

# Bargaining activity light in private industry in 1985

*About 33 percent of the 7.4 million workers under major collective bargaining agreements in such private industries as trucking, rubber, construction, and apparel are scheduled for new contracts; first-time data show that 55 percent of 2 million State and local workers are slated for new agreements*

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About 3.5 million of the 9.4 million employees under major collective bargaining agreements (covering 1,000 or more workers) in private industry and State and local government have their contracts slated for renewal or reopening in 1985. Bargaining activity in private industry will be relatively light, with negotiations covering 33 percent of the 7.4 million employees under major agreements. In State and local government, 55 percent of the 2.0 million employees under major agreements are subject to negotiations during 1985, the first year for which data are available for these contracts.<sup>1</sup>

The light 1985 bargaining calendar in private industry follows 3 years of heavy bargaining. From the mid-1950's to 1983, bargaining over major contracts in private industry was on a cycle of 2 years of heavy activity, each involving about two-fifths of the workers, followed by a third year of lighter activity, involving about three-tenths of the workers. This 3-year cycle was broken when contracts between the United Automobile Workers and Ford Motor Co. and General Motors were negotiated in early 1982 to run for 2½ years. They replaced contracts that were to expire in Sep-

tember 1982 that, had they then been renegotiated for the typical 3-year duration, would have expired in 1985. Thus, bargaining in autos was thrown into 1984, making it the third heavy bargaining year in a row, and making 1985 a light bargaining year.

During 1985, 537 major contracts in private industry, covering 2.4 million workers, and 288 major State and local government agreements, covering 1.1 million workers are scheduled to be negotiated. (See tables 1 and 2.) These negotiations will be influenced by both general economic conditions and the circumstances of the individual industries, employers, and unions involved in bargaining.

The recovery in the Nation's economy that began in 1982 continued into the third quarter of 1984. Key measures of the economic health of the country showed improvement over the previous year. For example, the unemployment rate of civilian workers was 7.4 percent in September 1984, compared to 9.2 percent a year earlier. The Consumer Price Index for All Urban Consumers (CPI-U) rose 4.2 percent during the 12-months ended September 1984, continuing the moderate rate of price increases that began in 1982. The Federal Reserve Board's total industry capacity utilization rate was 81.9 percent for September 1984, up from 78.6 percent a year earlier. The composite index of leading economic indicators, compiled by the U.S. Department of Commerce's Bureau of Economic Analysis to forecast movements

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**Table 1. Calendar of major collective bargaining activity in private nonagricultural industries and State and local government**

Year and month	Agreements with expirations or scheduled wage reopenings or both		Principal Industries
	Number	Workers covered (thousands)	
All years <sup>1</sup> . . . . .	2,048	9,448	—
Total 1985 <sup>2</sup> . . . . .	825	3,532	—
January . . . . .	31	100	—
February . . . . .	12	25	—
March . . . . .	72	776	Trucking, men's apparel, construction
April . . . . .	76	211	Rubber, construction
May . . . . .	113	441	Women's apparel, construction
June . . . . .	261	1,100	Electrical products, construction, trade, State and local government
July . . . . .	62	213	Electrical products
August . . . . .	78	240	Meatpacking
September . . . . .	42	194	Automobiles
October . . . . .	19	57	—
November . . . . .	25	94	—
December . . . . .	38	100	—
Total 1986 <sup>3</sup> . . . . .	705	3,263	—
January . . . . .	31	78	Petroleum refining
February . . . . .	33	111	Food stores
March . . . . .	53	209	Glass containers
April . . . . .	73	171	Construction
May . . . . .	92	305	Construction, lumber, paper, and aluminum
June . . . . .	168	657	Construction, farm machinery and equipment, hospitals, State and local government
July . . . . .	44	125	—
August . . . . .	77	1,084	Steel, telephone and electrical products
September . . . . .	52	175	Food stores, longshoring (east and gulf coast)
October . . . . .	35	160	Aerospace
November . . . . .	17	45	—
December . . . . .	31	148	—
Total 1987 <sup>4</sup> . . . . .	264	1,161	—
January–June . . . . .	214	595	—
July–December . . . . .	50	566	—
Total 1988 and later <sup>5</sup> . . . . .	25	207	—
Year unknown or in negotiation <sup>6</sup> . . . . .	328	1,579	—

<sup>1</sup>Total is less than sum of the parts because 93 agreements covering 282,000 workers have both reopenings and expirations in the reference period. Total includes 530 State and local government agreements covering 2,044,000 workers.

<sup>2</sup>Includes 74 agreements (covering 222,000 workers) with wage reopenings in 1985. Also includes 288 State and local government agreements covering 1,122,000 workers.

<sup>3</sup>Includes 17 agreements (covering 55,000 workers) with wage reopenings in 1986. Also includes 129 State and local government agreements covering 445,000 workers.

<sup>4</sup>Includes two agreements (covering 5,000 workers) with wage reopenings in 1987. Also includes 31 State and local government agreements covering 83,000 workers.

<sup>5</sup>Includes two local government agreements covering 6,000 workers.

<sup>6</sup>Includes agreements which were due to expire between Oct. 1, 1984 (the cutoff date for gathering information), and Dec. 31, 1984; agreements which expired, but new agreements were not reached by the cutoff date; expired agreements for which necessary information was incomplete; and agreements which had no fixed expiration or reopening date.

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

adjustments of 2.5 percent in the first contract year and 2.8 percent annually over the life of the contract. This compares with annual figures of 2.6 and 2.8 percent, respectively, for all of 1983. In contrast, when the same parties to 1984 settlements previously bargained (about 2 or 3 years before), their contracts provided wage adjustments of 8.6 percent in the first-year, and 7.2 percent annually over the contract life.

The size of settlements in 1984 reflects attempts by the parties to adjust to the economic difficulties faced by many of them, including competition from abroad and from non-union firms at home and declining employment opportunities. Many of the parties to 1985 negotiations face similar problems. How they deal with them at the bargaining table remains to be seen.

The bulk of contract expirations in the private sector will occur between March and September 1985. Negotiations are scheduled in several key industries including trucking, construction, men's apparel, rubber, women's apparel, electrical products, and for autoworkers at Chrysler Corp. Public sector contract expirations are concentrated at midyear, coinciding with the end of their fiscal year.

This article discusses contract negotiations, wage changes, and cost-of-living adjustment (COLA) reviews scheduled in 1985 for the 9.4 million workers in private industry and State and local government under major agreements. The bargaining issues of the contract negotiations are highlighted. (See table 3 for expiration dates and wage adjustment provisions for selected major agreements.)

## Trucking

The National Master Freight Agreement negotiated by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (Teamsters, Ind.) and Trucking Management, Inc. (TMI), expires March 31, 1985. TMI, the primary negotiator for the industry, has experienced a sharp drop in the number of member companies since the last round of negotiations in 1982. Deregulation<sup>2</sup> and the recession led many firms to merge, fail, and/or layoff workers, thereby reducing the number of firms and workers in the industry. Many smaller and midsize firms—hoping to exact a less expensive agreement—dropped out of TMI and are forming their own bargaining group.

TMI has announced changes in their negotiation and ratification procedure. A 22-member committee composed of five members of each region (Eastern, Southern, Central, and Western) and a chair and vice chair is responsible for negotiation of the National Master Freight Agreement and its area supplements. Negotiation for the National Master Freight Agreement and the monetary package is conducted by an 11-member committee drawn from the larger negotiating committee consisting of two members from each region, a secretary, a chair, and a vice chair. The result of the negotiations will be submitted first for approval to the Board of Directors of TMI, and then to the Membership

in aggregate economic activity, suggests continuing, but slower, growth into 1985.

