

Collective bargaining calendar crowded again in 1984

If current economic trends continue, wages and benefits are likely to dominate bargaining this year, as contracts expire or are reopened for 38 percent of the nearly 8 million workers covered by major agreements

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Collective bargaining activity in 1984 will be heavy for the third consecutive year, breaking the 30-year pattern of 2 years of heavy bargaining followed by 1 year of light activity. About 635 contracts covering 38 percent, or 3 million, of the 7.9 million workers in major collective bargaining situations (involving 1,000 or more workers)¹ are scheduled to expire or are subject to reopening during the year. (See tables 1 and 2.) Typically, a "heavy" year has involved roughly two-fifths of the workers under major situations and a "light" year, fewer than three-tenths.

The cycle was broken when agreements in the automobile industry, reached early in 1982, were negotiated for a 2½-year term, rather than 3 years as had been the case since the mid-1950's. In addition, other 1982 and 1983 settlements, particularly in the construction industry, were of shorter duration than usual, reflecting the uncertainty that bargainers felt about the future based on events in the last 2 years, including recession, double-digit unemployment, deregulation, and nonunion competition.

Historically, terms of individual settlements have reflected general economic conditions; the health and strength of individual companies, industries, and unions; and the terms of pattern-setting agreements. Of course, economic conditions that will exist at the time of the coming negotiations cannot be predicted; however, current data suggest that the economic climate will be better than in recent years.

The composite index of leading indicators, compiled by the U.S. Department of Commerce to predict movements in aggregate economic activity, rose steadily during the first 9 months of 1983. The Federal Reserve Board's total industry utilization rate was 78.6 percent in October 1983, the highest rate since October 1981 and up from a historic low of 69.6 percent in November 1982. The civilian unemployment rate fell to 8.4 percent in November, the lowest level in 2 years. The Consumer Price Index for all urban consumers in October 1983 was 2.9 percent above a year earlier, compared to a 5.1-percent rise the preceding year.

The break in the three-year cycle is only one interesting aspect of 1984 collective bargaining. Answers to some intriguing questions will emerge during the year: Were the small increases, freezes, and cuts in wages negotiated in 1982 and 1983 mere aberrations? Is pattern bargaining dead? How will bargainers react to economic conditions? Will job security concerns continue to be reflected in negotiations on layoff, plant closing, and job retraining provisions? If current economic trends continue, wage-and-benefit improvements may be of greater concern to negotiators in 1984 than in 1983 when job security and company survival were paramount issues.

The improving economic conditions of 1983 are not reflected in major settlements reached in private industry during the first 9 months of the year. Wage adjustments for that period averaged 1.7 percent in the first year and 2.8 percent annually over the life of the contract. The first-year average was the lowest for any 3-quarter period (except the

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Table 1. Calendar of major collective bargaining activity
 [Workers in thousands]

Year and month	Agreement expirations and/or scheduled wage reopenings		Principle industry and activity
	Number	Workers covered	
All years ¹	1,629	7,925	.....
Total 1984 ²	635	3,004	.....
January	36	88	Petroleum refining
February	25	69	.....
March	67	195	Construction
April	114	292	Construction
May	103	270	Construction
June	122	738	Railroads, construction, maritime
July	34	164	Food stores
August	32	88	.....
September	40	930	Automobiles, bituminous coal
October	29	80	.....
November	21	56	.....
December	15	49	.....
Total 1985 ³	416	2,136	.....
January	21	60	.....
February	9	20	.....
March	47	531	Trucking, men's apparel, construction
April	59	179	Rubber, construction
May	78	376	Women's apparel, construction
June	79	426	Electrical products, construction, trade
July	28	144	Electrical products
August	28	95	.....
September	22	132	Automobiles
October	12	38	.....
November	24	93	.....
December	9	42	.....
Total 1986 ⁴	322	1,944	.....
January-June	237	805	.....
July-December	85	1,139	.....
Year unknown or in negotiation ⁵	282	965	.....

¹Total exceeds the sum of the parts because 46 agreements covering 187,000 workers have both reopenings and expirations in the reference period.
²Includes 36 agreements covering 136,000 workers which have wage reopenings scheduled in 1984.
³Includes 9 agreements covering 49,000 workers which have wage reopenings scheduled in 1985.
⁴Includes 1 agreement covering 2,000 workers which has a wage reopening scheduled in 1984.
⁵Includes agreements which were scheduled to expire between October 1 and December 31, 1983; agreements which expired prior to October 1, 1983 but new agreements were not reached by then; agreements which expired prior to October 1, 1983 but for which necessary information had not been gathered; and agreements which have no fixed expiration or reopening date.

NOTE: Because of rounding, sums of individual items may not equal totals.

one ending June 1983), and the over-the-life average was the lowest since the series began in 1968.

The average adjustments were low because about two-fifths of the workers covered by settlements took wage cuts or will have no wage increase over the contract term. (Most of them were in steel, aluminum, and agricultural equipment manufacturing and construction.) For the remaining three-fifths, many of whom were in electric and gas utilities, retail trade, construction, paper manufacturing, and communications, wage increases averaged 4.9 percent a year over the contract duration.

In many industries, 1983 settlements were similar, reflecting industrywide concerns about economic conditions. For example, in the steel industry, the unemployment rate

was 28.1 percent; declining capacity utilization and international competition pressured both labor and management to trim labor costs. In construction, high interest rates, competition from nonunion construction firms, and an unemployment rate of 18 percent at midyear resulted in record low settlements.

This article examines 1984's scheduled contract negotiations, wage changes, and cost-of-living adjustment (COLA) reviews which will directly affect the economic well-being of the 7.9 million workers under major agreements, and indirectly affect millions of others. In addition, it discusses likely issues for the coming negotiations in the petroleum refining, construction, railroad, automobile manufacturing, and bituminous coal mining industries. (See table 3 for expiration dates and wage adjustment provisions of these and other industries.)

Talks in petroleum refining

Most of the workers under collective bargaining contracts with the Nation's oil companies² are represented by the Oil, Chemical and Atomic Workers (OCAW); others are represented by the Operating Engineers, Teamsters, Seafarers, and independent or single-company unions. Negotiations are conducted locally by individual bargaining units, each of which reaches an agreement customarily patterned after the contract of the first company to settle.

Contract negotiators again will be facing uncertainty about the supply and demand for oil because of the world economy and potential international developments which could disrupt the flow of oil. During the last few years, consumption of oil has fallen in response to the sharp increase in the price of international crude since 1978, and the prolonged worldwide economic recessions.³

Industry profits have been steadily improving since the first quarter of 1983 when they were down because of unusually warm weather and weak economic conditions. According to industry experts, earnings are expected to improve through early 1984, in part, because of a recovery in nonoil operations such as chemicals, metals, and coal.⁴

The last round of settlements, in 1982, followed a pattern set by the 2-year agreement between Gulf Oil Corp. and the OCAW. It covered 50,000 workers at 400 facilities owned by 100 companies. The accord provided for a 9-percent wage increase in January 1982 and a 90-cent-an-hour increase in January 1983. The union was not successful in obtaining a no-layoff clause to protect workers from job cutbacks that had hit the industry.⁵ The pattern agreements also provided that companies which already had pension improvements for nonunion employees extend these improvements to unionized workers.

Pension issues complicated OCAW's negotiations with Texaco at Port Arthur, Tex., resulting in a 7½-month strike. A subsequent 4-year agreement provided the same terms as the pattern contract for the first 2 years; during the last 2 years, the workers are scheduled to receive any 1984 and

Table 2. Agreement expirations and/or scheduled wage reopenings in major collective bargaining situations, by year and industry

[Workers in thousands]

