

# Collective bargaining in 1983: a crowded agenda

*Many major contracts are expiring, and in some industries greater emphasis may be put on job security and company survival than on the traditional issues of wage and benefit improvements*

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Collective bargaining activities in 1983 follow a year of unprecedented developments. Settlements in major private industry collective bargaining situations (those covering at least 1,000 workers) reached in the first 9 months of 1982 provided the lowest first-year and over-the-life average wage adjustments since the Bureau of Labor Statistics began compiling such data in 1967. Moreover, two-fifths of the 2.7 million workers covered by the 1982 settlements are not scheduled to receive a specified wage increase in 1983. Unless the economic health of some industries improves, questions of job security and company survival are likely to overshadow wage and benefit improvements on the 1983 bargaining agenda.

This article discusses major collective bargaining situations in private industry covering 8.5 million workers, or about 1 in 8 wage and salary workers, and focuses on scheduled negotiations, deferred wage adjustments, and cost-of-living adjustments (COLA).

Economic conditions that will exist at the time of negotiations are unpredictable, of course. However, economic forecasts generally range from moderate recovery to continuing recession. In November 1982, the unemployment rate reached 10.8 percent, the highest since

1940. Industrial production in October was down 8.6 percent from a year earlier, accompanied by a drop in the factory utilization rate to 68.4 percent, the lowest rate since the Federal Reserve Board began the series in 1948. The rate of increase in the Consumer Price Index has been declining; in October, the CPI for all urban consumers was 5.1 percent above the year-earlier level, compared with 8.9 in 1981 and 12.4 percent in 1980. At the same time, interest rates began dropping from recent high levels.

## **Contract expirations and reopenings**

About 3.6 million workers are under major contracts that will expire or are subject to reopening in 1983, a heavy bargaining year. (See tables 1 and 2.) Although approximately the same number of workers were covered by 1982 negotiations, 845 agreements will be up for negotiation—200 more than in 1982.

Industries with large numbers of workers covered by contract expirations in 1983 are aluminum (in May), steel and telephone communications (in August), east and gulf coast longshore (in September), and aerospace (in October). Contracts expiring in the construction industry (typically in spring and summer) involve large numbers of workers each year, but more workers will be affected in 1983 than in any year on record. A summary of the bargaining climate for these major negotiations follows.

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**Steel**

High unemployment, declining capacity utilization, and closing facilities have pressured both labor and management to trim labor costs before the 3-year steel agreements expire on August 1, 1983. The Steel Industry Coordinating Committee, representing eight major steel companies, and the Basic Steel Industry Conference of the United Steelworkers of America (composed of all local union presidents) were unsuccessful in their attempts to reach an early agreement when they met in July 1982. However, private talks between Lloyd McBride, president of the Steelworkers, and J. Bruce Johnston, chief negotiator for the industry, were opened in October to explore the possibility of reviving early negotiations. A tentative agreement calling for wage-and-benefit concessions was reached in November but it was subsequently rejected by local union leaders.

Conditions set forth by the Experimental Negotiation Agreement (ENA) introduced in 1973 no longer apply. The ENA provided that in exchange for a no-strike pledge at the national level, workers would receive annual increases equal to 3 percent of wages which could be applied to wages or benefits, COLA, and a \$150 bonus. Although past contracts expired in August, the ENA imposed an April deadline for decisions on national economic issues after which any unresolved questions would go to an arbitration panel. The April 14, 1980 agreement postponed decisions on the ENA, which was subsequently dropped.

Domestic steel production was generally profitable until early 1982, but the current recession, coupled with an excess of worldwide steelmaking capacity, has resulted in a severe contraction of the industry.<sup>1</sup> The contraction has taken a toll on employees. An estimated 130,000 workers were on layoff in October 1982 and over the past 10 years, the number of production workers has dropped about 40 percent.

During 1982, there was a rash of plant shutdowns as well as sharp curtailments in production at remaining facilities.<sup>2</sup> The capacity utilization rate has fallen dramatically from 78.3 percent in 1981 to 49.6 percent for the first 10 months of 1982,<sup>3</sup> the lowest since 1938, when it averaged 39.6 percent for the year.

The demand for domestic steel has been affected by declining automobile sales, the manufacture of smaller cars, and increased imports of steel-mill products. Imports accounted for about 22.4 percent of the industry's steel supply in October 1982, compared with 19.1 percent in 1981 and 16.3 percent in 1980. In January 1982, domestic steel producers filed charges with the International Trade Commission (ITC) against several countries. The companies claimed that the countries, including six from the European Economic Community (EEC), were subsidizing steel products being exported to the United States, thus competing unfairly. The Trade Commission, on October 15, agreed with the companies, making way for President Reagan to impose duties on the goods in question. However, on October 21, agreement was reached between the United States and the six EEC countries limiting their exports to the United States. Action against other countries is in process or contemplated.