Despite the 1984 economic growth, major contract settlements reached in private industry during the first 9 months were historically low. They provided average specified wage

**Table 2. Agreement expirations, scheduled wage reopenings, or both, in major collective bargaining situations in private nonagriculture industries and State and local government, by year**

Industry	Total <sup>1</sup>		Year of expiration, scheduled wage reopening, or both							
	Number of agreements	Workers covered (thousands)	1985 <sup>2</sup>		1986 <sup>3</sup>		1987 and later <sup>4</sup>		Unknown or in negotiation <sup>5</sup>	
			Number of agreements	Workers covered (thousands)	Number of agreements	Workers covered (thousands)	Number of agreements	Workers covered (thousands)	Number of agreements	Workers covered (thousands)
All industries . . . . .	2,048	9,448	825	3,532	705	3,263	287	1,363	328	1,579
<b>Manufacturing</b> . . . . .	627	2,969	208	1,019	255	1,006	109	621	77	368
Food and kindred products . . . . .	76	230	30	138	23	39	15	30	10	27
Tobacco manufacturing . . . . .	5	18	—	—	5	18	—	—	—	—
Textile mill products . . . . .	9	29	4	14	2	6	3	9	2	3
Apparel and other finished products . . . . .	40	332	33	315	4	9	2	5	1	3
Lumber and wood products, except furniture . . . . .	10	55	1	2	7	47	2	3	1	5
Furniture and fixtures . . . . .	7	12	5	10	1	1	1	2	—	—
Paper and allied products . . . . .	47	74	8	9	27	43	7	14	6	9
Printing, publishing and allied industries . . . . .	25	46	9	16	4	8	12	24	3	4
Chemicals and allied products . . . . .	33	66	9	14	10	20	14	33	9	20
Petroleum refining and related industries . . . . .	18	33	2	3	15	30	—	—	1	1
Rubber and miscellaneous plastics . . . . .	12	58	10	54	1	1	—	—	1	4
Leather and leather products . . . . .	11	27	3	8	3	8	3	4	2	8
Stone, clay, glass, and concrete products . . . . .	27	68	6	9	12	43	4	8	5	7
Primary metals industries . . . . .	62	398	5	9	47	377	9	11	2	3
Fabricated metal products . . . . .	35	67	10	16	15	32	1	1	9	17
Machinery, except electrical . . . . .	43	134	14	21	19	75	5	14	6	27
Electrical machinery equipment and supplies . . . . .	65	373	24	217	27	106	11	18	4	33
Transportation equipment . . . . .	82	913	26	148	25	129	18	439	13	197
Instruments and related products . . . . .	11	22	4	8	6	13	1	6	1	1
Miscellaneous manufacturing industries . . . . .	9	14	5	10	2	2	1	1	1	1
<b>Nonmanufacturing</b> . . . . .	891	4,435	329	1,391	321	1,811	145	653	137	735
Mining, crude petroleum and natural gas production . . . . .	13	132	2	2	6	15	1	105	4	10
Construction . . . . .	407	1,096	170	384	153	492	74	173	32	91
Transportation, except railroads and trucking . . . . .	61	266	18	85	19	92	2	25	23	79
Railroads . . . . .	26	394	—	—	—	—	—	—	26	394
Trucking . . . . .	16	433	15	431	1	1	—	—	—	—
Communications . . . . .	42	723	10	34	26	677	3	8	4	8
Utilities, gas and electric . . . . .	75	248	34	100	26	91	13	64	9	36
Wholesale trade . . . . .	11	42	1	25	5	9	2	4	3	4
Retail trade, except restaurants . . . . .	123	544	43	160	41	174	29	165	13	50
Restaurants . . . . .	15	57	6	30	6	37	—	—	4	8
Finance, insurance and real estate . . . . .	20	98	6	42	7	35	3	11	4	11
Services, except hotels and health services . . . . .	34	152	9	49	13	71	6	19	8	22
Hotels . . . . .	17	117	4	32	6	29	7	66	1	2
Health services . . . . .	31	134	11	16	12	90	5	15	6	20
<b>State and local government</b> . . . . .	530	2,044	288	1,122	129	445	33	89	114	476

<sup>1</sup>Total is less than the sum of the parts because 93 agreements covering 282,000 workers have both reopenings and expirations in the reference period. Total includes 530 State and local government agreements covering 2,044,000 workers.

<sup>2</sup>Total includes 74 agreements (covering 222,000 workers) with wage reopenings in 1985. Also includes 288 State and local government agreements covering 1,122,000 workers.

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

Committee for ratification. Each company in TMI is on the Membership Committee and has one vote plus an additional vote for each 500 employees or portion thereof. In prior negotiations, a policy committee of TMI which consisted of members elected from affiliated regional associations, ratified the contract.

In the past, the National Master Freight Agreement, in conjunction with approximately 30 local and area supplemental agreements, determined the compensation and working conditions of most unionized drivers in the industry.<sup>3</sup> Wage changes, employer contributions to benefit plans, and most economic benefits were determined in national negotiations. Actual wage rates, most work rules, and allo-

cations of funds to health and welfare plans are set in supplemental agreements. Local exceptions to economic terms and work rules are provided in various addenda.

The 1982 National Master Freight Agreement provided no wage increases and modified the cost-of-living adjustment (COLA) clause to provide annual reviews in April instead of semiannual reviews. The agreement also allowed money from COLA to be diverted from wages to maintain health, welfare, and pension benefits. Over the last 3 years this resulted in only one COLA wage increase—47-cents in April 1982. All other COLA money was diverted: 25 cents in April 1982, 33 cents in April 1983, and 35 cents in April 1984.

**Table 3. Duration and wage adjustment provisions of selected<sup>1</sup> major collective bargaining agreements**

Industry <sup>2</sup> and employer	Union <sup>3</sup>	Number of workers <sup>4</sup>	Duration of agreement <sup>5</sup>	Month of 1985 COLA	Month and amount of 1985 specified wage increase
<b>Private sector manufacturing</b>					
<b>Food and kindred products</b>					
California Processors, Inc. and others	Teamsters (Ind.)	50,000	July 1, 1982 to June 30, 1985		
Nabisco, Inc.	Bakery, Confectionery and Tobacco Workers	10,000	Sept. 1, 1983 to Aug. 31, 1985		
Anheuser-Busch, Inc.	Teamsters (Ind.)	8,000	Sept. 15, 1981 to Feb. 28, 1985		
Wholesale bread and cake bakeries	Bakery, Confectionery and Tobacco Workers	8,000	June 10, 1984 to June 13, 1987		June: 40 cents
Sugar plantation companies	Longshoremen and Warehousemen (Ind.)	7,500	Feb. 1, 1983 to Jan. 31, 1985		
<b>Tobacco manufacturers</b>					
Philip Morris, U.S.A.	Bakery, Confectionery and Tobacco Workers	10,300	Feb. 1, 1983 to Jan. 31, 1986	Jan., Apr., July, Oct.	Feb.: 3.5 percent
<b>Textile mill products</b>					
Fieldcrest Mills Inc.	Clothing and Textile Workers	6,000	Mar. 1, 1984 to Mar. 1, 1987		
Knitted Outerwear Manufacturers Assn. (PA)	Ladies' Garment Workers	5,000	June 1, 1982 to May 31, 1985		
<b>Apparel and other finished products made from fabrics and similar products</b>					
Clothing Manufacturers Assn. of USA	Clothing and Textile Workers	70,000	Apr. 1, 1982 to Mar. 31, 1985		
Affiliated Dress Manufacturers Inc.	Ladies' Garment Workers	50,000	June 1, 1982 to May 31, 1985		
Atlantic Apparel Contractors Assn.	Ladies' Garment Workers	35,000	June 1, 1982 to May 31, 1985		
Greater Blouse, Skirt and Undergarment Assn. (NY)	Ladies' Garment Workers	23,000	June 1, 1982 to May 31, 1985		
New York Coat and Suit Assn. and American Cloak and Suit Manufacturers Assn.	Ladies' Garment Workers	20,000	May 31, 1982 to May 31, 1985		
<b>Lumber and wood products, except furniture</b>					
Western States Wood Products Employers Assn.	Woodworkers; Carpenters and Joiners	36,000	June 1, 1983 to May 31, 1986		June: 4.5 percent
<b>Paper and allied products</b>					
International Paper Co., Southern Craft Div.	Paperworkers	6,000	June 1, 1983 to May 31, 1986		June: 5 percent
<b>Printing, publishing, and allied industries</b>					
Metropolitan Lithographers Assn (NY)	Amalgamated Lithographers of America (Ind)	5,000	July 1, 1984 to June 30, 1987		July: 4.3 percent
<b>Rubber and miscellaneous plastics products</b>					
Goodyear Tire and Rubber Co.	Rubber Workers	18,000	Apr. 21, 1982 to Apr. 20, 1985		
Firestone Tire and Rubber Co.	Rubber Workers	9,500	Apr. 21, 1982 to Apr. 20, 1985		
B F Goodrich Co.	Rubber Workers	8,700	Apr. 21, 1982 to Apr. 20, 1985		
Plastics and Metal Products Manufacturers Assn., Inc. (NY)	Ladies Garment Workers	5,000	July 1, 1982 to June 30, 1985		
<b>Leather and leather products</b>					
Brown Shoe Co.	Clothing and Textile Workers; Food and Commercial Workers	6,050	Sept. 1, 1984 to Aug. 31, 1986		Nov.: 15 cents
Interco and Florsheim Shoe Co.'s	Clothing and Textile Workers; Food and Commercial Workers	5,000	Oct. 1, 1982 to Sept. 30, 1985		June: 10 cents
<b>Stone, clay, glass, and concrete products</b>					
Owen-Illinois, Inc.	Glass, Pottery, Plastics	8,600	Apr. 1, 1983 to Mar. 31, 1986	Apr.	Apr.: 30 cents
Brockway Glass Co.	Glass, Pottery, Plastics	7,000	Apr. 1, 1983 to Mar. 31, 1986	Apr.	Apr.: 30 cents
<b>Primary metal industries</b>					
U.S. Steel Corp.	Steelworkers	102,000	Mar. 1, 1983 to Aug. 1, 1986	Feb., May, Aug., Nov.	Feb.: 40 cents
Bethlehem Steel Corp.	Steelworkers	49,000	Mar. 1, 1983 to Aug. 1, 1986	Feb., May, Aug., Nov.	Feb.: 40 cents
Jones & Laughlin Steel Corp.	Steelworkers	32,000	Mar. 1, 1983 to Aug. 1, 1986	Feb., May, Aug., Nov.	Feb.: 40 cents
Republic Steel Corp.	Steelworkers	30,400	Mar. 1, 1983 to Aug. 1, 1986	Feb., May, Aug., Nov.	Feb.: 40 cents
Inland Steel Co., Indiana Harbor Works	Steelworkers	21,100	Mar. 1, 1983 to Aug. 1, 1986	Feb., May, Aug., Nov.	Feb.: 40 cents
<b>Fabricated metal products, except machinery and transportation equipment</b>					
American Can Co.	Steelworkers	5,500	Mar. 9, 1983 to Feb. 16, 1986	Feb., May, Aug., Nov.	
<b>Machinery, except electrical</b>					
Caterpillar Tractor Co.	Automobile Workers	20,400	Apr. 25, 1984 to June 1, 1986	Mar., June, Sept., Dec.	
Deere & Co.	Automobile Workers	18,000	June 1, 1983 to June 1, 1986		
Briggs & Stratton Corp. (WI)	Industrial Workers, Allied	8,200	Oct. 29, 1983 to July 31, 1986		
Timken Co. (OH)	Steelworkers	8,000	Aug. 28, 1983 to Aug. 25, 1986	Mar., June, Sept., Dec.	July: 40 cents
Cummins Engine Co. (IN)	Diesel Workers' Union (Ind)	5,500	Feb. 20, 1984 to Apr. 28, 1987	Mar., June, Sept., Dec.	Apr.: 3 percent
<b>Electrical and electronic machinery, equipment, and supplies</b>					
General Electric Co.	Electronic Workers; Electrical Workers (UC); others	98,000	June 28, 1982 to June 30, 1985		