Industry	Total ¹		Year of expiration and/or scheduled wage reopening							
	Number of agreements	Workers covered	1984 ²		1985 ³		1986 ⁴		Unknown or in negotiation ⁵	
			Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered
All industries	1,629	7,925	635	3,004	416	2,136	322	1,944	282	965
Manufacturing	712	3,300	219	1,155	192	986	158	769	147	401
Food and kindred products	81	240	31	74	26	132	15	25	14	24
Tobacco manufacturing	6	18	—	—	1	1	5	18	—	—
Textile mill products	11	37	2	7	2	7	1	3	6	21
Apparel and other finished products	44	342	3	10	33	316	3	7	5	9
Lumber and wood products, except furniture	13	57	3	4	1	2	5	44	4	8
Furniture and fixtures	11	16	3	3	6	11	1	1	1	2
Paper and allied products	52	82	20	33	9	10	12	23	11	16
Printing, publishing, and allied industries	25	47	12	26	6	13	1	3	6	9
Chemicals and allied products	33	65	8	16	8	12	9	18	8	18
Petroleum refining and related industries	18	34	16	28	1	2	1	5	1	2
Rubber and miscellaneous plastics	12	58	1	4	10	54	1	1	—	—
Leather and leather products	13	34	7	24	3	7	1	1	2	2
Stone, clay, glass, and concrete products	30	75	11	19	4	7	9	37	6	13
Primary metals industries	77	440	12	18	5	7	29	354	32	61
Fabricated metal products	43	79	15	25	9	14	10	23	9	17
Machinery, except electrical	64	162	23	52	14	20	15	60	11	26
Electrical machinery equipment and supplies	71	380	15	50	23	214	22	96	10	17
Transportation equipment	86	1,092	30	747	24	146	13	44	18	152
Instruments and related products	12	25	4	10	2	5	3	5	3	4
Miscellaneous manufacturing industries	10	15	3	3	5	9	2	2	—	—
Nonmanufacturing	917	4,625	416	1,850	224	1,150	164	1,176	135	564
Mining, crude petroleum, and natural gas production	13	189	2	162	1	1	3	8	7	18
Construction	435	1,265	230	604	97	238	81	290	39	176
Transportation, except railroads and trucking	60	268	21	95	12	52	1	2	26	120
Railroads	26	394	26	394	—	—	—	—	—	—
Trucking	16	430	—	—	14	427	1	1	1	2
Communications	44	726	8	24	9	26	24	671	3	5
Utilities, gas and electric	75	238	37	100	25	94	9	33	14	52
Wholesale trade	12	45	7	13	1	25	2	4	2	3
Retail trade, except restaurants	119	553	35	213	37	150	27	112	19	77
Restaurants	17	61	5	11	6	30	3	25	5	16
Finance, insurance, and real estate	18	93	8	27	3	22	1	3	6	41
Services, except hotels and health services	37	130	16	44	8	43	4	10	9	33
Hotels	19	117	9	77	4	32	4	11	1	9
Health services	26	115	12	86	7	10	4	6	3	13

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1985 wages and benefits negotiated at other Texaco facilities in 1984.

The National Oil Bargaining Conference of the OCAW has already determined goals for the coming negotiations. The goals ratified by the union membership in August reflect slack demand in the industry, with job security a crucial element. By the union's tally, about 7,200 of its members have lost jobs over the last 3 years because of plant closings and modernization programs. National goals include:

- "Substantial" annual wage increases over a 2-year term.
- No yielding on previously won terms (including those covering layoff, plant closing, wage rate retention, health and safety, and pension review).
- Insurance coverage for laid-off workers during periods of recall rights.
- Employer payment of insurance premiums for employees and retirees and their spouses and dependents.

- No actuarial reduction in pension after 30 years' service.
- Plant closing and layoff protection through provisions dealing with severance, transfer, relocation, retraining, and recall rights.
- Protected benefits for active union members and officers while on approved leave of absence.
- Check-off provision for Political Action Committee.

Negotiations on national goals generally have been conducted concurrently with talks on local issues such as work rules and grievances.

Construction talks scheduled for midyear

More than 600,000 workers are covered by 230 major collective bargaining agreements in the construction industry that will expire or are subject to reopening in 1984.

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Table 3. Expiration and wage adjustment provisions of selected major collective bargaining agreements

[Listed in order of Standard Industrial Classification code]

1972 SIC Code	Industry and employer	Union ¹	Number of workers ²	Contract term ³	Provisions for 1984 automatic cost-of-living review ⁴	Provisions for 1984 deferred wage increases ⁵
Manufacturing						
20	Food and kindred products:					
	California Processors, Inc.	Teamsters (Ind.)	50,000	July 1, 1982 to July 1, 1985	July	July 1: 10-55 cents
	Frozen Food Employers Association (California)	Teamsters (Ind.)	4,000	July 1, 1982 to June 30, 1985	.....	July 1: 30 cents
	Nabisco, Inc.	Bakery, Confectionery and Tobacco Workers	10,000	Sept. 1, 1983 to Aug. 31, 1985	.....	Sept. 1: 60 cents
	Sugar Cos. Negotiating Committee (Hawaii)	Longshoremen and Warehousemen (Ind.)	7,500	Feb. 1, 1983 to Jan. 31, 1985	.....	Feb. 1: 30 cents
	Wilson Foods Corp.	Food and Commercial Workers	4,800	June 27, 1982 to Sept. 1, 1985	.....	.....
21	Tobacco manufactures: Philip Morris, U.S.A. (Richmond, Va.)	Bakery, Confectionery and Tobacco Workers	10,300	Feb. 1, 1983 to Jan. 31, 1986	January, thereafter quarterly	Feb. 1: 4.1 percent
22	Textile mill products: Fieldcrest Mills, Inc. (Virginia and North Carolina)	Clothing and Textile Workers	5,000	Mar. 1, 1981 to Feb. 29, 1984	.....	.....
23	Apparel and other finished products:					
	Clothing Manufacturers Association of U.S.A.	Clothing and Textile Workers	70,000	Apr. 1, 1982 to May 31, 1985	June	June 4: 50 cents
	Shirts, pajamas and other cotton garment manufacturers	Clothing and Textile Workers	12,500	Sept. 6, 1982 to Sept. 6, 1985	January	July: 40 cents
	Greater Blouse, Skirt and Undergarment Association, Inc.	Ladies Garment Workers	23,000	June 1, 1982 to May 31, 1985	February	June 2: 40 cents
	New York Coat and Suit Association	Ladies Garment Workers	20,000	June 1, 1982 to May 30, 1985	February	June 2: 40 cents
24	Lumber and wood products, except furniture: Western States Wood Products Employers Association (Boise-Cascade Corp., Champion International Co., Crown Zellerbach Corp., Georgia-Pacific Corp., International Paper Co., ITT-Rayonier Inc., Louisiana-Pacific Corp., Publishers Paper Co., Simpson Timber Co., and Weyerhaeuser Co.)	Woodworkers; Lumber Production and Industrial Workers (Ind.)	36,000	June 1, 1983 to May 31, 1986	.....	June 1: 4 percent
26	Paper and allied products: International Paper Co., Multiple Mill Group	Paperworkers and Electrical Workers (IBEW)	6,000	June 1, 1983 to May 30, 1986	.....	June 1: 6 percent
27	Printing: Metropolitan Lithographers Association, Inc. (New York, New Jersey, Connecticut, and Pennsylvania)	Amalgamated Lithographers of America, Local One	5,000	July 1, 1982 to June 30, 1984	.....	.....
30	Rubber and miscellaneous plastic products:					
	B.F. Goodrich Co.	Rubber Workers	8,700	Apr. 21, 1982 to Apr. 20, 1985	January, thereafter quarterly	.....
	Firestone Tire and Rubber Co.	Rubber Workers	9,500	Apr. 21, 1982 to Apr. 20, 1985	January, thereafter quarterly	.....
	General Motors Corp., Inland Manufacturing Division (Dayton, Ohio)	Rubber Workers	3,600	May 10, 1982 to Sept. 14, 1984	March and June	.....
	Goodyear Tire and Rubber Co.	Rubber Workers	18,000	Apr. 21, 1982 to Apr. 20, 1985	January, thereafter quarterly	.....
32	Stone, clay, and glass products:					
	Brockway Glass Co., Inc.	Glass, Pottery and Plastics Workers	7,000	Apr. 1, 1983 to Mar. 31, 1986	April	April 1: 30 cents
	Owens-Illinois, Inc.	Glass, Pottery and Plastics Workers	8,600	Apr. 1, 1983 to Mar. 31, 1986	April	April 1: 30 cents
33	Primary metal industries:					
	7 major basic steel companies:					
	Armco Inc.; Bethlehem Steel Corp.; Inland Steel Co.; Jones & Laughlin Steel Corp.; National Steel Corp.; Republic Steel Corp.; United States Steel Corp.	Steelworkers	240,000	Feb. 28, 1983 to July 31, 1986	August and November	Feb.: 40 cents
	Aluminum Co. of America	Aluminum Workers	10,000	June 1, 1983 to May 31, 1986	March, thereafter quarterly	.....
	Aluminum Co. of America	Steelworkers	10,000	June 1, 1983 to May 31, 1986	March, thereafter quarterly	.....
	Armco Steel Corp. (Middletown, Ohio) ..	Armco Employees Independent Federation (Ind.)	4,800	May 15, 1983 to July 31, 1986	August and November	.....
	Kaiser Aluminum and Chemical Corp.	Steelworkers	7,500	June 1, 1983 to May 31, 1986	March, thereafter quarterly	.....
	Reynolds Metals Co.	Steelworkers	7,900	June 1, 1983 to May 31, 1986	March, thereafter quarterly	.....
	Reynolds Metal Co.	Aluminum Workers	7,500	June 1, 1983 to May 31, 1986	March, thereafter quarterly	.....