Outmoded mills accounted for some of the industry's problems. Some firms invested large sums of money to modernize their mills in order to make them more profitable and to conform with environmental standards. In early 1982, \$6.5 billion worth of modernization programs were underway in the steel industry, but many companies began deferring these programs when the demand for steel fell dramatically in the first quarter of 1982.<sup>4</sup>

Some steel companies have been diversifying by investing in other industries. One widely publicized move

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

Year and month	Contract expirations and/or scheduled wage reopenings <sup>1</sup>		Principal industries
	Contracts	Workers covered	
All years .....	1,772	8,484.3	
Total 1983 .....	845	3,615.6	
January .....	37	98.6	Tobacco
February .....	39	149.4	Food stores
March .....	81	266.6	Glass, construction
April .....	113	305.3	Construction
May .....	123	413.2	Aluminum, lumber, and construction
June .....	134	517.9	Construction, copper
July .....	48	114.3	
August .....	103	1,151.3	Steel, telephone
September .....	53	190.8	Longshoring (east and gulf coast)
October .....	55	235.0	Aerospace
November .....	19	50.9	
December .....	41	127.3	
Total 1984 .....	528	2,588.3	
January .....	31	75.8	Petroleum refining
February .....	31	92.9	
March .....	55	156.6	Construction
April .....	100	273.2	Construction
May .....	74	173.2	Construction
June .....	109	618.3	Railroads, construction
July .....	28	147.0	Food stores
August .....	23	65.5	
September .....	30	870.9	Automobiles, bituminous coal
October .....	23	53.2	
November .....	12	30.5	
December .....	12	31.3	
Total 1985 .....	216	1,451.4	
January-June .....	177	1,269.6	
July-December .....	39	181.8	
Year unknown or in negotiation <sup>2</sup> .....	217	954.7	

<sup>1</sup> Totals for contracts for each year and all years are less than the sum of the parts because 34 contracts have both reopenings and expirations in the reference period.  
<sup>2</sup> Includes 79 agreements, covering 274,000 workers, which were due to expire between Oct. 1 and Dec. 31, 1982; 68 agreements, covering 463,000 workers, which expired prior to Oct. 1 but new agreements were not reached by Oct. 1; 58 agreements covering 178,000 workers which expired prior to Oct. 1, but for which necessary information had not been fully gathered; and 12 agreements covering 40,000 workers that have no fixed expiration or reopening date.  
 Note: Only bargaining units in the private nonagricultural economy with 1,000 workers or more are considered in this table. Because of rounding, sums of individual items may not equal totals.

**Table 2. Major contract expiration and wage reopening dates, by industry**

[Workers in thousands]

Industry	Total <sup>1</sup>		Year of contract expiration and/or scheduled wage reopening							
	Contracts	Workers covered	1983 <sup>2</sup>		1984 <sup>3</sup>		1985		Unknown or in negotiation <sup>4</sup>	
			Contracts	Workers covered	Contracts	Workers covered	Contracts	Workers covered	Contracts	Workers covered
All industries	1,772	8,484.3	845	3,615.6	528	2,588.3	216	1,451.4	217	954.7
Manufacturing	799	3,508.6	372	1,260.3	215	1,118.4	106	707.7	111	438.5
Food and kindred products	87	252.0	37	85.0	25	57.1	17	103.5	10	17.4
Tobacco manufacturing	7	22.3	7	22.3	—	—	—	—	—	—
Textile mill products	17	48.4	5	19.5	3	10.5	1	5.0	8	13.4
Apparel and other finished products	46	347.5	3	9.0	2	7.4	21	265.7	20	65.4
Lumber and wood products, except furniture	14	59.9	10	54.1	3	3.9	1	1.9	—	—
Furniture and fixtures	15	24.5	6	10.8	3	2.9	4	7.7	2	3.1
Paper and allied products	51	81.4	26	41.4	20	33.7	2	2.3	3	3.0
Printing, publishing and allied industries	27	53.6	10	16.6	13	32.2	3	7.3	2	1.8
Chemicals and allied products	34	68.1	16	32.2	7	14.4	3	4.5	11	23.2
Petroleum refining and related industries	18	33.9	1	1.5	16	27.8	1	1.6	—	—
Rubber and miscellaneous plastics	14	65.5	3	4.4	—	—	6	44.6	5	16.5
Leather and leather products	13	38.4	5	6.0	7	24.4	—	—	1	8.0
Stone, clay, glass and concrete products	35	85.2	18	56.2	11	18.9	2	2.7	4	7.3
Primary metals industries	97	437.0	76	405.7	13	19.3	1	1.4	7	10.5
Fabricated metal products	52	94.5	22	35.8	20	43.2	5	9.3	4	4.9
Machinery, except electrical	77	236.2	38	88.8	21	50.3	10	14.0	9	84.5
Electrical machinery, equipment, and supplies	77	372.8	41	140.9	16	22.4	13	165.7	7	43.8
Transportation equipment	94	1,126.9	38	200.2	28	736.0	13	63.5	14	125.5
Instruments and related products	14	41.8	8	26.3	4	10.4	1	3.8	1	1.3
Miscellaneous manufacturing industries	10	18.6	2	3.4	3	3.4	2	3.0	3	8.8
Nonmanufacturing	973	4,975.7	473	2,355.3	313	1,469.8	110	743.7	106	516.2
Mining, crude petroleum and natural gas production	14	198.3	11	34.9	2	162.0	—	—	1	1.3
Construction	468	1,457.4	245	884.5	166	435.7	50	106.6	23	79.0
Transportation, except railroads and trucking	67	288.7	37	150.9	15	65.5	3	7.8	14	67.4
Railroads	26	412.4	—	—	22	287.1	—	—	4	125.3
Trucking	17	442.2	2	3.6	—	—	12	422.6	3	16.0
Communications	45	744.9	29	699.0	8	23.5	8	24.0	1	2.6
Utilities, gas and electric	75	234.7	38	113.8	28	83.9	7	18.5	10	46.0
Wholesale trade	16	50.6	9	15.0	4	6.1	1	25.0	2	4.5
Retail trade, except restaurants	130	634.3	59	269.9	25	178.3	20	82.4	26	103.7
Restaurants	20	65.5	9	37.6	5	11.4	3	6.3	4	13.2
Finance, insurance, and real estate	18	93.3	6	40.5	8	27.0	3	22.4	—	—
Services, except hotels and health services	40	133.7	14	52.3	12	32.9	1	1.3	13	47.2
Hotels	17	114.0	5	29.1	9	77.4	2	26.7	2	5.8
Health services	20	105.8	9	24.3	9	79.0	—	—	3	4.1