**Table 3. Continued—Duration and wage adjustment provisions of selected<sup>1</sup> major collective bargaining agreements**

Industry <sup>2</sup> and employer	Union <sup>3</sup>	Number of workers <sup>4</sup>	Duration of agreement <sup>5</sup>	Month of 1985 COLA	Month and amount of 1985 specified wage increase
Westinghouse Electric Corp.	Electrical Workers (IBEW); Electronic Workers: others	40,000	July 12, 1982 to July 11, 1985	Jan.	
AT&T Technologies, Inc.	Electrical Workers (IBEW)	36,000	Aug. 7, 1983 to Aug. 6, 1986	Aug.	Aug.: 1.4 percent average
AT&T Technologies, Inc.	Communications Workers	20,000	Aug. 7, 1983 to Aug. 6, 1986	Aug.	Aug.: 1.4 percent average
Hughes Aircraft Co. (CA)	Carpenters	12,000	Dec. 5, 1982 to Nov. 2, 1985		Apr. and Aug.: 15 cents average
Transportation equipment					
General Motors Corp.	Automobile Workers	350,000	Oct. 15, 1984 to Sept. 14, 1987	Mar., June, Sept., Dec.	
Chrysler Corp. (hourly employees)	Automobile Workers	41,500	Aug. 15, 1983 to Sept. 15, 1985		Mar.: 40 cents Sept.: 32 cents Oct.: 3 percent
Boeing Co.	Machinists	26,000	Oct. 4, 1983 to Oct. 3, 1986	Jan., Apr., July, Oct.	
Newport News Shipbuilding and Dry Dock Corp. (VA)	Steelworkers	18,200	Nov. 1, 1983 to May 31, 1987		Mar.: 37 cents to 75 cents
Rockwell International Corp.	Automobile Workers	16,000	July 1, 1984 to June 30, 1987	Jan., Apr., July, Oct.	
United Technologies Corp., Pratt & Whitney Div.	Machinists	16,000	Nov. 28, 1982 to Dec. 1, 1985	June	
Measuring, analyzing, and controlling instruments; photographic, medical and optical goods; watches and clocks					
Honeywell, Inc.	Teamsters (Ind.)	6,000	Feb. 1, 1984 to Jan. 31, 1987 (Feb. 1, 1986)		Feb.: 4 percent
<b>Private sector, nonmanufacturing</b>					
Bituminous coal and lignite mining					
Bituminous Coal Operators Assn.	Mine Workers, United (Ind.)	105,000	Sept. 28, 1984 to Jan. 31, 1988		Oct.: 25 cents
Building construction—general contractors and operative builders					
Associated General Contractors of America Inc.; and others (Southern California)	Carpenters	20,000	July 1, 1983 to June 30, 1986		July: \$1.15 <sup>6</sup>
Building construction agreement (New York City)	Carpenters	20,000	July 1, 1984 to June 30, 1987		July: \$1
Associated General Contractors of America, Inc. (outside agreement—Southern California)	Laborers	15,000	July 1, 1983 to June 30, 1986		July: \$1 <sup>6</sup>
Associated General Contractors of America, Inc. (outside agreement—Northern California)	Laborers	15,000	Jan. 15, 1983 to June 15, 1986	Nov.	June: \$1 <sup>6</sup>
Construction other than building construction—general contractors					
Associated General Contractors of America, Inc. (Northern California)	Carpenters	15,000	Sept. 1, 1982 to June 15, 1986	June	
Associated General Contractors of America, Inc. (Central and Western Washington)	Carpenters	14,000	June 1, 1983 to May 31, 1986	June	
Labor Relations Div. of the Ohio Contractors Assn.	Operating Engineers	12,000	May 1, 1983 to Apr. 30, 1985		
Associated General Contractors of America, Inc. (Northern California)	Operating Engineers	12,000	June 16, 1983 to June 15, 1986	Nov.	June: 5 percent <sup>6</sup>
Labor Relations Div. of the Ohio Contractors Assn.	Laborers	10,000	May 1, 1983 to Apr. 30, 1986		May: \$1
Construction—special trade contractors					
Plumbing and Piping Industry Council; and Independent Co. (IL)	Plumbing and Pipe Fitters	11,000	July 1, 1983 to June 30, 1986		July: \$1 <sup>6</sup>
New York Electrical Contractors Assn., Inc. (New York City)	Electrical Workers (IBEW)	10,000	June 10, 1983 to June 12, 1986		June: \$2
Associated General Contractors of America, Inc.; other associations; and independent contractors	Iron Workers	10,000	July 1, 1983 to June 30, 1986		July: \$1 <sup>6</sup>
Mechanical Contractors Assn. (Chicago)	Plumbing and Pipe Fitters	8,000	June 1, 1984 to May 31, 1985		
National Electrical Contractors Assn. (Los Angeles)	Electrical Workers (IBEW)	6,000	June 1, 1983 to May 31, 1986	June, Dec.	
Local and suburban transit and interurban highway passenger transportation					
Greyhound Lines	Transit Union	12,700	Nov. 1, 1983 to Oct. 31, 1986		
Motor freight transportation and warehousing					
National Master Freight Agreement (local cartage)	Teamsters (Ind.)	200,000	Mar. 1, 1982 to Mar. 31, 1985		
National Master Freight Agreement (over-the-road)	Teamsters (Ind.)	100,000	Mar. 1, 1982 to Mar. 31, 1985		
United Parcel Service	Teamsters (Ind.)	69,000	May 1, 1982 to June 1, 1985	May	
National Master Automobile Transporters Agreement	Teamsters (Ind.)	20,000	June 1, 1982 to May 31, 1985		
Joint Area Cartage Agreement	Teamsters (Ind.)	10,000	Apr. 1, 1982 to Mar. 31, 1985		
Water transportation					
Maritime Service Committee and Tanker Service Committee (unlicensed seamen)	Maritime Union	15,000	June 16, 1984 to June 15, 1987 (June 16, 1985)		
Pacific Maritime Assn.	Longshoremen and Warehousemen (Ind.)	9,750	July 1, 1984 to July 1, 1987		July: 95.6 cents
New York Shipping Assn.	Longshoremen's Association	8,500	Oct. 1, 1983 to Sept. 30, 1986		Oct.: \$1