See footnotes at end of table.

Table 3. Continued—Expiration and wage adjustment provisions of selected major collective bargaining agreements

[Listed in order of Standard Industrial Classification code]

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34	Fabricated metal products: American Can Co.	Steelworkers	5,500	Mar. 9, 1983 to Feb. 16, 1986	February, thereafter quarterly
	Continental Group, Inc.	Steelworkers	5,400	Mar. 9, 1983 to Feb. 16, 1986	February, thereafter quarterly	.....
35	Machinery, except electrical: Caterpillar Tractor Co.	Auto Workers	20,400	Apr. 25, 1983 to June 1, 1986	June, thereafter quarterly	.....
	Cummins Engine Co., Inc. (Columbus, Ind.)	Diesel Workers Union (Ind.)	7,000	May 4, 1981 to Apr. 29, 1984	February and April	.....
	Deere and Co. (Illinois and Iowa)	Auto Workers	18,000	June 1, 1983 to June 1, 1986	June, thereafter quarterly	.....
	International Harvester Co.	Auto Workers	19,000	May 3, 1982 to Sept. 30, 1984	March and June	Sept. 30: 3 percent
	Timken Co. (Ohio)	Steelworkers	8,000	Aug. 28, 1983 to Aug. 25, 1986	September, thereafter quarterly	July 29: 40 cents
36	Electrical machinery, equipment, and supplies: General Electric Co.	Electrical Workers (UE, Ind.)	13,000	June 28, 1982 to June 27, 1985	June and December	June 25: 3 percent
	General Electric Co.	Electrical Workers (IUE)	60,000	June 28, 1982 to June 27, 1985	June and December	June 25: 3 percent
	General Motors Corp. (New Jersey, New York, and Ohio)	Electrical Workers (IUE)	30,000	Apr. 3, 1982 to Sept. 14, 1984	March and June	.....
	Hughes Aircraft Co. (California)	Carpenters	12,000	Dec. 5, 1982 to Nov. 2, 1985	.....	Apr. 7: 13-22 cents, Aug. 4: 13-22 cents, Dec. 1: 30-56 cents Dec. 3: 3 percent
	RCA Corp.	Electrical Workers (IBEW)	8,000	Dec. 1, 1982 to Dec. 1, 1985	June and December	.....
	RCA Corp.	Electrical Workers (IUE)	8,000	Dec. 1, 1982 to Dec. 1, 1985	June and December	Dec. 3: 3 percent
	Western Electric Co. Inc.	Communications Workers	58,000	Aug. 2, 1983 to Aug. 6, 1986	August	Aug.: 1.5 percent
	Westinghouse Electric Corp.	Electrical Workers (IBEW)	12,000	July 12, 1982 to July 21, 1985	January and July	July 9: 3 percent
	Westinghouse Electric Corp.	Electrical Workers (IUE)	15,000	July 16, 1982 to July 21, 1985	January and July	July 9: 3 percent
	Westinghouse Electric Corp.	Federation of Westinghouse Independent Salaried Unions (Ind.)	11,000	July 12, 1982 to July 21, 1985	January and July	July 9: 3 percent
371	Transportation equipment-motor vehicle and motor vehicle equipment: American Motors Corp. (Wisconsin)	Auto Workers	14,000	Mar. 1, 1982 to Sept. 16, 1985	.....	.....
	American Motors Corp., Jeep Corp. (Ohio)	Auto Workers	5,750	Mar. 1, 1982 to Jan. 31, 1985	.....	.....
	Budd Co. (P&M)	Auto Workers	7,800	Apr. 26, 1982 to Mar. 8, 1985	.....	.....
	Chrysler Corp., Engineering Dept.	Auto Workers	5,300	Aug. 15, 1983 to Sept. 15, 1985	March, thereafter quarterly	June 4: 3 percent
	Chrysler Corp. (P&M)	Auto Workers	41,500	Aug. 5, 1983 to Sept. 14, 1985	March, thereafter quarterly	June 4: 3 percent
	Ford Motor Co.	Auto Workers	160,000	Mar. 1, 1982 to Sept. 14, 1984	March and June	.....
	General Motors Corp.	Auto Workers	470,000	Apr. 12, 1982 to Sept. 14, 1984	March and June	.....
	Mack Trucks, Inc.	Auto Workers	8,500	Dec. 7, 1982 to Oct. 20, 1984	March, June, and September	.....
372	Transportation equipment-aircraft: Beech Aircraft Corp.	Machinists	6,000	Aug. 3, 1981 to Aug. 5, 1984	March and June	.....
	Bendix Corp.	Auto Workers	5,500	Apr. 30, 1983 to Apr. 30, 1986	October	May 7: 3 percent
	Boeing Co.	Machinists	26,000	Oct. 4, 1983 to Oct. 3, 1986	January, thereafter quarterly	.....
	Cessna Aircraft Co. (Kansas)	Machinists	6,000	Sept. 28, 1981 to Sept. 30, 1984	.....	.....
	Lockheed Aircraft Corp. (California and Georgia)	Machinists	25,000	Oct. 2, 1983 to Oct. 1, 1986	January, thereafter quarterly	.....
	McDonnell-Douglas Corp. (St. Louis, Mo.)	Machinists	9,500	May 11, 1981 to May 13, 1984	February	.....
	Rockwell International Corp. (California, Ohio, and Oklahoma)	Auto Workers	13,000	Sept. 5, 1981 to June 30, 1984	January and April	.....
	United Technologies Corp., Pratt Whitney Aircraft Division (Connecticut)	Machinists	16,000	Nov. 29, 1982 to Dec. 1, 1985	June and December	Dec. 3: 19-54 cents

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373	Transportation equipment-shipbuilding: Bethlehem Steel Corp., Shipbuilding Department	Marine and Shipbuilding Workers	5,000	Aug. 14, 1981 to Aug. 19, 1984	February and May	
	Litton Systems, Inc., Ingalls Shipbuilding Division (Pascagoula, Miss.)	Pascagoula Metal Trades Council and Teamsters (Ind.)	7,500	Feb. 1, 1981 to Jan. 29, 1984	.....	.....
	Newport News Shipbuilding and Drydock Co. (Virginia)	Steelworkers	18,000	Nov. 1, 1983 to May 31, 1987	.....	March 1: 7 percent
	Pacific Coast Shipbuilding and Ship Repair Firms	Pacific Coast Metal Trades District Council and Teamsters (Ind.)	11,000	July 1, 1983 to June 30, 1986	February, thereafter quarterly	.....
374	Transportation equipment-railway cars: Pullman, Inc., Pullman Standard Division	Steelworkers	4,500	Apr. 4, 1981 to May 4, 1984	January	.....
38	Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks: Honeywell, Inc. (Minneapolis and St. Paul, Minn.)	Teamsters (Ind.)	7,000	Feb. 1, 1982 to Jan. 31, 1985	.....	.....
39	Miscellaneous manufacturing: National Association of Doll Manufacturers, Inc. and Stuffed Toy Manufacturers Association, Inc. (New York, N.Y.)	Novelty and Production Workers	6,000	July 1, 1982 to June 30, 1985	.....	July 1: \$15.00 per week
Nonmanufacturing							
12	Bituminous coal and lignite mining: Association of Bituminous Contractors, Inc.	Mine Workers (Ind.)	11,000	June 7, 1981 to Sept. 30, 1984	.....	March 25: 15 cents June 25: 30 cents
	Bituminous Coal Operators Association	Mine Workers (Ind.)	160,000	July 1, 1981 to Oct. 1, 1984	.....	March 25: 15 cents June 25: 30 cents
15	Construction: Mid-America Regional Bargaining Association (Illinois)	Carpenters	16,500	June 1, 1983 to May 31, 1984	.....	.....
16	Construction: Associated General Contractors (Northern California)	Operating Engineers	12,000	June 16, 1983 to June 15, 1986	November	June 16: 5 percent	
17	Construction: New York Electrical Contractors Association, Inc.	Electrical Workers (IBEW)	10,000	June 10, 1983 to June 12, 1986	.....	June 14: \$1.00
40	Railroads: Class 1 railroads: Operating unions	Locomotive Engineers (Ind.)	26,000	Apr. 1, 1981 to June 30, 1984	January	.....
		Transportation Union	85,000	Apr. 1, 1981 to June 30, 1984	January	.....
	Nonoperating unions: Shop craft	Electrical Workers (IBEW)	9,300	Apr. 1, 1981 to June 30, 1984	January	.....
		Firemen and Oilers	8,400	Apr. 1, 1981 to June 30, 1984	January	.....
		Machinists	15,000	Apr. 1, 1981 to June 30, 1984	January	.....
		Railway Carmen	31,700	Apr. 1, 1981 to June 30, 1984	January	.....
	Nonshop craft	Maintenance of Way Employees	61,000	Apr. 1, 1981 to June 30, 1984	January	.....
		Railway Clerks	70,500	Apr. 1, 1981 to June 30, 1984	January	.....
		Conrail and Amtrak, maintenance and equipment employees	Transport Workers and Railway Carmen	7,000	Apr. 1, 1981 to June 30, 1984	January
		Conrail, clerks	Railway Clerks	12,450	Apr. 1, 1981 to June 30, 1984	January
		Conrail, operating employees	United Transportation Union	16,100	Apr. 1, 1981 to June 30, 1984	January
	42	Trucking and warehousing: Local Cartage, for Hire, and Private carriers agreement (Chicago, Ill.)	Chicago Truck Drivers (Ind.)	7,500	Apr. 1, 1982 to Mar. 31, 1985	April
National Master Freight agreements and Local Cartage supplements		Teamsters (Ind.)	200,000	Mar. 1, 1982 to Mar. 31, 1985	April	.....
Local Cartage Over-the-road		Teamsters (Ind.)	100,000	Mar. 1, 1982 to Mar. 31, 1985	April	
United Parcel Service		Teamsters (Ind.)	69,000	May 1, 1982 to June 1, 1985	May	