<sup>1</sup> Includes 8 agreements, covering 17,000 workers, which will expire in 1986 or later. Totals are less than the sum of the parts because 34 contracts have both reopenings and expirations.

<sup>2</sup> Includes 5 contracts covering 9,000 workers in manufacturing and 25 contracts covering 72,000 in nonmanufacturing which have wage reopenings in 1983.

<sup>3</sup> Includes 5 contracts covering 18,000 workers in manufacturing and 8 contracts covering 49,000 in nonmanufacturing which have wage reopenings in 1984.

<sup>4</sup> Includes 79 agreements, covering 274,000 workers, which were due to expire between

Oct. 1 and Dec. 31, 1982; 68 agreements, covering 463,000 workers, which expired prior to Oct. 1 but new agreements were not reached by Oct. 1; 58 agreements covering 178,000 workers which expired prior to Oct. 1, but for which necessary information had not been fully gathered; and 12 agreements covering 40,000 workers that have no fixed expiration or reopening date.

NOTE: Only bargaining units in the private nonagricultural economy affecting 1,000 workers or more are considered in this table. Because of rounding, sums of individual items may not equal totals.

was U.S. Steel Corp.'s purchase of the Marathon Oil Co. in early 1982. The deal may improve the company's financial position but, according to Steelworkers' President McBride, the acquisition created a credibility gap between the company and its employees.<sup>5</sup> These efforts at diversification have hindered attempts at negotiating wage concessions because union members questioned whether savings in labor costs would be invested in the steel industry or would be spent elsewhere.

Faced with a distressed economic picture, industry and union negotiators came to the bargaining table in 1982 in an effort to limit labor costs. During the July talks, the Steelworkers' offer was reported to include a 3-year freeze on scheduled wage increases, elimination of the August 1, 1982 wage increase, and deferring remaining scheduled cost-of-living adjustments (COLA)

for 18 months. In addition, the Steelworkers reportedly proposed a plan where COLA payments would only be paid when the industry's capacity utilization rate was above a certain level. If that level was never attained, COLA would not be paid until the last quarter of the 3-year contract.

The companies rejected the offer, which the union estimated would have saved the industry \$2 billion over a 3-year period, and proposed a 3-year contract projected to save \$6 billion. The company proposal reportedly included elimination of the August 1, 1982 scheduled wage increase; no additional specified wage increases; no COLA the first year and a maximum COLA of 50 cents for each of the second 2 years; and elimination of the extended vacation plan. The plan also called for a 50-cent-an-hour increase in contributions to the

Supplemental Unemployment Benefits (SUB) fund to finance guaranteed weekly benefits of \$100 to \$220 for 1 year for laid-off employees with 5 but less than 20 years of service. (Employees with 20 years or more of service already had such a guarantee.) Establishment of stock ownership and individual retirement accounts was also proposed. On July 30, 400 local union presidents who comprise the Basic Steel Industry Conference rejected the industry's proposals. Negotiations were then terminated.

The Steelworkers' biennial convention in September 1982 passed a resolution authorizing the union to balance wage goals with the need to preserve jobs in a "distressed bargaining situation."<sup>6</sup>

While top industry and union leaders held informal bargaining sessions, negotiators agreed to place the 9-cent-an-hour COLA increase due November 1 in an escrow account and defer payment for 1 month. The 9-cent increase was paid retroactively to November 1 because a new agreement was not reached by December 1.

In mid-November, a tentative 45-month agreement calling for wage-and-benefit concessions was reached by negotiators but was rejected by local union leaders. Under the agreement, 75 cents an hour would have been taken out of the wages of steelworkers still on the job to replenish the Supplemental Unemployment Benefit fund. In addition, the agreement called for a cut of \$1.50 an hour in wages effective December 1, and the deferment of COLA until August 1983. The \$1.50 cut will have been restored in 50-cent steps on August 1 of 1983, 1984, and 1985. It is not expected that further negotiations will be held until May 1983.

### Aluminum

Contracts between major aluminum producers and the United Steelworkers of America and the Aluminum, Brick and Glass Workers International Union are scheduled to expire on May 31, 1983. As in steel, the economic decline in the aluminum industry has pressured parties to reach an early settlement incorporating cost-cutting measures.