**Table 3. Continued—Duration and wage adjustment provisions of selected<sup>1</sup> major collective bargaining agreements**

Industry <sup>2</sup> and employer	Union <sup>3</sup>	Number of workers <sup>4</sup>	Duration of agreement <sup>5</sup>	Month of 1985 COLA	Month and amount of 1985 specified wage increase
Great Lakes Association of Stevedores	Paperworkers	6,000	Apr. 1, 1984 to Dec. 31, 1986		Apr.: \$1
West Gulf Maritime Assn.	Longshoremen's Association	5,000	Oct. 1, 1983 to Sept. 30, 1986		Oct.: \$1
<b>Transportation by air</b>					
United Airlines	Machinists	15,500	Nov. 1, 1983 to Oct. 31, 1986		Nov.: 2.9 percent
American Airlines	Transport Workers	10,400	Sept. 1, 1982 to Aug. 31, 1985		
United Airlines	Air Line Pilots	8,500	Apr. 1, 1983 to May 1, 1986		
Pan American World Airways	Teamsters (Ind.)	7,200	Jan. 1, 1983 to Jan. 1, 1985		Jan.: 25 cents
Republic Airlines	Air Line Pilots	6,800	Sept. 1, 1983 to Mar. 31, 1987		
<b>Communication</b>					
American Telephone and Telegraph Co. (Long Lines)	Communications Workers	500,000	Aug. 28, 1983 to Aug. 9, 1986	Aug.	Aug.: 1.4 percent average
New England Telephone and Telegraph Co.	Electrical Workers (IBEW)	23,700	Aug. 7, 1983 to Aug. 9, 1986	Aug.	Aug.: 1.4 percent average
General Telephone Co. of California	Communications Workers	21,000	Mar. 4, 1983 to Mar. 4, 1986		Mar.: 59 cents Oct.: 46 cents
AT&T Technologies, Inc. (installers and job clerks)	Communications Workers	14,000	Aug. 28, 1983 to Aug. 9, 1986	Aug.	Aug.: 1.4 percent average
Illinois Bell Telephone Co.	Electrical Workers (IBEW)	13,800	Aug. 7, 1983 to Aug. 9, 1986	Aug.	Aug.: 1.4 percent average
<b>Electric, gas, and sanitary services</b>					
Pacific Gas and Electric Co (CA)	Electrical Workers (IBEW)	18,000	Jan. 1, 1984 to Dec. 31, 1987	Jan.	Jan.: 3 percent
Consolidated Edison Co. of New York Inc.	Utility Workers	16,000	Aug. 21, 1983 to June 17, 1986 (July 28, 1985)		
Niagara Mohawk Power Corp.	Electrical Workers (IBEW)	8,000	June 1, 1984 to May 31, 1986		June: 5.5 percent
Southern California Gas Co.	Utility Workers	7,100	Apr. 1, 1984 to Mar. 31, 1986		Apr.: 5 percent
<b>Wholesale trade—nondurable goods</b>					
Industrial Employers and Distributors Assn. (CA)	Teamsters (Ind.): Longshoremen and Warehousemen	25,000	June 1, 1982 to June 1, 1985		
<b>General merchandise stores</b>					
Montgomery Ward and Co.	Teamsters (Ind.)	9,600	Aug. 1, 1983 to July 31, 1986		Jan.: 6 percent
R H Macy & Co., Inc.	Retail, Wholesale and Department Store	6,000	Feb. 1, 1982 to Jan. 31, 1985		
Woodward & Lothrop, Inc.	Food and Commercial Workers	5,500	Feb. 1, 1983 to Feb. 1, 1986		Jan.: 5 percent
<b>Food stores</b>					
Food Employers Council, Inc. (CA)	Food and Commercial Workers	65,000	July 30, 1984 to Aug. 2, 1987		July: 1.7 percent
Food Employers Council of Northern California	Food and Commercial Workers	22,000	Mar. 1, 1983 to Feb. 28, 1986		Mar.: 50 cents
Shoprite, Pathmark, Grand Union, and Foodtown stores (NJ)	Food and Commercial Workers	21,000	Apr. 9, 1984 to Apr. 3, 1987		Apr.: 41.7 cents Dec.: 12.5 cents
Waldbaum, Food-a-rama, Bohack, and others (NY)	Retail, Wholesale and Department Store	18,000	Sept. 30, 1983 to Sept. 30, 1986		Mar.: 14 cents Sept.: 28 cents
Jewel Food Stores (IL)	Food and Commercial Workers	14,000	Sept. 1, 1982 to June 1, 1985		
<b>Apparel and accessory stores</b>					
Women Apparel Chain Store Assn.	Ladies' Garment Workers	6,500	July 1, 1982 to June 30, 1985		
<b>Eating and drinking places</b>					
Restaurant-Hotel Employee Council (CA)	Hotel Employees and Restaurant Employees	17,800	Mar. 15, 1982 to Mar. 15, 1986 (Mar. 15, 1985)		
San Mateo Hotel Restaurant Employers Assn.	Hotel Employees and Restaurant Employees	5,200	Jan. 1, 1984 to Dec. 31, 1986		Jan.: 4.5 percent average
<b>Insurance</b>					
Prudential Insurance Co. of America	Food and Commercial Workers	16,000	Sept. 26, 1983 to Sept. 23, 1985		
John Hancock Mutual Life Insurance Co.	Food and Commercial Workers	5,000	July 1, 1984 to June 30, 1987		
<b>Real estate</b>					
Realty Advisory Board on Labor Relations (apartment agreement) (NY)	Service Employees	20,000	Apr. 21, 1982 to Apr. 20, 1985		
Realty Advisory Board on Labor Relations (Commercial agreement) (NY)	Service Employees	18,000	Jan. 1, 1984 to Dec. 31, 1986		Jan.: 60 cents
Building Managers Assn. of Chicago	Service Employees	6,000	Mar. 26, 1984 to Sept. 28, 1986		Mar.: 25 cents Nov.: 35 cents
<b>Hotels, rooming houses, camps, and other lodging places</b>					
Hotel Association of New York City	Various unions	25,000	Jan. 1, 1981 to June 1, 1985 (June 1, 1984)		
Nevada Resort Assn. (Resort hotels)	Hotel Employees and Restaurant Employees	25,000	May 2, 1984 to May 4, 1989		May: 10 cents
Casino hotels in Atlantic City (NJ)	Hotel Employees and Restaurant Employees	12,000	Sept. 15, 1983 to Sept. 14, 1988 (Sept. 15, 1986)		
Greater Chicago Hotel and Motel Assn. (IL)	Hotel Employees and Restaurant Employees	9,000	Apr. 1, 1983 to Dec. 31, 1987		Jan.: \$1 to \$2 a day
Council of Hawaii Hotels	Hotel Employees and Restaurant Employees	8,100	Mar. 1, 1984 to Feb. 28, 1987		Mar.: 4 percent
<b>Business services</b>					
Service Employers Assn. (NY)	Service Employees	36,000	Jan. 1, 1984 to Dec. 31, 1986	Jan.	Jan.: 60 cents
Massachusetts Maintenance Contractors Assn. (building cleaning)	Service Employees	7,000	Sept. 1, 1984 to Aug. 31, 1987		Sept.: 20 cents
Associated Guard and Patrol Agencies (IL)	Service Employees	6,400	Jan. 1, 1984 to Dec. 31, 1986 (Jan. 1, 1985)		

**Table 3. Continued—Duration and wage adjustment provisions of selected<sup>1</sup> major collective bargaining agreements**