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44	Water transportation: Dry Cargo and Tanker Cos.,	Masters, Mates and Pilots	3,300	June 16, 1981 to June 15, 1984
	Dry Cargo and Tanker Cos., Tankers, . . .	Maritime Union	15,000	June 16, 1981 to June 15, 1984	.....	.....
	Pacific Maritime Association	Longshoremen and Warehousemen (Ind.)	9,600	July 1, 1981 to July 1, 1984	.....	.....
	Dry Cargo and Tanker Cos.	Seafarers	10,000	June 16, 1981 to June 15, 1984	.....	.....
	Airlines: American Airlines, Inc.	Transport Workers	10,400	Sept. 1, 1982 to Aug. 31, 1985	.....	Sept. 8: 7 percent
48	Communications: American Telephone and Telegraph Co. . .	Communications Workers	525,000	Aug. 28, 1983 to Aug. 9, 1986	August	Aug. 5: 0-1.5 percent
	American Telephone and Telegraph Co. . .	Electrical Workers (IBEW)	100,000	Aug. 7, 1983 to Aug. 9, 1986	August	Aug. 5: 0-1.5 percent
	American Telephone and Telegraph Co. . .	Telecommunications Workers	50,000	Aug. 7, 1983 to Aug. 9, 1986	August	Aug. 5: 0-1.5 percent
	General Telephone Co. of California	Communications Workers	21,000	Mar. 4, 1983 to Mar. 6, 1986	.....	Mar.: 4 percent, Oct.: 4 percent
	General Telephone Co. of the Southwest . .	Communications Workers	9,000	May 16, 1983 to May 16, 1986	.....	May: 5.25 percent, Nov.: 1.95 percent
	Western Union Telegraph Co.	Telegraph Workers	8,800	July 28, 1982 to July 27, 1985	.....	July: 7.1 percent
49	Electric, gas, and sanitary services: Consolidated Edison Company of New York, Inc.	Utility Workers	16,000	Aug. 22, 1983 to June 17, 1986	.....	July 29: 7 percent
	Niagara Mohawk Power Corp. (New York)	Electrical Workers (IBEW)	7,700	June 1, 1982 to May 31, 1984	.....	.....
	Pacific Gas and Electric Co. (California) . .	Electrical Workers (IBEW)	18,000	Jan. 1, 1983 to Dec. 30, 1985	January	Jan. 1: 3 percent
	Southern California Gas Co. (California) . .	Utility Workers	4,900	Apr. 1, 1982 to Mar. 31, 1984	.....	.....
53	Retail trade-general merchandise: Bloomingdale Bros. (New York)	Retail, Wholesale and Department Store	4,000	Mar. 1, 1982 to Feb. 28, 1985	.....	.....
	R. H. Macy and Co., Inc. (New York, N.Y.)	Retail, Wholesale and Department Store	4,000	June 1, 1981 to May 31, 1984	.....	.....
	Woodward and Lothrop, Inc. (Maryland, D.C., and Virginia)	Food and Commercial Workers	5,500	Feb. 1, 1983 to Jan. 31, 1986	.....	Feb. 5: 5 percent average
54	Retail trade—food stores: Acme Food Stores and others (Pennsylvania, New Jersey, and Delaware)	Food and Commercial Workers	8,000	Jan. 18, 1981 to Jan. 18, 1984	.....	.....
	Chain and independent food stores (Minneapolis, Minn.)	Food and Commercial Workers	7,500	Mar. 6, 1983 to Mar. 5, 1986	.....	Mar. 1: 5 percent
	Chicago area grocery stores (Illinois)	Food and Commercial Workers	6,750	June 27, 1982 to Mar. 25, 1985	.....	Mar. 25: 0-35 cents, Sept. 30: 15 cents
	Cleveland Food Industries Committee (Ohio)	Food and Commercial Workers	3,500	Mar. 14, 1983 to Sept. 4, 1984	.....	.....
	Food Employers Council, Inc. Independent retail operators, general merchandise (Los Angeles, Calif.)	Food and Commercial Workers	65,000	July 27, 1981 to July 29, 1984	January	.....
	Food Employers Labor Relations Association of Northern California	Food and Commercial Workers	13,000	Mar. 1, 1983 to Feb. 28, 1985	.....	.....
	Food Industry Agreement (St. Louis, Mo.)	Food and Commercial Workers	8,500	May 9, 1982 to May 11, 1985	.....	May 6: 0-30 cents, Nov. 11: 0-20 cents
	Meijer, Inc. (Michigan)	Food and Commercial Workers	9,000	Aug. 2, 1981 to July 21, 1984	February	.....
Stop and Shop Cos., Inc. (New England)	Food and Commercial Workers	10,250	Feb. 24, 1982 to Feb. 9, 1985	.....	Feb. 12: 10-30 cents part time, \$10-30 per week full time	
58	Retail trade-eating and drinking places: Seattle Restaurant and Hotel Association (Seattle, Wash.)	Hotel Employees and Restaurant Employees	5,000	June 1, 1981 to May 31, 1984	.....	.....
63	Insurance: John Hancock Mutual Life Insurance Co. . . .	Insurance Employees	6,000	July 1, 1981 to June 27, 1984	.....	.....
65	Finance, insurance, and real estate: Bronx Realty Advisory Board, Inc. (New York)	Service Employees	3,300	Sept. 15, 1982 to Mar. 14, 1986	.....	.....
	Building Managers Association of Chicago	Service Employees	6,500	Mar. 29, 1982 to Mar. 28, 1984	.....	.....
	Realty Advisory Board of Labor Relations, Inc., Apartment Buildings (New York, N.Y.)	Service Employees	20,000	Apr. 21, 1982 to Apr. 20, 1985	April	Apr. 21: 50-52.5 cents

See footnotes at end of table.

Table 3. Continued—Expiration and wage adjustment provisions of selected major collective bargaining agreements

[Listed in order of Standard Industrial Classification code]

1972 SIC Code	Industry and employer	Union ¹	Number of workers ²	Contract term ³	Provisions for 1984 automatic cost-of-living review ⁴	Provisions for 1984 deferred wage increases ⁵
70	Hotels, rooming houses, camps, and other lodging places:					
	Hotel Association of New York City, Inc. (New York)	New York Hotel Trades Council	25,000	June 1, 1981 to May 31, 1985	.....	.....
	Hotel Industry (Hawaii)	Hotel Employees and Restaurant Employees	7,000	Dec. 1, 1980 to May 31, 1984	.....	.....
	Nevada Resort Association, Resort Hotels (Las Vegas, Nev.)	Hotel Employees and Restaurant Employees	25,000	Apr. 2, 1980 to Apr. 1, 1984	.....	.....
78	Motion pictures: Screen Actors Guild/American Federation of Television and Radio Artists	Actors	86,000	July 1, 1983 to June 30, 1986	.....	.....
80	Medical and other health services: Health Employers, Inc. (Minneapolis and St. Paul, Minn.)	Service Employees	4,800	Mar. 1, 1982 to Feb. 28, 1984	.....	.....