The three largest companies in the industry—Aluminum Co. of America, the Reynolds Metals Co., and the Kaiser Aluminum and Chemical Corp.—negotiate jointly with the Steelworkers. Contracts negotiated by the three companies historically have become the pattern for contracts for smaller companies in the aluminum industry. Aluminum settlements in 1977 and 1980 generally followed the pattern of the basic steel agreements reached earlier in those years. This could occur again in 1983 if steel negotiations result in an early settlement.

The 3-year contract negotiated in May 1980 provided for a 25-cent-an-hour wage increase on June 2, 1980, 20 cents on June 1, 1981, and 15 cents on June 7, 1982; in-

crement increases between labor grades and pay adjustments for some employees of each company to attain uniformity within their company; a revised COLA formula, providing adjustments of 1 cent for each 0.3-point change in the CPI during the first 2 years of the contract, and 1 cent for each 0.26-point change in the last year; and improved paid personal leave, insurance, supplemental unemployment benefits, and pensions.

Responding to falling demand and prices, the industry has closed some of its unprofitable and marginal operations, particularly gas-powered plants hit hard by rising energy costs.<sup>7</sup> Even with the reduced operating facilities, production was only at about 63 percent of capacity in August 1982,<sup>8</sup> 12 percentage points below the rate at the depths of the 1975 recession.

With demand for aluminum products off, shipments down, and several plants closing, industry employment has also dropped. About 103,000 workers were employed in the aluminum industry in September 1982, with 30 to 40 percent of the industry's work force on layoff.

In August 1982, the aluminum industry requested that the Steelworkers open their contracts for negotiation of reduced labor costs. After preliminary discussions, the talks ended in early September without agreement, apparently because of the Aluminum Workers' rejection of a similar request by the industry for early negotiation of their contracts. A concessionary agreement by the Steelworkers would have destroyed the compensation parity that exists between the two unions in the industry. Both the Steelworkers and the industry reportedly indicated that they would continue to hold informal discussions.

### Telephone industry

It is uncertain how the August 24, 1982 consent agreement—between the Justice Department and the American Telephone and Telegraph Co. (AT&T)—on the split-up of the Bell System will affect pending negotiations in the communications industry. AT&T was given 6 months to submit its plan of divestiture and, if approved, another 12 months to implement it. The months ahead will be a period of uncertainty for many, particularly for AT&T employees.

A proposed resolution of the 8-year antitrust battle between the Justice Department and AT&T was agreed to on January 8, 1982. Federal Judge Harold H. Greene, however, refused to accept the proposal unless several major changes were made. The final agreement, including changes proposed by Judge Greene, included: a requirement that AT&T spin off its 22 wholly owned local telephone companies as independent enterprises; a ban on the manufacture of telephone equipment by local companies, but permission to sell such equipment; permission for the local companies to publish the lucrative "Yellow Pages"; restrictions on AT&T's entry into

**Table 3. Workers scheduled to receive deferred wage adjustments in 1983, by major industry group and size of increase**

[Workers in thousands]

Average hourly adjustment	Number of contracts	All private nonagricultural industries	Manufacturing					Nonmanufacturing				
			Total <sup>1</sup>	Selected industries				Total <sup>2</sup>	Selected industries			
				Food and kindred products	Apparel and other finished products	Paper and allied products	Metal-working		Construction	Transportation, communications and gas and electric utilities	Wholesale and retail trade	Services
Total	727	2,953	1,083	141	282	35	463	1,870	540	529	378	196
<b>Cents per hour increase</b>												
Under 15 cents	14	46	26	—	—	—	26	20	1	15	—	3
15 and under 20	22	65	50	25	—	—	9	15	1	4	—	8
20 and under 25	26	74	43	1	—	—	41	31	2	—	28	1
25 and under 30	34	342	204	9	37	2	157	138	—	94	36	6
30 and under 35	46	319	144	5	70	—	56	175	1	165	7	—
35 and under 40	52	305	225	6	162	—	52	80	7	34	36	1
40 and under 45	31	112	39	1	12	8	13	73	3	3	17	40
45 and under 50	29	74	34	—	—	—	23	40	8	3	20	8
50 and under 60	70	190	41	6	—	4	23	149	36	35	49	5
60 and under 70	61	244	57	5	—	5	31	187	17	27	65	76
70 and under 80	59	172	48	10	—	6	13	124	36	20	18	29
80 and under 90	43	213	83	62	—	4	7	130	29	14	77	5
90 and under 100	50	117	58	—	3	7	4	59	26	28	3	4
100 and under 110	24	219	12	1	—	—	1	207	36	10	—	1
110 and under 120	21	75	15	8	—	—	6	60	37	3	19	1
120 and over	144	385	3	—	—	—	—	382	299	70	3	10
Mean adjustment		76.1	44.8	64.4	33.4	66.9	36.6	94.2	131.0	91.6	57.6	78.6
With cost-of-living clauses		41.2	38.6	62.3	32.6	—	33.8	45.3	90.4	39.9	46.4	69.8
Without cost-of-living clauses		102.9	61.6	67.4	53.8	66.9	48.5	111.7	132.3	186.9	60.3	79.2
Median adjustment		56.1	35.0	85.0	35.0	69.3	29.2	70.3	125.0	33.1	56.2	64.1
<b>Percent Increase<sup>3</sup></b>												
Under 2 percent	42	119	85	25	—	—	57	34	4	18	10	2
2 and under 3	70	453	81	5	—	—	56	371	20	284	64	—
3 and under 4	63	329	260	10	—	7	240	69	17	11	29	8
4 and under 5	32	242	196	6	179	—	8	46	29	6	10	2
5 and under 6	70	217	127	2	76	4	23	90	41	10	29	4
6 and under 7	103	260	108	11	17	4	41	152	61	22	37	31
7 and under 8	114	495	81	4	3	14	13	415	53	81	154	99
8 and under 9	94	418	63	23	7	5	8	355	94	47	18	28
9 and under 10	51	153	21	2	—	1	10	132	67	25	7	15
10 and under 11	30	114	55	51	—	—	2	58	39	12	7	—
11 and under 12	27	68	1	1	—	—	—	67	54	2	6	5
12 and over	31	86	5	—	—	—	5	81	61	11	7	1
Mean adjustment		6.1	5.0	6.9	5.0	6.4	3.8	6.8	8.5	5.0	6.1	7.5
With cost-of-living clauses		4.4	4.4	7.0	4.9	—	3.4	4.2	4.6	3.5	4.9	8.1
Without cost-of-living clauses		7.5	6.4	6.8	8.0	6.4	5.3	7.7	8.6	7.7	6.4	7.5
Median adjustment		6.4	4.6	8.7	4.7	7.0	3.0	7.5	8.6	2.7	7.0	7.5