Industry <sup>2</sup> and employer	Union <sup>3</sup>	Number of workers <sup>4</sup>	Duration of agreement <sup>5</sup>	Month of 1985 COLA	Month and amount of 1985 specified wage increase
Motion pictures Alliance of Motion Picture and Television Producers	Various unions	26,000	Aug. 1, 1982 to July 31, 1985		
Amusement and recreation services, except motion pictures Walt Disney World/Epcot Center (FL) Phonograph Record Labor	Various unions Musicians	8,000 6,000	May 1, 1983 to Oct. 26, 1985 Dec. 1, 1983 to Nov. 30, 1986		Dec.: 5 percent
Health services League of Voluntary Hospitals and Homes (NY) Greater NY Health Care Facilities Assn. Kaiser Permanente (clerical, service, maintenance, and technical) Kaiser-Permanente Medical Care Program (CA)	Retail, Wholesale and Department Store Service Employees Service Employees Service Employees	50,000 15,000 6,850 6,400	July 1, 1984 to June 30, 1986 Apr. 1, 1984 to Mar. 31, 1986 Apr. 1, 1984 to Mar. 31, 1987 Oct. 30, 1983 to Oct. 25, 1986		July: 5 percent July: 7 percent Apr.: 5 percent Oct.: 5 percent
<b>State and local government</b>					
New York City Transit Authority Philadelphia School District Los Angeles County Clerical Minnesota State Multidepartment Unit	Transport Workers Teachers Service Employees State, County and Municipal Employees	27,500 19,750 17,000 16,200	Apr. 1, 1982 to Mar. 31, 1985 Sept. 1, 1982 to Aug. 31, 1985 Sept. 1, 1983 to Aug. 31, 1985 July 1, 1983 to June 30, 1985		Mar.: 6 percent
Dade County Board of Education Teachers (FL) Philadelphia City Employees	Teachers State, County and Municipal Employees	16,000 13,000	July 1, 1983 to June 30, 1985 July 1, 1983 to June 30, 1985		July: 8 percent
Detroit Board of Education Teachers Dade County Metropolitan General Classified (FL)	Teachers State, County and Municipal Employees	11,000 10,000	July 1, 1983 to June 30, 1985 Jan. 1, 1983 to Dec. 31, 1986		Jan.: 5 percent July: 3 percent
Los Angeles Board of Education Paraprofessionals	Service Employees	10,000	Oct. 17, 1983 to Sept. 1, 1986 (May 15, 1984)		
Detroit Multidepartment Non-supervisory employees	State, County and Municipal Employees	8,000	July 1, 1984 to June 30, 1986 (July 1, 1985)		

<sup>1</sup>Selection based on the contracts with the highest employment in the industrial classification, with at least 5,000 workers or more.

<sup>2</sup>Based on 1972 standard industrial classification.

<sup>3</sup>Unions are affiliated with the AFL-CIO, except where noted as independent (Ind.).

<sup>4</sup>Number of workers at time agreement was reached.

<sup>5</sup>Contract effective date to expiration date. Reopening date is in parenthesis.

<sup>6</sup>Allocation between wages and benefits will be determined by the union.

Supplements to the National Master Freight Agreement differed by area but generally provided for new employees to start at 70 percent of the pay rate for their job and move in steps to the top rate after 3 years of service. Previously, new employees generally received the full rate of pay immediately. The supplements also provided relaxed work rules including a "nonstandard" workweek that eliminated some premium pay.

TMI requested further changes to the National Master Freight Agreement in April 1983 but, these were rejected by the union leadership. In November 1983, TMI and the union, under the leadership of Jackie Presser, agreed to a wage-and-benefit cost cutting plan aimed at aiding the industry. The plan was rejected by the union membership by a margin of almost 9 to 1.

Information on 1985 demands is not available. However, it is anticipated that the union will press for a pay increase and restraints on unionized firms establishing nonunion subsidiaries. Other union demands may include the restoration of semiannual cost-of-living reviews, pension increases, and job security provisions. TMI is likely to seek lower starting wages for newly hired employees plus work rule changes which will cut costs.

The smaller carriers, which are no longer members of TMI, are seeking a settlement that will be less expensive

than that reached by the large carriers. The smaller carriers argue that they need special considerations to remain in business. Some observers believe, however, that these carriers would agree to terms similar to those reached by TMI because they would be unable to withstand a strike if the larger companies are operating.

### Rubber

Major contracts between the United Rubber, Cork, Linoleum and Plastic Workers of America (Rubber Workers) and the "Big Four" tiremakers: Goodyear Tire and Rubber Co., Firestone Tire and Rubber Co., B.F. Goodrich Co., and Uniroyal, Inc., are up for renewal April 20, 1985. In the past, bargaining has been conducted separately with each company, after the Rubber Workers selected a "target" from among the "Big Four" to set the pattern for the industry.

In 1982, however, because of the threat of bankruptcy, Uniroyal reached an early agreement with the Rubber Workers to accept the same provisions as the pattern setter. Subsequently, the Rubber Workers reached an agreement with B.F. Goodrich Co. that set the pattern for settlements at Goodyear and Firestone as well as Uniroyal.

The Goodrich contract provided no specified wage adjustments. However, the automatic quarterly cost-of-living

adjustments were continued, calculated at 1 cent for each 0.26-point movement in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Pension and sickness and accident insurance were improved, including a 6-month increase (to 30 months), in the period during which laid-off employees would retain life and health insurance. However, in some Firestone and Goodrich plants troubled with possible layoffs and plant closings, workers accepted wage cuts and suspension of COLA clauses. In exchange, the Rubber Workers won the right to early warnings of financial problems at these plants.

Since the last negotiations, the rubber industry has revitalized and capacity utilization is high. All plants are on a flat 3-shift, 7-day-a-week operation with no employees working overtime. There have been fewer layoffs. Since 1982, only two Firestone and Goodyear plants, both producers of bias ply tires, have closed.

The health of the rubber tire industry has always been closely linked to the automobile industry, which is still struggling with foreign competition. Thus, although goals for upcoming negotiations have not yet been formulated, it is expected that job security and improved pension benefits will be key objectives.

### Construction

Approximately 384,000 workers covered by 170 collective bargaining agreements in the construction industry will face contract expirations or scheduled reopeners in 1985. These agreements account for 35 percent of all construction workers under major agreements, and 16 percent of the workers under private sector contracts scheduled for negotiation in 1985.

Negotiations in the industry are often conducted by employer associations,<sup>4</sup> which individual companies join for bargaining and other purposes. Unions negotiate along craft lines.<sup>5</sup> Settlements in the industry generally reflect regional patterns.

Although the industry's unemployment rate is down to 13.8 percent for September 1984, compared with 18.1 percent in September 1983 and 21.8 percent in September 1982, it is still high relative to other industries. As in recent years, unemployment and nonunion competition increased pressure to moderate wage demands and reduce employer costs in 1984. Many contracts provided benefit changes without affording any wage changes. Construction agreements reached in the first 9 months of 1984 provided the smallest wage and compensation adjustments for any first 3-quarter period since such data were first compiled in 1968. Wage adjustments averaged 0.9 percent for the first contract year and 1.2 percent annually over the life of the contracts; corresponding adjustments in compensation (wage and benefit costs) averaged 1.2 percent and 1.4 percent. The last time these same parties bargained, average wage adjustments were 6.2 percent in the first year and 5.3 percent over the contract life.

A variety of approaches were tried by labor and management to reduce employer costs in 1984 and make union firms more competitive with their nonunion rivals. These included lower wage rates for new projects than for projects already underway; lower regular rates for new hires; modified vacation and overtime rates; modified work rules; forfeiture of scheduled deferred payments, and lower wage rates for projects valued below a specified amount. (This last arrangement 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.) Unless the industry's economic climate improves, bargaining in 1985 can expect to follow the same trends set since 1983.

### Apparel

Although the women's and men's apparel industry agreements expire at different times (May and September, respectively), and the negotiations involve different employer bargaining associations and unions, bargainers for both sets of contracts face similar economic conditions and constraints. Average annual unemployment in apparel (and other textile products) increased from 11.5 percent in 1980 and 1981 to 15.4 percent in 1982 and declined to 12.4 percent in 1983. In 1984, seasonally adjusted unemployment has ranged from 12.7 percent in January to 8.3 percent in May, with a 10.5-percent rate for October, the last month reported. Employment has remained relatively stable, declining slightly from 1.3 million workers in 1980 to 1.2 million in 1983.

Workers in the women's apparel industry will be represented by the International Ladies' Garment Workers Union which will negotiate with several employer groups including the Affiliated Dress Manufacturers Association, Apparel Manufacturers Association, New York Coat and Suit Association, New York Shirt and Sportswear Association, and Popular Price Dress Contractors Association. The Amalgamated Clothing and Textile Workers Union will negotiate on behalf of workers in men's apparel covered by the Clothing Manufacturers Association and parties to the Cotton Garments Contracts.

In the last round of negotiations in 1982, the women's apparel agreements provided for a \$1.10 hourly wage increase over 3 years and established a cost-of-living clause. The COLA clause provided for a 10-cent adjustment in February 1984 if the CPI-W rose 8.5 percent between June 1, 1982, and December 1, 1983, plus 5 cents for each 0.5-percent point increase in the index, up to a 25-cent maximum. No COLA payment was made.