¹Unions are affiliated with AFL-CIO, except where noted as independent (Ind.).

²Number of workers at time of settlement.

³Contract term refers to the date contract is to go into effect, not the date of signing. Where a contract has been amended or modified and the original termination date extended, the effective date of the change becomes the new effective date of the agreement. For purposes of this listing, the expiration is the formal termination date established by the agreement. In general, it is the earliest date on which termination of the contract could be

effective, except for special provisions for termination as in the case of disagreement arising out of wage reopening. Many agreements provide for automatic renewal at the expiration date unless notice of termination is given.

⁴Dates shown indicate the month in which adjustment is to be made, not the month of the Consumer Price Index on which adjustment is based.

⁵Hourly rate increase unless otherwise specified.

These agreements cover half of all construction workers under major agreements and account for more than half of the industry's major contracts. Most workers are under 200 contracts that expire in March through June.

The number of expiring agreements is relatively large and stems from the recent tendency to negotiate shorter term agreements when faced with economic uncertainty. The average duration of construction agreements reached in the first 9 months of 1983 was 25.5 months, compared with 28.1 months when the same parties previously bargained. About 40 percent of the 180 construction agreements negotiated in the first 9 months in 1983 will expire or reopen in 1984, compared with 33 percent of the 181 contracts negotiated in 1982 that expired or reopened in 1983.

Weak demand for new construction, which caused high unemployment, and continuing competition from nonunion firms have sharply limited the size of construction contract settlements. The industry's unemployment rate was 15.2 percent in October 1983, down from 22.3 percent in October 1982, but still high when compared with the 10-percent rate of October 1979.

Agreements reached in the first 9 months of 1983 provided the industry's lowest average wage and compensation adjustments for any 3-quarter period since this component of the major collective bargaining series began in 1968. Wage adjustments averaged 1.3 percent for the first contract year and 2.2 percent annually over the life of the contracts; corresponding adjustments in compensation (wage and benefit costs) averaged 2.2 percent and 2.7 percent.

Unless the industry's business improves, the 1983 contract provisions designed to reduce employer costs can be expected in many new agreements. These provisions include: lower regular rates for new hires, modification of overtime provisions, and lower wage rates for projects val-

ued below a specified amount. (This last provision is intended to allow unionized employers to compete with nonunion employers on small contracts while, at the same time, maintain wage levels on the larger contracts for which nonunion firms may be too small to compete.)

Rail contracts expire in June

Agreements for 345,000 railroad workers expire June 30, 1984. Eighty-four percent of these workers are employed by private Class I railroads (carriers with operating revenues of more than \$50 million a year); 11 percent by Consolidated Rail Corp. (Conrail); and the remainder by Amtrak. Representatives of 13 railroad unions will conduct coordinated bargaining sessions with the National Railway Labor Conference, the bargaining agent for most of the rail carriers. Three unions represent a majority of the workers—the United Transportation Union; the Brotherhood of Maintenance of Way Employees; and the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees.⁶ The conference, formed in 1963, represented all the major rail carriers except Amtrak until 1978. Since then, it has represented most Class I railroads; Conrail and several bankrupt railroads bargained on their own.

Between 1973 and 1978, the major unions and the conference coordinated bargaining of agreements providing for common expiration dates and for identical changes in wages, cost-of-living adjustments (COLA), and health and welfare benefits. Some unions negotiated supplemental agreements, however, covering sickness plans. Issues specific to individual unions are considered in separate negotiations between each union and the conference.

The 1981 rail negotiations resulted in 39-month agreements in December which provided for a 2-percent wage increase retroactive to April (when the previous contracts

Table 4. Scheduled deferred wage adjustments in 1984 under major collective bargaining agreements, by industry

Selected industry	Number of agreements	Number of workers (thousands)	Mean adjustment						Median adjustment		Mean increase		Mean decrease	
			Total		With COLA		Without COLA		Cents	Percent ¹	Cents	Percent ¹	Cents	Percent ¹
			Cents	Percent ¹	Cents	Percent ¹	Cents	Percent ¹						
All private nonagricultural industries	637	3,407	46.8	4.1	30.8	3.1	67.3	5.5	40.0	3.3	47.2	4.2	48.1	3.6
Manufacturing ²	273	1,415	39.1	4.2	35.7	3.8	51.2	5.3	40.0	3.2	39.1	4.2	44.4	(³)
Food and kindred products	29	76	50.8	4.9	35.4	3.2	54.3	5.3	41.7	5.1	50.8	4.9	—	—
Apparel and other finished products	35	318	40.9	5.9	41.1	5.9	36.6	6.1	40.0	5.8	40.9	5.9	—	—
Paper and allied products	20	30	57.8	5.5	—	—	57.8	5.5	56.1	5.9	57.8	5.5	—	—
Metalworking	118	786	35.5	3.3	33.3	3.0	56.9	5.9	35.5	3.0	35.6	3.3	-44.4	(³)
Nonmanufacturing ⁴	364	1,992	52.3	4.1	24.0	2.0	71.5	5.6	45.0	3.3	53.0	4.2	48.4	3.6
Construction	159	467	90.0	5.7	92.5	5.7	89.7	5.7	100.0	6.1	93.8	6.0	-48.4	-3.6
Transportation, communications and gas and electric utilities	84	884	36.9	2.8	18.2	1.5	97.7	7.0	15.8	1.4	36.9	2.8	—	—
Wholesale and retail trade	77	344	41.6	4.9	30.0	2.8	44.0	5.3	43.8	4.7	41.6	4.9	—	—
Services	36	107	62.3	6.2	72.3	6.1	61.7	6.2	58.9	7.0	62.3	6.2	—	—

¹Percent of straight-time average hourly earnings.

²Includes workers in the following industry groups for which data are not shown separately to ensure confidentiality of earnings data: textiles (5,000); lumber (45,000); furniture (10,000); printing (14,000); chemicals (26,000); leather (15,000); stone, clay and concrete (42,000); instruments (11,000); tobacco (18,000); rubber (8,000); and miscellaneous manufacturing (10,000).

³Data do not meet publication criteria.

⁴Includes 164,000 workers in the mining industry and 24,000 workers in the finance, insurance and real estate industries for which data are not shown separately to ensure confidentiality of earnings data.

NOTE: Workers are distributed according to the average adjustment for all workers in each bargaining situation considered. Deferred wage increases include guaranteed minimum adjustments under cost-of-living clauses. Because of rounding, sums of individual items may not equal totals. Dashes indicate no adjustment.

expired), 3 percent retroactive to October, and 3 percent in July of 1982 and 1983. They provided automatic "cost-of-living increases" of 32 cents an hour retroactive to July 1981, 35 cents an hour in January 1982, and semiannual COLA's of 1 cent for each 0.3-point change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), with a maximum increase of 8 percent per year. Portions of the COLA were incorporated into base rates twice during the term of the agreement. Improved vacations, an additional paid holiday, and improved medical and dental benefits were also provided.⁷

Financially troubled Conrail (a quasi-government corporation) reached agreements with its 70,000 union-represented workers concurrently with the conference. These agreements conform with the understanding between Conrail and the unions that employees would forego part of the increases under national pattern agreements. Thus, Conrail employees did not receive 10 percent of the 1981 wage increase and about 2 percent of the 1982 increase negotiated under the other railroad agreements.⁸

The enactment of the Railroad Retirement Solvency Act of 1983⁹ will alleviate concern about the viability of the railroad pension fund during the coming negotiations. In the absence of this act, pensions of more than 1 million railroad retirees would have been reduced 40 percent beginning in October 1983. The act ensures the solvency of the railroad pension plan through the 1980's, but current and future retirees are subject to some benefit cuts and changes.

Undoubtedly, negotiations will be influenced by the industry's improved economic performance and by the recent deregulation, which spurred merger proposals and increased competition among major carriers. At its convention in August, Fred Hardin, president of the 230,000-member United

Transportation Union predicted that the railroads would seek givebacks and concessions similar to those negotiated in other industries in 1982 and 1983. He also mentioned the possibility of the "Caboose Issue," concerning a proposal by the companies to replace humans in the caboose with electric monitors, surfacing at the talks.¹⁰ According to an industry analyst at the National Railway Labor Conference, such replacements have been cost effective in trial runs in Florida and would save up to \$400 million for the industry.