<sup>1</sup> Includes workers in the following industry groups for which separate data are not shown: Textiles (8,000); lumber (6,000); furniture (11,000); printing (33,000); chemicals (13,000); petroleum refining (32,000); leather (25,000); stone, clay and concrete (18,000); instruments (13,000); and miscellaneous manufacturing (6,000).

<sup>2</sup> Includes 162,000 workers in the mining industry for which separate data are not shown, because earnings data are confidential, and 66,000 workers in the finance, insurance, and real estate industries.

<sup>3</sup> Percent of straight-time average hourly earnings.

NOTE: Workers are distributed according to the average adjustment for all workers in each bargaining unit 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 there are no workers having wage increases that fall within that stated range.

electronic publishing (transmitting information over wires to computer video screens) for 7 years; and permission for AT&T to enter the data-processing and computer business for the first time in 25 years. This pending restructuring of the industry will probably result in attention to job security provisions, training programs, and unemployment benefits during the upcoming negotiations.

Collective bargaining agreements covering about 750,000 workers in the industry are scheduled to expire in 1983, nearly all on August 6. Most of the covered

workers are employed by AT&T in one of its operating companies, the Long Lines Department, the Western Electric Co. (the manufacturing arm of the Bell System), or Bell Laboratories. The Communications Workers of America (CWA) represents about 85 percent of all workers in the industry, and the International Brotherhood of Electrical Workers (IBEW) and the Telecommunications International Union (TIU), a federation of independent unions, represent the rest.

In recent years, negotiations have been held between AT&T and each of the three unions separately, but on a

national level. Usually, agreement has been reached first with CWA and that settlement has set the pattern for the industry. Outside the Bell System, agreements terminating in 1983 include a contract between General Telephone Co. of California and the CWA, which covers 20,000 workers and expires in March.

The 3-year contract negotiated in 1980 provided a range of wage increases averaging 9.24 percent on August 9, 1980, 2.67 percent in August 1981, and 2.68 percent in August 1982. In addition, telephone operators received a two-stage "upgrading" increase. A revised cost-of-living clause would be calculated at the rate of 55 cents a week plus 0.65 percent of each individual's weekly rate for each 1-percent rise in the BLS-CPI for urban wage earners and clerical workers. The previous rate had been 50 cents plus 0.6 percent. A number of other contract items were changed, including pension provisions; health, dental, life insurance, and vision care benefits; and job security provisions.

Faced with the Bell system breakup, the CWA created a "Committee on the Future" to study the possible effects of the divestiture and to provide some long-range planning for its membership. The 12-member committee's interim report to the CWA's annual convention in July 1982 stressed the need to recognize that rapid developments in technology will continue to affect and change specific jobs as they are now known, and that retraining for its members should be CWA's highest priority. Emphasis should be placed on employment security items, according to the report, such as permission for workers to move from job to job or career to career, and portability of pensions and savings-plan benefits.

### **Construction**

About 900,000 workers in the construction industry are covered by major collective bargaining agreements that will expire or are subject to reopening in 1983, the largest number since this series began in 1967. As usual, activity is concentrated from spring to mid-summer. Approximately 250 major agreements are up for renegotiation or reopening; more than 200, covering 800,000 workers, in March through June. Much of the activity will be concentrated on the west coast where one-fifth of the contracts for at least 340,000 workers will be renegotiated.

Construction agreements with the same expiration dates are common at the city level and to a lesser extent at the State and regional level. The first contract to be negotiated in the given area often becomes the standard after which others are patterned.

The unusually large number of workers whose contracts are up for bargaining in 1983 results from the high incidence of short-term agreements negotiated in 1982. Over one-fourth of the 153 agreements negotiated in the first 9 months of 1982 will expire in 1983; only

one of the 165 contracts negotiated in 1981 expired in 1982. Construction contracts negotiated in the first 9 months of 1982 had an average duration of 22.4 months, compared with 27.6 months for all of 1981.

