOVER

Job turnover averaged 1% of the workforce in 1988. It was highest in the health care (1.6%), and finance (1.6%) industries, and lowest in manufacturing (0.8%). Regionally, it was highest in the Northeast (1.4%) and lowest in the North Central (0.8%).

WAGES

CURRENT AVERAGE GROSS WEEKLY EARNINGS

\$329.81 (non-supervisory workers)

REAL AVERAGE GROSS WEEKLY EARNINGS (1977 dollars)

1979	\$189.31	% lost since 1979
1988 (Sept.)	\$168.10	11.2%

CONSUMER PRICES (Dec.)

Up 4.4% since Dec. 1987

MEDIAN WEEKLY FAMILY INCOME (3rd Q 1988)

All families	\$601
White	\$620
Black	\$445
Hispanic	\$489

INCOME DECLINES

Median real weekly earnings of all full-time workers fell by 1% in 1988, with white and Hispanic workers losing 1.5% and black workers gaining 0.6%. Male workers lost 0.4% and women workers lost 0.6%. But the gap between white workers and minority workers, and between men and women remained large. Real income for white workers was 25% higher than for black workers and 36% higher than for Hispanic workers. Women workers earned 22.3% less than men.

NURSES SALARIES

The average hospital staff nurse earned about 30% of what the average attending physician earned at the end of World War II, compared to 15% today. RN's now earn only about 61% of the average teacher. As a result, the turnover rate for nurses approaches 20%, compared to 1% for the workforce as a whole.

ECONOMIC CLIPS

UNIONS

AVERAGE WAGE CHANGES LIFE OF CONTRACT

	percent
1985	2.7
1986	1.8
1987	2.1
1988 (Jan.-Sept.)	2.2

UNION v. NONUNION WAGES

1986	\$444 v. \$325
1987	\$458 v. \$339
1988	\$474 v. \$353

STRIKES AND LOCKOUTS

(involving 1000 or more workers)

1974 (peak)	424
1984	62
1985	54
1986	69
1987	46
1988	40

UNION MEMBERSHIP

1984	17.3 million (18.8%)
1988	17.0 million (16.8%)

LUMP SUMS UP

Thirty-six percent of all non-construction contracts negotiated in 1988 provided for a lump-sum payment sometime during the life of the contract, up from 32% in 1987, according to the Bureau of National Affairs. The median first-year increase under contracts paying lump-sums was 1%, or 11.1 cents an hour. Agreements without lump-sums provided first year median increases of 3.5%, or 34.9 cents.

Lump-sum payments in manufacturing increased and outnumbered those in non-manufacturing, appearing in 46% of agreements in 1988, compared to 39% in 1987. Lump-sums in non-manufacturing continued to decline, appearing in 19% of contracts in 1988, compared to 22% in 1987. Unions with settlements containing lump-sum bonuses included the OCAW (90%); UAW

(64%); UPIU (53%); IAM (39%); USWA (37%); and UFCW (36%).

WOMEN MEMBERS

Union membership among women workers grew by more than 200,000 between 1985 and 1988. According to Virginia Diamond, AFL-CIO organizing coordinator, service sector unions are achieving a better than 50% win rate in elections, and women most often comprise a majority of the voters. The win rate among some health care and nursing unions, Diamond says, is 65-70%.

TWO TIERS DOWN

Only 5% of non-construction contracts negotiated in 1988 contained two-tier wage provisions, down from 9% in 1987, continuing the downward trend since the peak of 11% in 1985.

CORPORATIONS

CORPORATE PROFITS

	billions
(3rd Q)	
1984	\$259.8
1985	296.1
1986	301.2
1987	322.0
1988	330.0

INDUSTRIAL PRODUCTION (Feb.)

Up 5.1% since 1988

UTILIZED PRODUCTION (Feb.)

84.3%, up 1.9% since 1985

MANUFACTURING WORKER PRODUCTIVITY (3rd Q 1988)

Up 3.3% since 1987

INVESTMENT (4th Q 1988)

Down 1.3% since 1987

PRODUCTIVITY

Overall worker productivity growth has edged up only slightly this decade compared to the 1970s, from 1.0% to 1.3%. But this masks the discrepancy between service and manufacturing sector productivity gains. Service sector productivity growth has stagnated at 0.4% per year, while manufacturing productivity growth rose dramatically from 2.3% to 3.9%. This explains much of the shift from manufacturing employment to service sector employment.

MANAGEMENT RIGHTS

In a reversal of an NLRB ruling, the U.S. Court of Appeals at Cincinnati ruled that an employer that relocated its

production facility did not violate its collective bargaining agreement by refusing to bargain with the union over the transfer of work. The company's refusal to bargain was based on the "management rights" clause of the contract which reserved its right to unilaterally transfer production from one city to another. The court's ruling cited the union's failure to challenge earlier relocations as evidence "that the union believed that the collective bargaining agreement permitted" the employer to "relocate production unilaterally."

BANK PROFITS

U.S. bank profits rose to a record \$25.2 billion last year despite the failure of 221 commercial banks — the largest number since the Depression — according to the FDIC.

GOVERNMENT

BUDGET (1988)

*Domestic \$308 billion (44% of total)

**Military \$399 billion (56% of total)

*Minus interest on national debt and social security portion of budget.

**Includes military spending in categories excluded from defense budget.

NATIONAL DEBT

\$2.56 trillion

BUDGET DEFICIT

\$155 billion (FY 1988)

\$150 billion (FY 1987)

\$221 billion (FY 1986)

\$203 billion (FY 1985)

TRADE DEFICIT (1988)

\$137 billion

LOCAL PRECEDENT

At the urging of the Working Group on Economic Dislocation, a union/community coalition, the St. Paul Minnesota City Council passed an ordinance in February that committed it not "to acquire commercial or industrial property for any purpose" which may result in a net loss of jobs.

The ordinance requires that the city prepare "jobs impact" statements for both the property to be acquired and the proposed development, which included the number and types of permanent jobs that will be lost or created and the wage rates and benefits for these jobs. The statements would be reviewed by the affected group of workers and be subject to a public hearing before the city council could approve the use of public funds in a development project.

RECENT LEGAL DECISIONS ON REPLACEMENT WORKERS

1983 The Supreme Court ruled that employers who hire permanent replacements and later moved to dismiss them upon settlement with the union are liable to wrongful discharge suits brought by the replacements under state laws.

1984 The NLRB ruled that an employer can permanently replace workers honoring the picket line of another union which is on strike, even when the non-striking union's contract provides that the workers cannot be fired or disciplined for such action.

1985 A U.S. Appeals Court upheld an NLRB ruling that an employer does not have to place workers who unconditionally offer to return to work and cross union picket lines above strike replacements on a seniority list.

1986 The NLRB ruled that an employer can legally hire temporary replacement workers during a lockout when the union has not gone on strike against the company.

1989 The Supreme Court ruled that railroads and airlines may penalize strikers by giving their jobs to employees with less seniority who stay on the job or return to work before the strike ends.

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