Ford and GM contracts expire

Master agreements between the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and the two largest automobile manufacturing companies—General Motors Corp. (GM) and the Ford Motor Co.—expire September 14, 1984. Approximately 750,000 workers are covered by motor vehicle equipment industry agreements expiring in 1984; about three-fifths are employed by GM or Ford.¹¹ These expiring agreements were negotiated before previous agreements had expired to provide relief to a financially troubled industry. Currently, demand for automobiles is the strongest since 1978; therefore, auto workers will probably seek improved wages and benefits in their 1984 agreements. The auto companies are likely to respond by proposing tougher rules on crew size and absenteeism.¹²

The UAW bargains individually with each major firm. In the past, the union "targeted" one of the "Big Three" companies (GM, Ford, and Chrysler) for its primary effort at reaching a pattern-setting agreement.

In 1979, the financially troubled Chrysler Corp. deviated from the pattern contracts that had characterized the "Big Three" since the mid-1950's. Chrysler negotiated a 3-year agreement that was less costly than those at Ford and GM.

Subsequently, in January 1980 and in January 1981, Chrysler employees agreed to further wage and benefit reductions to aid the company's effort to win Federal loan guarantees.

The givebacks at Chrysler, combined with the continuing slump in sales of domestic automobiles, caused GM and Ford to press the UAW for wage-and-benefit concessions during 1981. Although the existing agreements were not due to expire until September 1982, high unemployment in the industry and the threat of further layoffs and future plant closings led the UAW to agree to an unscheduled reopening of the contracts. Settlements were reached with Ford in February 1982 and with GM in April 1982, superseding the existing 3-year contracts. The new accords did not provide for any specific wage increases over the 2½-year contract term, but retained COLA provisions. However, each of the first three COLA's was delayed for 18 months. (The COLA

provisions of the Ford and GM contracts differed slightly to equalize labor costs as GM had already paid the March 1982 COLA increase called for in the previous agreement.)

At the Chrysler Corp., a \$482-million profit in the first 6 months of 1983 and plans to pay back \$1.2 billion in federally backed loans 7 years early prompted demands by the UAW for a reopening of the contract slated to expire in June 1984. The union's primary goal was an immediate \$2-an-hour raise in wages to attain the level at Ford and GM.

Following an unsuccessful effort in July, new talks quickly resulted in a new accord in September which restored pension benefits and insurance to current parity with Ford and GM, and also provided an initial \$1-an-hour increase retroactive to August 15, and increases of 3 percent (averaging 30 cents an hour) in June 1984; 40 cents an hour in March and June of 1985; and 32 cents in September 1985. Quarterly

Table 5. Distribution of workers scheduled to receive deferred wage increases in 1984 under major collective bargaining agreements, by industry and amount of increase

[Workers in thousands]

Increase	All private nonagricultural industries	Selected manufacturing industries ¹					Selected nonmanufacturing industries ²				
		Total	Food and kindred products	Apparel and other finished products	Paper and allied products	Metalworking	Total	Construction	Transportation, communications and gas and electric utilities	Wholesale and retail trade	Services
Cents per hour											
Under 15 cents	148	94	4	—	—	78	54	3	30	18	3
15 and under 20	658	30	2	—	—	25	629	—	613	2	14
20 and under 25	69	24	—	—	—	23	45	—	4	35	4
25 and under 30	107	39	1	—	—	33	68	26	—	36	6
30 and under 35	380	359	17	54	2	228	21	7	4	8	3
35 and under 40	125	52	8	7	—	23	73	5	6	53	7
40 and under 45	583	520	7	176	2	287	63	4	20	32	8
45 and under 50	245	48	4	5	4	9	197	13	5	15	4
50 and under 60	323	131	8	77	11	23	192	58	5	101	8
60 and under 70	170	64	15	—	2	42	106	14	45	40	5
70 and under 80	109	21	—	—	9	7	88	32	51	3	3
80 and under 90	70	9	2	—	—	4	61	29	22	2	7
90 and under 100	51	4	—	—	—	1	47	14	29	—	5
100 and under 110	130	5	—	—	—	—	125	96	2	—	27
110 and under 120	77	9	9	—	—	—	68	43	23	—	2
120 and over	146	5	—	—	—	2	140	112	27	—	1
Percent³											
Under 2 percent	819	135	6	—	—	115	684	27	646	11	—
2 and under 3	231	116	5	—	—	103	115	41	8	61	3
3 and under 4	858	570	17	—	1	469	289	43	31	47	6
4 and under 5	230	93	6	20	5	24	137	32	2	74	29
5 and under 6	418	242	29	148	11	27	177	66	58	47	5
6 and under 7	313	126	5	65	13	24	188	67	14	46	41
7 and under 8	348	110	1	85	—	15	239	107	84	40	6
8 and under 9	96	15	8	—	1	2	80	38	28	1	12
9 and under 10	42	1	—	—	—	1	41	17	2	18	4
10 and under 11	16	3	—	—	—	1	13	11	—	—	2
11 and under 12	2	—	—	—	—	—	2	2	—	—	—
12 and over	19	4	—	—	—	4	15	3	12	—	—
Number of workers (in thousands)	3,393	1,414	76	318	30	785	1,979	454	884	344	107
Number of agreements	633	272	29	35	20	117	361	156	84	77	36

¹Includes workers in the following industry groups for which data are not shown separately to ensure confidentiality of earnings data: textiles (5,000); lumber (45,000); furniture (10,000); printing (14,000); chemicals (26,000); leather (15,000); stone, clay, and concrete (42,000); instruments (11,000); tobacco (18,000); rubber (8,000); and miscellaneous manufacturing (10,000).

²Includes 164,000 workers in the mining industry and 24,000 workers in the finance, insurance, and real estate industry for which data are not shown separately to ensure

confidentiality of earnings data.

³Percent of straight-time average hourly earnings.

NOTE: Workers are distributed according to the average adjustment for all workers in each bargaining situation considered. Deferred wage increases include guaranteed minimum adjustments under cost-of-living clauses. Because of rounding, sums of individual items may not equal totals. Dashes indicate no workers.

cost-of-living adjustments of 1 cent for each 0.26-point rise in a consumer price index were reinstated. The agreement expires in October 1985.

Bargainers in 1984 will be dealing with a changing industry. Productivity gains through the increasing use of robotics may mean a permanent loss of employment despite any upturn in the economy.¹³ While all major U.S. auto manufacturers showed a marked increase in profits and sales in the third quarter of 1983,¹⁴ about 130,000 workers were still on indefinite layoff in mid-September.¹⁵

Coal contracts expire in fall

Bargaining in the coal industry will be influenced by the new leadership of the United Mine Workers of America (UMW, Ind.) and a weak market. The national contract between the UMW and the Bituminous Coal Operators Association (BCOA), covering about 160,000 miners, is scheduled to expire September 30, 1984. This pact traditionally sets the pattern for the contract between the UMW and the Association of Bituminous Contractors (ABC), covering about 10,000 mine construction workers, also scheduled to expire September 30. Other UMW contracts include an agreement expiring May 31 which covers 2,500 anthracite workers in Pennsylvania, and about a dozen separate contracts with individual operators (primarily in the West) expiring at various times in 1984.

Other unions representing miners include the Southern Labor Union (Ind.), the Progressive Mine Workers Union (Ind.), the International Union of Operating Engineers (AFL-CIO), and the International Brotherhood of Electrical Workers (AFL-CIO). Independent single-firm unions also have collective bargaining agreements with operators.

About two-thirds of all coal miners work in underground mines, most of which are located east of the Mississippi. The remainder work in surface mines which account for about 60 percent of the coal mined in the United States. Surface mining operations are about evenly divided between the East and West. Western surface mining has accounted for an ever-increasing proportion of total coal production, and a majority of the miners are unionized, although the proportion is smaller than in the East.

Coal negotiations in 1984 will be held in a troubled industry. The Energy Information Administration of the U.S. Department of Energy estimates that U.S. coal production for 1983 dropped to 769.0 million tons,¹⁶ from a record 838.1 million tons in 1982—the lowest production since 1978. In 1980—the year before the last round of coal collective bargaining—829.7 million tons of coal were produced. Coal consumption growth in the United States was moderated by economic problems affecting the demand for energy production by electrical utilities (which account for 80 percent of domestic use), by structural problems in the iron and steel industry, and by relatively stable prices for oil, coal's chief competitor. Because of poor coal production, unemployment in the industry was 27.6 percent in the

third quarter of 1983—nearly triple the nationwide unemployment rate.¹⁸ In contrast, in the third quarter of 1980 (the year before the last round of coal negotiations), 8.9 percent of the coal miners were unemployed, compared with a national unemployment rate of 7.7 percent.