The men's and boys' clothing agreement provided hourly wage increases of \$1.05 over 3 years. The automatic cost-of-living adjustment formula provided for adjustments in June 1983 if the CPI-W rose 4.8 percent from December 1981 to December 1982 and another adjustment in June

1984 if the index rose 5.4 percent from December 1982 to December 1983. The CPI-W increased 3.9 percent in 1982 and 3.3 percent in 1983, hence, no COLA payments were made.

Over the past several years, the apparel industry has faced stiff foreign competition. The industry has sought to challenge the imports through government trade restrictions and a voluntary "buy American" campaign. However, as the industry approaches this year's negotiations, serious trade problems remain. For example, the value of imported wearing apparel has steadily increased from \$5.8 billion in 1979 to \$9.5 billion in 1983.

### **Electrical industry**

Agreements covering 217,000 workers are scheduled to expire in the electrical machinery, equipment, and supplies industry. The largest contracts will be negotiated at the General Electric Co. in June (covering 80,000 employees) and at Westinghouse Electric Corp. in July (covering 35,000 employees). Other large bargaining units that will be involved in negotiations in 1985 include: Hughes Aircraft Co., with 12,000 employees; and Radio Corporation of America and American Telephone and Telegraph Technologies, each with about 10,000 employees.

Negotiations with General Electric and Westinghouse will be conducted by the Coordinated Bargaining Committee of General Electric and Westinghouse unions which represents 13 labor organizations.<sup>6</sup> Under the Coordinated Bargaining Committee, each union negotiates its own contract or contracts but coordinates proposals and exchanges information. Contract negotiations will start at General Electric.

In the previous round of negotiations, General Electric settled on June 27, 1982, with the International Union of Electronic, Electrical, Technical, Salaried and Machine Workers (Electronic Workers) and the United Electrical, Radio, and Machine Workers (Electrical Workers, UE). Shortly thereafter, the 11 other unions of the Coordinated Bargaining Committee reached agreements on the same terms. Later, Westinghouse agreed to essentially the same wage and benefit terms; however, there were some significant differences in the pension plan.

The General Electric contract enhanced job security through several contract provisions. These included: a 6-month notice of plant closings and 60 days notice of the introduction of new automation or robots; 26 weeks retention of wage rates for workers shifted to lower paying jobs because of shutdowns or automation; an improved lump-sum severance payment formula; job placement assistance and up to \$1,800 for education and retraining for displaced workers; company-financed medical insurance for employees age 50 and over with 25 or more years of service who are affected by plant closings; and vested pension rights for workers with at least 7 years service who are affected by shutdowns.

The agreement also provided a 7-percent pay increase in June 1982 and 3 percent increases in 1983 and 1984. The

automatic semiannual cost-of-living adjustment was improved to provide a 1-cent per hour increase for each 0.175-percent rise in the CPI-W. The pension, health insurance, life insurance and vacation plans were also improved.

Unemployment in the electrical products industry has steadily decreased since the last negotiations, from 10.7 percent in September 1982 to 7.3 percent in September 1983 to 5.3 percent in September 1984. However, serious problems still affect the industry: foreign competition is strong with some competitors building plants in the United States; low sales of heavy duty generators and transmission equipment continue, as utilities are scaled back and old equipment is retained; and the new housing market, which accounts for about one-third of unit sales of major appliances, has been weak.

Bargaining demands will not be made final until about March 1985, but the unions have announced general goals, focusing on job security which continues to be threatened by plant shutdowns and automation. The unions intend to tighten severance and other security benefits negotiated in 1982 that they claim have been undercut by employee layoffs prior to shutdown notices. They may also propose a shorter workweek as a solution to fewer jobs and increased automation. The industry is expected to demand reductions in health care insurance costs.

### **Automobiles—Chrysler Corp.**

The contract between Chrysler Corp. and the United Automobile, Aerospace and Agricultural, Implement Workers of America (UAW), covering 80,000 employees, is due to expire October 15, 1985. Although there was some attempts to seek an early agreement following the conclusion of national agreements at General Motors Corp. and Ford Motor Co. in October 1984, contract talks with Chrysler have yet to be initiated.

Before 1979, the UAW bargained individually with each of the major auto firms, targeting one of the "Big Three" companies (GM, Ford, and Chrysler) to get a pattern-setting agreement. On October 25, 1979, the UAW accepted some deviation from the industry pattern to help improve financial conditions at Chrysler Corp. Further cost concessions, which qualified Chrysler for Federal loan guarantees, resulted from January 1980 and January 1981 negotiations.

As a result of these negotiations, there were substantial differences between Chrysler Corp.'s wage and benefit provisions and those of Ford and GM. However, in December 1982, Chrysler agreed to a contract that reduced some of this disparity.

The demand for further contract improvement was prompted by the early pay back of the \$1.2 billion Federal loan, and a \$482 million profit for the first 6 months of 1983. In September 1983, the UAW and Chrysler reached an agreement providing wage and benefit improvements that eliminated the existing differences with GM and Ford. However, it did not address contract changes that might result from

the 1984 GM and Ford negotiations.

Reflecting concern over job security matters, the 1984 GM settlement established a new Job Security Program, which guarantees that workers with at least 1 year of service would not to be laid off because of new technology, outsourcing, negotiated productivity improvements, work shifted from one GM plant to another, or the consolidation of component production. One specified wage increase and a \$180 "Special Payment" was made, effective immediately. Lump-sum "Performance Bonus" payments are scheduled for October of 1985 and 1986. The cost-of-living adjustment formula was continued, but will be calculated on the 1967-based U.S. Consumer Price Index only, instead of the combined U.S.-Canadian CPI. Among other improvements, the pact contained profit-sharing payments, a guaranteed income stream for laid-off workers, and increased funding for Supplemental Unemployment Benefits. A similar contract was later negotiated for Ford employees.

At the upcoming talks with Chrysler, UAW negotiators will be faced with the expiration of import restraints in April 1985, as well as the company's goal of maintaining current levels of production with fewer workers. Of the 250,000

auto workers laid-off between 1979 and 1982 as a result of sales slumps and the growth of imports, more than 60,000 are still on layoff. Nevertheless, Chrysler workers may again demand parity with GM and Ford.

### State and local government

During 1985, 288 contracts, covering 1.1 million State and local government workers expire or will be reopened. Of these, 161 covering 607,000 workers will terminate in June. Negotiations are scheduled for 96 expiring contracts covering 596,000 State workers, compared with 196 contracts covering 544,000 local government workers. These contracts cover 75 percent of the State workers under major agreements, in contrast to 44 percent of local government employees.

Seventy-two percent of the State government employees under expiring agreements work in general administrative agencies, 10 percent in social service departments, and the remainder in education, hospitals, transportation, and protective services. States with heavy bargaining calendars include New York with 26 percent and Pennsylvania with 17 percent of the State workers up for negotiation.

**Table 4. Scheduled deferred wage adjustments in 1985 under agreements in major collective bargaining agreements, by industry**

Selected industry	Number of agreements	Number of workers (thousands)	Mean adjustment					
			Total		With COLA		Without COLA	
			Cents	Percent <sup>1</sup>	Cents	Percent <sup>1</sup>	Cents	Percent <sup>1</sup>
<b>Total</b> .....	843	3,790	52.1	4.0	32.1	2.7	66.0	4.9
All private nonagricultural industries .....	684	3,267	50.6	3.7	31.8	2.7	67.6	4.6
Manufacturing <sup>2</sup> .....	283	1,071	40.8	3.7	38.6	3.3	45.9	4.4
Food and kindred products .....	33	59	42.6	4.3	33.5	3.4	44.3	4.5
Apparel and other finished products .....	10	56	32.1	5.4	30.0	5.2	39.7	6.4
Paper and allied products .....	31	52	57.1	5.0	—	—	57.1	5.0
Metalworking .....	124	670	38.8	3.3	38.2	3.1	43.3	4.4
Nonmanufacturing <sup>3</sup> .....	401	2,196	55.4	3.8	25.6	2.1	72.7	4.7
Construction .....	175	510	79.5	4.7	83.8	5.0	79.1	4.7
Transportation, communications and gas and electric utilities .....	88	908	49.1	2.8	18.7	1.6	146.2	6.6
Wholesale and retail trade .....	78	355	39.5	4.3	23.7	2.3	39.7	4.3
Services .....	46	264	65.6	5.2	61.2	6.4	66.4	5.0
State and local government .....	159	524	60.9	5.5	66.2	4.1	60.8	5.6
			Median adjustment		Mean increase		Mean decrease	
			Cents	Percent <sup>1</sup>	Cents	Percent <sup>1</sup>	Cents	Percent <sup>1</sup>
<b>Total</b> .....	40.0	3.6	52.4	4.0	—77.5	—5.5		
All private nonagricultural industries .....	40.0	3.1	51.1	3.8	—77.5	—5.5		
Manufacturing <sup>2</sup> .....	40.0	3.1	40.8	3.7	—	—		
Food and kindred products .....	40.8	4.0	42.6	4.3	—	—		
Apparel and other finished products .....	30.0	5.4	32.1	5.4	—	—		
Paper and allied products .....	56.3	5.0	57.1	5.0	—	—		
Metalworking .....	40.0	3.1	38.8	3.3	—	—		
Nonmanufacturing <sup>3</sup> .....	35.0	3.4	56.1	3.8	—77.5	—5.5		
Construction .....	77.0	5.0	82.0	4.9	( <sup>4</sup> )	—		
Transportation, communications and gas and electric utilities .....	16.4	1.4	49.1	2.8	—	—		
Wholesale and retail trade .....	41.9	4.1	39.5	4.3	—	—		
Services .....	53.2	5.0	65.6	5.2	( <sup>4</sup> )	—		
State and local government .....	57.5	6.0	60.9	5.5	—	—		

<sup>1</sup>Percent of straight-time average hourly earnings.