A slack demand for new construction projects, high unemployment, and continued incursion of nonunion employers into commercial, industrial, and heavy construction prompted building-trades unions to trim their demands for economic improvements in 1982. Many contracts called for little or no change in pay. Construction settlements for the first 9 months of 1982 provided wage changes averaging 7.0 percent in the first contract year and 6.9 percent over the life of the contract. These averages compare with 11.3 and 10.0 percent, respectively, when the same parties bargained previously. Average wage adjustments negotiated in construction in 1981 were 13.5 and 11.3 percent, respectively.

During 1982, negotiators hesitated to commit themselves to long-term contracts because of the recession. Layoffs are common in the construction industry because of its seasonal nature, but the unemployment rate was 21.9 percent in November 1982, compared with 17.8 percent in November 1981. Unless some degree of recovery occurs in the economy in the next few months, 1983 negotiations most likely will place less emphasis on monetary provisions and more on job security and benefits for laid-off or unemployed workers than when these contracts were last renegotiated.

### **Longshoring**

The International Longshoremen's Association (ILA) will represent about 116,000 dockworkers in bargaining with associations of employers on the eastern and gulf coasts on agreements scheduled to expire at the end of September. A master agreement will be negotiated first, to be followed by local agreements later in the year. Many terms, covering such issues as vacations and holidays, are negotiated separately at each port.

The June 1980 master agreement was reached about 4 months before the local contracts were scheduled to expire on October 1, allowing ample time for settlement of local issues. During the bargaining sessions, which began in February, the parties reviewed the legal status of the Rules on Containers—a key contract item—which had been in litigation before the National Labor Relations Board (NLRB) and the Federal courts for nearly 7 years. New technology led to the development of these rules which attempted to lessen the adverse effects of modernization—loss of jobs, sharply reduced earnings, and reduced work opportunities. These provisions had been designed to prevent the loss of container-handling work from the docks to inland warehouses and gave ILA members the right to pack and unpack all containers, with certain exceptions, going to and com-

ing from points within 50 miles of a port. However, a 1975 NLRB ruling found that the container work rules violated the National Labor Relations Act by expanding the role of longshore workers and declared that the rules were illegal. This decision was disputed in the courts. Resolving a conflict among circuit courts, in late May 1980, the Supreme Court sent the container rules issue back to the NLRB to define longshore "traditional work." The Supreme Court ruled that the NLRB had incorrectly examined the nature of the work involved.

The 1980 master pact, reached after the Supreme Court ruling, provided that the union or management could cancel the agreement on 60 days' notice, if any portion of the rules dealing with containerization was struck down by State, Federal or other law, or by decision of any court or administrative agency. The agreement provided for a Guaranteed Annual Income plan for workers displaced as a result of the use of containerization.

In October 1982, ILA President Thomas Gleason told a shippers conference in Boston that the union's goal in contract negotiations in 1983 will be to reach agreement with management 6 months before the present contract expires on September 30 and to avoid a strike.<sup>9</sup> To achieve this, the ILA has targeted talks to begin in February 1983. Although the NLRB has not yet issued a final definition of traditional longshore work, it is not expected that the containerization question will be an issue this year.

### Aerospace

More than 100,000 aerospace workers are covered by collective bargaining agreements scheduled to expire in the fall. The two major unions involved in these negotiations are the International Association of Machinists and Aerospace Workers (IAM) and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The major aerospace companies are the Bendix Corp., the Boeing Co., Lockheed Aircraft Corp., McDonnell Douglas Corp., and United Technologies Corp.

The relationship between the IAM and UAW has ranged from intense jurisdictional rivalry during the period of rapid growth of union membership in the late 1930's to joint labor bargaining conferences held intermittently since 1959. Recently, the two unions have worked closely to develop common objectives and strategies. Negotiations are usually on a company-by-company basis, with the earliest settlements setting the basic framework for subsequent negotiations in the industry. However, the terms of individual contracts, as well as expiration dates, may vary.

The aerospace industry is characterized by large fluctuations in employment. Hiring booms in response to large government and commercial airline contracts have

been followed by massive layoffs when contracts faded. The largest companies, which build complex military aircraft, missiles, and space vehicles and large commercial airplanes, rely heavily on contracts with relatively few customers—the United States, foreign governments, and commercial airlines.

Currently, the aerospace industry is economically sound because large orders for military aircraft have made up for the decline in orders from other purchasers, such as airlines, in both domestic and export markets.<sup>10</sup> Aerospace exports in 1982, dropped for the first time since 1977.

In the last round of bargaining, Boeing Co. and the IAM were the first to reach an agreement, on October 4, 1980, for 50,000 employees in Seattle, Wash., Wichita, Kan., Portland, Oreg., and other locations. The 3-year contract provided an immediate 7-percent wage increase and 3-percent increases in October 1981 and 1982 as well as improvements in pension benefits for both present and future employees. Shortly afterward, other accords were reached patterned after the Boeing settlement: the Machinists with Lockheed Corp. for 30,000 workers and with McDonnell Douglas Corp. for 7,000 workers, and UAW, in a coordinated effort, with McDonnell Douglas for 15,000 workers.