Although the economy improved in the latter half of 1983, the growth in domestic demand for coal was sluggish and did not offset the drop in coal exports.¹⁸ Major factors contributing to the drop included a more competitive world market for coal and the continued economic slump abroad, which left other countries with large stockpiles of coal.

Coal production may improve in 1984, but not robustly, according to the Energy Information Administration. This assumes a continued economic recovery both domestically and abroad. Purchases of coal by electric utilities and by industrial users are expected to increase. In addition, producer/distributor and consumer stocks of coal may be increased following reductions in inventories, and there may also be traditional prebargaining stockpiling.

Unemployment in the industry is likely to remain high when the 1984 coal negotiations begin and will be a major concern of UMW President Richard L. Trumka, who will be negotiating as head of the union for the first time. Trumka succeeded Sam Church who also headed negotiations for the first time during the 1981 bargaining round. Reportedly, Trumka will take a firm stand against any possible contract "givebacks." The union's continuing concern with occupational health and safety for miners will also have an impact on talks.

The last coal agreement between the UMW and the BCOA was ratified on June 6, 1981, ending a strike which began March 27. An earlier contract proposal had been rejected by the rank and file. Agreement was reached when the mine operators agreed to continue to pay royalties into the workers' benefit fund on coal purchased for sale or resale. The miners had contended that elimination of the royalty pay-

Table 6. Deferred wage increases scheduled in 1984 in major collective bargaining situations, by month

(Workers in thousands)

Effective month	Principle industries	Workers covered
Total ¹	All industries	3,393
January	Construction, men's apparel	247
February	Steel	382
March	Food stores	363
April	Construction, glass manufacturing	268
May	Construction	236
June	Bituminous coal mining, men's apparel, electrical products, construction	721
July	Women's apparel, construction, electrical products	501
August	Communications	779
September	Food stores, motion picture production	161
October	Communications	105
November	Construction, food stores	106
December	Electrical products	142

¹The total is smaller than the sum of individual items because 460,000 workers are scheduled to receive more than one increase. Total is based on data available as of October 1983 and, thus, may understate the number of workers scheduled to receive deferred increases for the entire year; 13,500 workers are scheduled to have a deferred wage decrease in 1984.

ment would have led to widespread purchase of coal from nonunion mines. The approved contract gave miners more protection against layoffs by prohibiting operators from contracting out work or leasing coal lands or operations if it deprived UMW members of work they had normally performed.

The union did not win its demand for restoration of a cost-of-living clause providing automatic pay adjustments based on the movement of the BLS Consumer Price Index. However, it did negotiate "set" pay increases designated as cost-of-living adjustments—15 cents quarterly from March 1982 through March 1984, and 30 cents in June 1984. The contract provided wage increases of \$1.20 an hour effective on resumption of work, 50 cents in June 1982, and 40 cents in June 1983. There also were improvements in pensions and health and welfare benefits.

The union later negotiated a separate but similar agreement for 10,000 mine construction workers and a less costly agreement for miners in the nine-county hard coal region

in eastern Pennsylvania, where workers had been on strike since May 1, 1981.

Wage changes of expiring agreements

Agreements expiring in 1984 will have yielded average effective wage adjustments over their life of at least 5.1 percent a year. When COLA adjustments through October 1983 are taken into account, the adjustment averages 5.5 percent.

	Specified	Specified plus COLA
Agreements expiring in 1984 ..	5.1	5.5
With COLA	2.8	3.9
Without COLA	7.4	7.4

Some of the contracts with COLA provide for reviews after October 1983; however, if the current trends continue, it is unlikely that any future COLA adjustments will substantially change the averages.

Table 7. Prevalence of cost-of-living adjustment clauses in major collective bargaining agreements, October 1983
 [Workers in thousands]

1972 SIC Code	Private nonagricultural industry	All agreements		Agreements with COLA clauses			1972 SIC Code	Private nonagricultural industry	All agreements		Agreements with COLA clauses		
		Number	Workers covered	Number	Workers covered	Percent of workers covered by COLA clauses			Number	Workers covered	Number	Workers covered	Percent of workers covered by COLA clauses
	Total	1,630	7,926	573	4,539	57							
10	Metal mining	11	27	8	22	84							
11	Anthracite mining	1	2	1	2	100							
12	Bituminous coal and lignite mining	1	160	—	—	0	36	Electrical machinery equipment and supplies	73	382	56	341	89
15	Building construction general contractors	151	521	9	48	9	37	Transportation equipment	86	1,092	68	1,025	94
16	Construction other than building construction	110	369	13	65	18	38	Instruments and related products	12	25	4	6	26
17	Construction-special trade contractors	174	375	14	29	8	39	Miscellaneous manufacturing industries	10	15	2	3	21
20	Food and kindred products	81	240	24	105	44	40	Railroad transportation	26	394	26	394	100
21	Tobacco manufacturing	6	18	5	18	96	41	Local and urban transit	3	17	1	15	86
22	Textile mill products	11	37	1	5	13	42	Motor freight transportation	16	430	15	428	100
23	Apparel and other finished products	44	342	27	300	88	44	Water transportation	19	89	6	33	37
24	Lumber and wood products, except furniture	13	57	1	1	2	45	Transportation by air	38	162	5	21	13
25	Furniture and fixtures	11	16	2	3	17	48	Communications	44	726	24	637	88
26	Paper and allied products	52	82	—	—	0	49	Electric, gas, and sanitary services	75	238	14	50	21
27	Printing, publishing, and allied industries	25	47	11	24	51	50	Wholesale trade—durables	3	7	—	—	0
28	Chemicals and allied products	33	65	7	13	19	51	Wholesale trade—nondurables	8	36	1	25	70
29	Petroleum refining and related industries	18	34	—	—	0	53	Retail trade—general merchandise	17	61	3	13	22
30	Rubber and miscellaneous plastics	12	58	10	52	89	54	Food stores	89	464	20	90	19
31	Leather and leather products	12	33	—	—	0	55	Automotive dealers and service stations	7	10	—	—	0
32	Stone, clay, glass, and concrete products	30	75	25	67	90	56	Apparel and accessory stores	2	8	—	—	0
33	Primary metals industries	78	441	71	421	95	58	Eating and drinking places	17	61	—	—	0
34	Fabricated metal products	43	79	30	63	80	59	Miscellaneous retail stores	5	13	1	4	32
35	Machinery, except electrical	63	161	53	148	92	60-65	Finance, insurance, and real estate	18	93	6	46	50
							70-89	Services	82	362	9	21	6

NOTE: Due to rounding, sums of individual items may not equal totals, and percentages may not reflect shown ratios. Dashes indicate absence of cost-of-living coverage.

Scheduled wage changes in 1984—all agreements

About 3.4 million of the 7.9 million workers covered by major collective bargaining agreements are scheduled to receive deferred wage increases in 1984. (See table 4, p. 27; table 5, p. 28; and table 6, p. 29.) This compares with 3 million or about a third of the total in 1983 (record lows for this component of the major collective bargaining series which began in 1967) and 4.3 million or nearly half of the total in 1982. About 13,500 workers will incur wage decreases in 1984, primarily as a result of 1983 construction industry settlements.

Deferred adjustments (increases and decreases) scheduled for 1984 average 4.1 percent or 46.8 cents.¹⁹ Increases alone will average 4.2 percent, the lowest percent increase since this information was first compiled in 1970. This moderation reflects the size of settlements reached in 1982 and through the third quarter of 1983. Deferred increases from 1982 settlements will average 5.3 percent; those from 1983 settlements will average 3.6 percent. In contrast, 1983 deferred increases averaged 6.7 percent from 1981 settlements and 5.8 percent from 1982 settlements.

Contracts with COLA's generally provide smaller deferred wage increases than those without because they are negotiated with the anticipation that the COLA will generate some wage increases. Of the workers scheduled to receive deferred increases in 1984, about 56 percent have COLA coverage. Their deferred wage adjustments will average 3.1 percent, compared with 5.5 percent for those without COLA clauses.