<sup>2</sup>Includes workers in the following industry groups for which data are not shown separately to ensure confidentiality of earnings data: tobacco (18,000); textiles (3,000); lumber (48,000); printing (27,000); chemicals (26,000); petroleum (25,000); rubber (1,000); leather (16,000); stone, clay and concrete (53,000); instruments (13,000); miscellaneous manufacturing (3,000).

<sup>3</sup>Includes 111,000 workers in the mining industry for which data are not shown separately

to ensure confidentiality of data, and 46,000 workers in the finance, insurance and real estate industries.

<sup>4</sup>Data do not meet publication criteria.

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.

**Table 5. Distribution of workers scheduled to receive deferred wage increases in 1985 under major collective bargaining agreements, by industry and amount of increase**

[Workers in thousands]

Increase	All industries	Private nonagricultural industries			State and local government
		Total	Manufacturing	Nonmanufacturing	
<b>Cents per hour</b>					
Under 15 cents	153	139	94	45	14
15 and under 20	767	745	31	713	22
20 and under 25	80	61	20	41	20
25 and under 30	257	241	47	193	16
30 and under 35	252	217	129	87	36
35 and under 40	182	121	74	46	61
40 and under 45	493	466	378	89	27
45 and under 50	211	171	91	80	40
50 and under 60	357	297	63	234	60
60 and under 70	291	221	59	162	70
70 and under 80	212	168	53	115	44
80 and under 90	55	24	2	22	31
90 and under 100	59	46	15	31	13
100 and under 110	187	169	9	160	18
110 and under 120	48	36	3	33	12
120 and over	172	133	1	131	39
<b>Percent<sup>1</sup></b>					
Under 2 percent	1,075	1,046	134	912	29
2 and under 3	281	232	107	125	49
3 and under 4	705	661	472	189	44
4 and under 5	347	325	130	195	22
5 and under 6	538	442	113	329	96
6 and under 7	440	316	72	244	124
7 and under 8	250	152	36	117	98
8 and under 9	77	19	1	18	58
9 and under 10	23	21	—	21	1
10 and under 11	16	16	5	11	—
11 and under 12	6	3	1	2	3
12 and over	23	23	—	23	—
Number of workers (in thousands)	3,780	3,256	1,071	2,185	524
Number of agreements	840	681	283	398	159

<sup>1</sup>Percent of straight-time 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.

In local government, employees in education account for 61 percent of the workers scheduled for renegotiated contracts. Employees in general administration account for another 20 percent and workers in hospitals, housing agencies, and protective services make up the balance.

In general, local government agreements are dispersed among many jurisdictions. About 14 percent of the local government workers slated for 1985 negotiations are employed by Los Angeles County. The remainder are distributed among other jurisdictions.

### Wage changes of expiring agreements

Contracts expiring in 1985 will yield average annual specified wage adjustments of 4.1 percent over their term. When COLA adjustments through October 1984 are included, the

adjustment averages 4.4 percent. The following tabulation shows specified wage adjustments and specified wage adjustments including COLA's in private and State and local government contracts expiring in 1985:

	Specified adjustment	Specified adjustment, plus COLA
Contracts expiring in 1985	4.1	4.4
With COLA	3.1	3.8
Without COLA	4.9	4.9
Private industry	3.7	4.1
With COLA	3.1	3.8
Without COLA	4.6	4.6
State and local government	5.1	5.1
With COLA	4.2	4.2
Without COLA	5.1	5.1

Private industry specified wage changes average 3.7 percent annually, but increases to 4.1 percent when COLA's through October 1984 are included. In all contracts with COLA's, specified changes were 3.1 percent with COLA's raising the level to 3.8 percent over the contract term. Assuming no significant deviations from the current trend in the CPI, the overall adjustment in private industry contracts with COLA's will be less than the 4.6-percent specified adjustment in nonCOLA contracts for the third consecutive year. For contracts expiring prior to 1983, overall average wage adjustments for contracts with COLA's always exceeded those in contracts without COLA's.

In State and local government contracts, specified changes were 5.1 percent. Contracts with COLA's covered such a

**Table 6. Deferred wage increases scheduled in 1985 in major collective bargaining situations, by month**

[Workers in thousands]

Effective month	Workers covered	Principal industries
Total 1985 <sup>1</sup>	24,189	
January	568	Construction, petroleum refineries, men's apparel, State and local government
February	377	Steel
March	294	Food stores, automobiles
April	241	Construction, food stores, glass
May	232	Construction
June	375	Lumber, construction, gas and electric utilities
July	629	Construction, food stores, hospitals, State and local government
August	822	Telephone, electrical products
September	196	Automobiles, food stores
October	309	Coal mines, aerospace, east and gulf coast longshoring
November	69	
December	79	Food stores

<sup>1</sup>Total is smaller than the sum of individual items because 433,000 workers are scheduled to receive more than one increase. It is based on data available as of October 1984, and thus may understate the number of workers scheduled to receive deferred increases for the entire year. 10,600 workers are scheduled to have a deferred wage decrease in 1985.

<sup>2</sup>Includes 524,000 workers under state and local government agreements.

small proportion of the workers as to have no measurable impact on the overall data.

Some contracts in both private industry and government expiring in 1985 provide for COLA reviews after October 1984. However, it is unlikely that future adjustments would significantly alter these averages.

### Scheduled wage changes in 1985

About 3.8 million of the 9.4 million workers under major agreements are scheduled to receive deferred wage adjustments in 1985—44 percent of the private sector workers

26 percent of the State and local government workers. (See tables 4, 5, and 6.) Only three bargaining units, all in the private sector, covering 10,600 workers call for deferred decreases. Lump-sum payments, which are not incorporated into the wage rates, are not included in this series.

Deferred adjustments (increases and decreases) will average 52.1 cents, or 4.0 percent. Adjustments in private industry will be proportionately lower than those in the public sector (3.7 versus 5.5 percent). In private industry, deferred increases alone will average 3.8 percent, the smallest percent increase since this information was first compiled in 1970.