### Wage changes of expiring contracts

Contracts expiring in 1983 will yield average wage changes over their life of at least 8.6 percent. Reflecting the recent moderation in the rate of inflation, it appears that contracts without COLA clauses will provide higher total wage changes than those with such clauses for the first time in the 9 years for which such data are available. The following tabulation relates to contracts expiring in 1983. It shows the average annual percent wage adjustment specified in the contracts, up to their expiration and the sum of those specified adjustments

**Table 4. Deferred wage increases scheduled in 1983, by month**

[Workers in thousands]

Effective month	Principal industries	Workers covered
Total		12,953
January	Airlines, petroleum refineries	292
February	Metal containers	144
March	Coal mining	284
April	Construction, food stores	303
May	Men's and boys' coats and suits, construction	361
June	Coal mining, electrical equipment, construction, apparel	747
July	Railroads, construction, food stores	784
August	Food stores	112
September	Coal mining	245
October	Construction	154
November	Construction, food stores	123
December	Coal mining	293

<sup>1</sup> This total is smaller than the sum of individual items because 520,000 workers will receive more than one increase. It is based on data available as of Oct. 1, 1982, and thus may understate the number of workers receiving deferred increases for the entire year.

plus COLA increases, where provided, through the third quarter of 1982:

	Specified	Total specified plus COLA
Contracts expiring in 1983 . . . .	6.9	8.6
With COLA . . . . .	5.0	8.1
Without COLA . . . . .	9.6	9.6

Many of the contracts provide for COLA reviews after the third quarter of 1982 but before their 1983 expiration. Therefore, it is possible that by the time they expire, contracts with COLA may yield higher total wage adjustments than those without. However, given the current trend in the Consumer Price Index, it is unlikely that any additional COLA yield will be sufficient to change the relationship shown above.

**1983 scheduled wage changes**

Only one-third of the workers (3.0 million) covered by major collective bargaining agreements are scheduled to receive deferred wage increases in 1983. (See tables 3 and 4.) This is the smallest number and proportion of workers for any year since the series began in 1967. About 4.3 million workers received "deferred" increases in 1982 and 6.1 million in 1981. The small proportion of workers with 1983 deferred increases stems from the more than 1 million workers, primarily in the automobile, trucking, farm implement, and rubber industries, who are in the second year of multiyear agreements reached in 1982 that did not provide for any specified wage increases during the contract term; these workers may, however, receive increases under COLA clauses.

**Table 5. Prevalence of cost-of-living adjustment clauses in major collective bargaining agreements, October 1982**

[Workers in thousands]

2-digit standard industry classification (SIC)	Industry	All contracts		Contracts with COLA clauses		Percent of workers covered by COLA clauses
		Workers covered	Number of contracts	Workers covered	Number of contracts	
	Total . . . . .	8,484	1,772	4,928	687	58.1
10	Metal mining . . . . .	36	12	34	10	93.2
11	Anthracite mining . . . . .	2	1	2	1	100.0
12	Bituminous coal and lignite mining . . . . .	160	1	—	—	.0
15	Building construction general contractors . . . . .	612	162	42	8	6.8
16	Construction other than building construction . . . . .	435	116	105	16	24.2
17	Construction-special trade contractors . . . . .	410	190	31	17	7.5
20	Food and kindred products . . . . .	252	87	127	33	50.4
21	Tobacco manufacturing . . . . .	22	7	20	6	90.2
22	Textile mill products . . . . .	45	16	8	3	18.1
23	Apparel and other finished products . . . . .	351	47	266	21	75.8
24	Lumber and wood products, except furniture . . . . .	60	14	1	1	2.2
25	Furniture and fixtures . . . . .	20	13	8	6	40.8
26	Paper and allied products . . . . .	86	53	8	1	9.3
27	Printing, publishing and allied industries . . . . .	54	27	33	15	62.2
28	Chemicals and allied products . . . . .	68	34	21	10	31.5
29	Petroleum refining and related industries . . . . .	34	18	—	—	.0
30	Rubber and miscellaneous plastics . . . . .	66	14	59	11	90.5
31	Leather and leather products . . . . .	38	13	—	—	.0
32	Stone, clay, glass, and concrete products . . . . .	85	35	70	26	81.6
33	Primary metals industries . . . . .	437	97	421	88	96.4
34	Fabricated metal products . . . . .	94	52	72	38	76.7
35	Machinery, except electrical . . . . .	238	78	203	66	85.6
36	Electrical machinery, equipment, and supplies . . . . .	373	77	341	60	91.4
37	Transportation equipment . . . . .	1,130	94	984	73	87.2
38	Instruments and related products . . . . .	28	13	8	4	29.4
39	Miscellaneous manufacturing industries . . . . .	19	10	4	3	22.5
40	Railroad transportation . . . . .	412	26	412	26	100.0
41	Local and urban transit . . . . .	17	3	15	1	85.8
42	Motor freight transportation . . . . .	442	17	442	17	100.0
44	Water transportation . . . . .	89	19	34	7	38.5
45	Transportation by air . . . . .	182	45	72	14	39.6
48	Communications . . . . .	759	46	696	29	91.7
49	Electric, gas, and sanitary services . . . . .	235	75	44	13	18.7
50	Wholesale trade—durables . . . . .	10	5	3	1	25.5
51	Wholesale trade—nondurables . . . . .	39	10	31	4	78.6
53	Retail trade—general merchandise . . . . .	78	18	25	4	32.3
54	Food stores . . . . .	517	95	197	33	38.1
55	Automotive dealers and service stations . . . . .	11	8	1	1	11.5
56	Apparel and accessory stores . . . . .	10	4	—	—	.0
58	Eating and drinking places . . . . .	66	20	—	—	.0
59	Miscellaneous retail stores . . . . .	16	5	15	4	93.5
60-65	Finance, insurance, and real estate . . . . .	93	18	46	6	49.6
70-89	Services . . . . .	353	77	25	10	7.1

NOTE: Because of rounding, sums of individual items may not equal totals, and percentages may not reflect shown ratios.