Cost-of-living adjustments. COLA clauses are designed primarily to help workers recover purchasing power lost through price increases. Some COLA clauses, however, also decrease

wages if prices drop. Wage adjustments are based on a measure of price change, usually the BLS CPI-W. The size of the COLA wage change varies, depending on the formula used in adjustment calculations, the timing of reviews, whether or not maximum amounts ("caps") are specified, and if the formula provides for COLA decreases.

As of October 1983, 57 percent (4.5 million) of the 7.9 million workers under major agreements were covered by COLA clauses. (See table 7.) Coverage peaked at 61 percent in 1977, and proportionally coverage has remained relatively stable. Numerically, however, it has declined steadily (from 6.0 million in 1977 to 4.5 million in the third quarter of 1983) largely because of falling employment in industries where COLA clauses are common. The following shows the number of workers under major contracts and the number and percent covered by COLA clauses, 1971-84 (numbers in millions):

Year	Number under major agreements	With COLA coverage	
		Number	Percent
1971	10.8	3.0	27.8
1972	10.6	4.3	40.6
1973	10.4	4.1	39.4
1974	10.2	4.0	32.2
1975	10.3	5.3	51.5
1976	10.1	6.0	59.4
1977	9.8	6.0	61.2
1978	9.6	5.8	60.4
1979	9.5	5.6	58.9
1980	9.3	5.4	58.1
1981	9.1	5.3	58.2
1982	9.0	5.1	56.7
1983	8.5	4.9	57.6
1984	7.9	4.5	57.3

Table 8. Timing and frequency of 1984 cost-of-living reviews in agreements in major collective bargaining situations

[Workers in thousands]

Frequency of review	First quarter		Second quarter		Third quarter		Fourth quarter		Full year ¹	
	Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered
All										
Total	218	1,870	164	1,699	189	1,657	136	805	387	3,925
Quarterly	145	1,154	121	1,077	122	638	114	624	178	1,478
Semiannual	38	466	15	146	12	69	13	141	56	615
Annual	35	250	28	475	55	950	9	40	127	1,715
Other ²	0	0	0	0	0	0	0	0	26	117
Expiring in 1984										
Total	88	1,213	36	756	15	32	1	2	101	1,247
Quarterly	59	812	33	751	15	32	1	2	59	812
Semiannual	28	399	3	5	0	0	0	0	31	404
Annual	1	3	0	0	0	0	0	0	1	3
Other ²	0	0	0	0	0	0	0	0	10	28
Expiring in later years										
Total	130	657	128	942	174	1,625	135	803	286	2,679
Quarterly	86	343	88	326	107	605	113	622	119	667
Semiannual	10	67	12	141	12	69	13	141	25	210
Annual	34	248	28	475	55	950	9	40	126	1,713
Other ²	0	0	0	0	0	0	0	0	16	89

¹Agreements that have at least one review in the year.

²Includes monthly, combinations of annual and quarterly, combinations of annual and semiannual, and reviews dependent on the levels of the Consumer Price Index.

NOTE: Data include only cost-of-living reviews through the termination of the present agreement; does not assume the continuation of existing reviews after expiration dates.

Almost 3.7 million of the 4.5 million workers with COLA provisions are covered by contracts that tie possible adjustments to the movement in the BLS-CPI for "all cities." An additional 120,000 workers are under contracts which use an index for an individual city; and contracts for 700,000 in the motor vehicle and equipment industry relate adjustments to a combination of the U.S. and Canadian indices because contracts cover workers in both countries.

The most prevalent COLA adjustment formula calls for a 1-cent per hour wage change for each 0.3-point change in the CPI. This formula is found in COLA clauses for more than 1.7 million workers in industries such as steel, railroads, trucking, and aerospace. COLA clauses in major agreements in the automobile and rubber industries provide adjustments of 1 cent for each 0.26-point movement in the index they use; those in the electrical equipment industry provide 1 cent for each 0.175-percent change in the CPI; and those in telephone communications call for adjustments of 55 cents a week plus 0.65 percent of the individual's weekly rate for each 1.0-percent increase in the CPI.

Cost-of-living reviews are made at intervals specified in each clause. Eighty-six percent of the workers covered by COLA clauses will have at least one review in 1984. (See table 7, p. 30; and table 8, p. 31.) Annual reviews are the most common, affecting 1.7 million workers, primarily in the telephone communications, trucking, and apparel industries; quarterly reviews cover 1.5 million, including

workers in the automobile, steel, and aerospace industries; semiannual reviews affect 615,000 workers, mostly in railroads and electrical products.

More than 60,000 workers are covered by provisions for minimum or "guaranteed" COLA payments. These amounts were determined at the time the contracts were negotiated and are not dependent on the movement of a price index. Therefore, the Bureau of Labor Statistics does not treat these amounts as COLA adjustments.

Recently, there have been negotiated modifications in COLA clauses designed to reduce employer costs related to COLA's. These changes include delays or deferrals of COLA payments, diversions of COLA adjustments from wages to help finance benefits, elimination of some COLA adjustments, and formulas that provide smaller increases.

BARGAINING IN 1984 will be conducted at a time when economic conditions are predicted to be brighter nationally but may still be uncertain in many industries. Unscheduled contract reopenings to raise or lower wages to reflect changing circumstances would not be as surprising as they were 2 years ago. The 1984 bargaining scene may, therefore, differ somewhat from what has been described. In any case, bargaining will be watched carefully to see if historic patterns are re-established, or if the events of the last 2 years presage a new direction. □

—FOOTNOTES—

¹ Major collective bargaining situations cover 1,000 workers or more. Agreements in these situations may be embodied in more than one contract. However, negotiations for all workers in a situation are conducted among all parties to the agreement. Thus, a situation may include one or more companies and/or one or more employee organizations that bargain together to reach an agreement.

² Major oil companies are Gulf, Citgo, Texaco, Mobil, Union Oil of California, Phillips Petroleum, Standard Oil of California (Chevron), British Petroleum, Standard Oil of Ohio (Sohio), Standard Oil of Indiana (Amoco), and Atlantic Richfield.

³ See *1982 Annual Energy Outlook: With Projections to 1990* (U.S. Department of Energy, Energy Information Administration, April 1983).

⁴ See *Petroleum Information International, October 10, 1983*, weekly publication of Petroleum Information Corporation.

⁵ For more details on the 1982 petroleum industry agreements see "Wage Highlights," *Current Wage Developments*, February 1982, p. 1.

⁶ The 10 other unions participating in the negotiations are the American Train Dispatchers Association; Brotherhood of Locomotive Engineers (Ind.); International Association of Machinists and Aerospace Workers; Railroad Yardmasters of America; Sheet Metal Workers International Association; Brotherhood of Railroad Signalmen; International Brotherhood of Firemen & Oilers; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of the United States and Canada; and International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.

⁷ For more details of the 1981 railroad accords see *Current Wage Developments*, December 1981, p. 1.

⁸ For more details of the Conrail settlement see *Current Wage Developments*, November 1981, p. 2.

⁹ "President Signs Rail Pension Bill," *The New York Times*, Aug. 13,

1983.

¹⁰ "Hardin Recaps UTU Gains, Sets Goals," *UTU News*, Aug. 20, 1983.

¹¹ Agreements covering 66,000 American Motors Corp. and Chrysler Corp. workers do not expire until September and October 1985, respectively.

¹² General Motors currently has an absenteeism plan that penalizes workers who miss more than 20 percent of scheduled work time by reducing benefits following counseling. This counseling was a "major factor" leading to the decline in "controllable absences" from 11.3 percent in 1981 to 10.3 percent in 1982 and to 8.8 percent in the first quarter of 1983. See *Current Wage Developments*, August 1983, pp. 3-4.

¹³ "Detroit's Jobs That Will Never Come Back," *Business Week*, May 23, 1983, pp. 168-170.

¹⁴ "The UAW Wants A Piece Of The Action," *Business Week*, Aug. 8, 1983.

¹⁵ Figures supplied by the UAW Research Department. Approximately 27,000 were on indefinite layoff at Chrysler as of September 19, 1983, and, as of October 5, 1983, 65,000 at GM, 36,700 at Ford, and 700 at American Motors.

¹⁶ Energy Information Administration, *Quarterly Coal Report, April-June 1983* (U.S. Department of Energy, September 1983).

¹⁷ Unpublished data from the Bureau of Labor Statistics.

¹⁸ Energy Information Administration, *Quarterly Coal Report*.

¹⁹ About 231,000 construction workers will receive deferred increases under settlements in which the parties agreed to a total wage and benefit package, with the allocation between wages and benefits to be determined later by the union. Because the final allocation was not known at the time this article was prepared, the entire package has been treated as a wage increase which, thus, may be overstated.