**Table 7. Prevalence of cost-of-living adjustment clauses in major collective bargaining agreements, October 1984**

1972 SIC Code	Industry <sup>1</sup>	All agreements		Agreements with COLA clauses		
		Number	Workers covered (thousands)	Number	Workers covered (thousands)	Percent of workers covered by COLA clauses
	Total .....	2,048	9,448	509	4,244	45
	Private nonagricultural industries .....	1,518	7,404	492	4,197	57
10	Metal mining .....	11	25	8	21	83
11	Anthracite mining .....	1	1	1	1	100
12	Bituminous coal and lignite mining .....	1	105	—	—	0
15	Building construction general contractors .....	143	464	7	42	9
16	Construction other than building construction .....	100	322	13	62	19
17	Construction-special trade contractors .....	164	311	10	24	8
20	Food and kindred products .....	76	230	19	97	42
21	Tobacco manufacturing .....	5	18	5	18	100
22	Textile mill products .....	9	29	1	5	17
23	Apparel and other finished products .....	40	332	26	299	90
24	Lumber and wood products except furniture .....	10	55	1	2	3
25	Furniture and fixtures .....	7	12	2	3	11
26	Paper and allied products .....	47	74	—	—	0
27	Printing, publishing, and allied industries .....	25	46	12	24	21
28	Chemicals and allied products .....	33	66	7	13	10
29	Petroleum refining and related industries .....	18	33	—	—	0
30	Rubber and miscellaneous plastics .....	12	58	10	52	89
31	Leather and leather products .....	11	27	—	—	0
32	Stone, clay, glass, and concrete products .....	27	68	24	64	94
33	Primary metals industries .....	62	398	54	387	97
34	Fabricated metal products .....	35	67	23	52	77
35	Machinery, except electrical .....	43	134	35	116	86
36	Electrical machinery equipment and supplies .....	65	373	48	331	89
37	Transportation equipment .....	82	913	64	843	92
38	Instruments and related products .....	11	22	3	5	24
39	Miscellaneous manufacturing industries .....	9	14	2	3	21
40	Railroad transportation .....	26	394	26	394	100
41	Local and urban transit .....	5	21	3	18	88
42	Motor freight transportation .....	16	433	15	431	100
44	Water transportation .....	18	83	4	17	20
45	Transportation by air .....	38	163	4	11	7
48	Communications .....	42	723	24	643	89
49	Electric, gas, and sanitary services .....	75	248	13	53	21
50	Wholesale—durables .....	3	7	—	—	0
51	Wholesale trade—nondurables .....	8	36	1	26	70
53	Retail trade—general merchandise .....	16	59	2	11	19
54	Food stores .....	94	456	10	35	8
55	Automotive dealers and service stations .....	6	8	—	—	0
56	Apparel and accessory stores .....	2	8	—	—	0
58	Eating and drinking places .....	15	57	—	—	0
59	Miscellaneous retail stores .....	5	15	1	4	31
60-65	Finance, insurance, and real estate .....	20	98	6	46	47
70-89	Services .....	82	402	8	46	11
	State and local government .....	530	2,044	17	47	3

<sup>1</sup>Includes all private nonagricultural industries and State and local government.

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.

Contracts with COLA's generally provide smaller deferred wage increases than those without because they are negotiated in anticipation of the COLA generating some wage increases. For 1985, the deferred wage adjustment will average 2.7 percent for agreements with COLA, compared to 4.9 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 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 1984, 45 percent (4.2 million) of the 9.4 million workers under major agreements were covered by COLA clauses. (See table 7.) Only 2 percent of the public sector workers have COLA coverage, compared with 57 percent in the private sector.

Historical data on COLA coverage are available only for private industry. They show that the number of private industry workers affected by COLA clauses has been decreasing steadily since 1977, largely because of declining employment in industries where COLA clauses are common. The following tabulation shows the number of workers under major private sector contracts and the number and percent covered by COLA clauses, 1971-85 (numbers in millions):

**Table 8. Frequency and timing of 1985 cost-of-living reviews in major collective bargaining situations**

(Workers in thousands)

Frequency of review	First quarter		Second quarter		Third quarter	
	Number of agreements	Workers covered	Number of agreements	Workers covered	Number of agreements	Workers covered
<b>All agreements<sup>1</sup></b>						
Total	195	1,377	203	1,373	190	1,814
Quarterly	159	1,143	148	1,109	140	1,060
Semiannual	19	91	14	51	12	32
Annual	17	143	41	213	38	722
Other <sup>2</sup>	—	—	—	—	—	—
<b>Agreements expiring in 1985<sup>3</sup></b>						
Total	49	223	34	194	11	24
Quarterly	34	109	23	78	9	20
Semiannual	10	64	5	30	2	4
Annual	5	50	6	86	—	—
Other <sup>2</sup>	—	—	—	—	—	—
<b>Agreements expiring in later years<sup>4</sup></b>						
Total	146	1,154	169	1,179	179	1,790
Quarterly	125	1,034	125	1,031	131	1,040
Semiannual	9	27	9	21	10	28
Annual	12	93	35	128	38	722
Other <sup>2</sup>	—	—	—	—	—	—
		Fourth quarter		Full year <sup>5</sup>		
		Number of agreements	Workers covered	Number of agreements	Workers covered	
<b>All agreements<sup>1</sup></b>						
Total	143	1,041	320	2,460		
Quarterly	126	983	168	1,156		
Semiannual	10	22	35	144		
Annual	7	36	103	1,114		
Other <sup>2</sup>	—	—	14	45		
<b>Agreements expiring in 1985<sup>3</sup></b>						
Total	2	6	69	368		
Quarterly	2	6	34	109		
Semiannual	—	—	15	94		
Annual	—	—	11	135		
Other <sup>2</sup>	—	—	9	30		
<b>Agreements expiring in later years<sup>4</sup></b>						
Total	141	1,036	251	2,092		
Quarterly	124	978	134	1,047		
Semiannual	10	22	20	51		
Annual	7	36	92	978		
Other <sup>2</sup>	—	—	5	15		

<sup>1</sup>Includes seven State and local government agreements covering 12,000 workers.

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

<sup>3</sup>Includes four State and local government agreements covering 6,500 workers.

<sup>4</sup>Includes three State and local government agreements covering 5,700 workers.

<sup>5</sup>Agreements that have at least one review in the year.

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

	Number under major private industry 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
1985 .....	7.5	4.2	56.7

About 3.9 million of the 4.2 million private and State and local workers with COLA's are covered by contracts that tie possible adjustment to the movement in the CPI for "all cities." An additional 215,000 workers are under contracts which use an index for an individual city. Prior to 1984, COLA formulas relating wage changes to a combination of the U.S. and Canadian indices covered large numbers of workers, primarily in autos. However, the newest GM and Ford agreements cover only U.S. workers, so the combined index was dropped. Thus, only 80,000 workers (primarily Chrysler employees) currently receive COLA adjustments based on a combined index.

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 1.5 million workers in industries such as 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-percent increase in the CPI.

Cost-of-living reviews are made at intervals specified in each clause. Fifty-eight percent of the workers covered by COLA clauses will have at least one review in 1984. (See tables 7 and 8.) Annual and quarterly reviews each affect 1.1 million workers. Annual reviews are prevalent in the telephone communications and trucking industries, while quarterly reviews predominate in the automobile, aerospace, and steel industries. Semiannual reviews affect workers in railroads and electrical products.

Employer cost increases from COLA's have been limited in some cases. For example, of the 4.2 million workers under contracts with COLA's, more than 800,000 are under clauses which have "caps" or maximum limits. Other approaches to limit COLA cost increases have included delays in payment and diversion of COLA's from wages to help finance benefits.

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

BARGAINING ACTIVITY AND SCHEDULED WAGE CHANGES may be different from that described here, especially if economic conditions nationally or for individual industries or employers vary substantially from current projections. Negotiations will be carefully observed to see how employers and unions react to the effects of expiring contracts, current economic circumstances, and expectations for the future. □

—FOOTNOTES—

<sup>1</sup>Prior to this year, this series was limited to private sector collective bargaining agreements covering 1,000 workers or more.

<sup>2</sup>The trucking industry was deregulated by the Motor Carrier Act of 1980. The act reduced regulation of the trucking industry by making it easier to be certified to operate a route, by allowing owner-operators to haul certain freight that was previously denied to them, and by decreasing collective rate making.

<sup>3</sup>The Chicago Truck Drivers, Helpers and Warehouse Workers Union (Ind.) and seven Teamster locals in the Chicago area have not participated in national bargaining in the past. Due to changes in TMI, the number of Teamsters locals not participating will increase in 1985.

<sup>4</sup>These include the Associated General Contractors of America, Inc., Mechanical Contractors Association, the National Electrical Contractors Association, the Building Trades Employers Association, Painting and Decorating Contractors Association, and the Sheet Metal and Air Conditioning Contractors National Association.

<sup>5</sup>Major construction industry unions include the following AFL-CIO affiliated unions: International Union of Bricklayers and Allied Craftsmen; United Brotherhood of Carpenters and Joiners of America; International Association of Bridge, Structural and Ornamental Iron Workers; United

Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada; Laborer's International Union of North America; and the Sheet Metal Worker's International Association—and the unaffiliated International Brotherhood of Teamsters, Chauffeurs Warehousemen and Helpers of America.

<sup>6</sup>The Coordinated Bargaining Committee was established in 1966. Currently, the committee is composed of 11 AFL-CIO affiliated unions: International Union, Allied Industrial Workers of America; United Brotherhood of Carpenters and Joiners of America; International Union of Electronic, Electrical, Technical, Salaried and Machine Workers; International Brotherhood of Electrical Workers; International Brotherhood of Firemen and Oilers; American Flint Glass Workers' Union of North America; International Association of Machinists and Aerospace Workers; United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada; Sheet Metal Workers' International Association; International Union United Automobile, Aerospace and Agricultural Implement Workers of America; and the United Steelworkers of America; and two independent unions—the United Electrical, Radio and Machine Workers of America; and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.