Dashes indicate absence of cost of living coverage.

**Table 6. Timing and frequency of 1983 cost-of-living reviews<sup>1</sup>**

[Workers in thousands]

Contracts by expiration and frequency of cost-of-living review	First quarter		Second quarter		Third quarter		Fourth quarter		Full year <sup>2</sup>	
	Number of contracts	Workers covered	Number of contracts	Workers covered	Number of contracts	Workers covered	Number of contracts	Workers covered	Number of contracts	Workers covered
All contracts										
Total .....	328	2,065	258	2,088	186	1,522	119	1,070	422	2,899
Quarterly .....	260	1,621	218	1,485	138	1,085	99	898	268	1,651
Semiannual .....	43	340	19	156	34	323	14	143	62	496
Annual .....	25	104	21	448	14	113	6	28	66	693
Other <sup>3</sup> .....	—	—	—	—	—	—	—	—	26	59
Contracts expiring in 1983										
Total .....	192	844	133	630	49	205	6	10	209	891
Quarterly .....	172	754	127	616	45	197	5	8	172	754
Semiannual .....	11	21	5	12	3	7	—	—	16	33
Annual .....	9	68	1	1	1	2	1	2	12	72
Other <sup>3</sup> .....	—	—	—	—	—	—	—	—	9	31
Contracts expiring in later years										
Total .....	136	1,221	125	1,459	137	1,317	113	1,060	213	2,008
Quarterly .....	88	867	91	869	93	888	94	890	96	897
Semiannual .....	32	319	14	143	31	316	14	143	46	463
Annual .....	16	36	20	447	13	112	5	27	54	621
Other <sup>3</sup> .....	—	—	—	—	—	—	—	—	17	28

<sup>1</sup> Includes only those reviews through the termination of the present agreement; does not assume the continuation of existing reviews after the contract expiration dates.

<sup>2</sup> Contracts that have at least one review in the year.

<sup>3</sup> Includes monthly, combinations of annual and quarterly combinations of annual and semi-annual, and reviews dependent on the levels of the Consumer Price Index.

Deferred wage increases will average 6.1 percent in 1983, compared with 6.3 percent a year earlier. Increases deferred from 1981 settlements will average 6.7 percent, compared with 5.8 percent for those deferred from 1982, reflecting moderation in wage increases negotiated the latter year.

Contracts with COLA generally provide for deferred wage increases that are smaller than those without, because they are negotiated with the anticipation that some amount of COLA wage increases will be generated. About one-third of the workers scheduled to receive deferred increases in 1983 have COLA coverage. These deferred wage increases will average 4.2 percent, compared with 7.2 percent for those without COLA clauses.

Variations among industries in the average amount of deferred increases often reflects variations in the proportion of workers covered by COLA clauses. For example, in the metalworking industry, where COLA is prevalent (88 percent of the workers are covered), 1983 deferred increases will average only 3.8 percent, but in the construction industry, where COLA clauses affect only 12 percent of the workers, deferred increases will average 8.5 percent.<sup>11</sup> (See tables 3 and 5.)

### Cost-of-living adjustments

COLA clauses are designed to help workers recover purchasing power lost through price increases. They provide for adjustments in wages based on measures of price changes, in most cases the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). At the end of 1982, 4.9 million (58 percent) of the 8.5 million workers under major agreements had COLA pro-

tection. Sixty percent of the workers covered by COLA clauses will have at least one review in 1983. (See tables 5 and 6.) The amount of protection varies, depending on the formula used in adjustment calculations, the timing of reviews, and whether or not maximum amounts ("caps") are specified. During the first 9 months of 1982, COLA's yielded wage increases that were about three-fourths of the rise in the Consumer Price Index.

COLA coverage peaked in 1977 when 61.2 percent (6.0 million) of the workers under major collective bargaining agreements had COLA clauses in their contracts. The proportion covered has remained relatively stable, although the number has declined steadily since 1977, dropping to 4.9 million in the fourth quarter of 1982, largely the result of declining employment in industries where COLA clauses are common. The following shows the percent of workers under major contracts with COLA clauses on January 1, 1971-83:<sup>12</sup>

Year	Number of workers under major agreements	Workers 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	39.2
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

**Table 7. Expiration and wage adjustment provisions of selected collective bargaining agreements**

[Contracts are listed in order of Standard Industrial Classification code]

1972 SIC Code	Industry and employer <sup>1</sup>	Union <sup>2</sup>	Employment at time of settlement	Contract term <sup>3</sup>	Provisions for 1983 automatic cost-of-living review <sup>4</sup>	Provisions for 1983 deferred wage increases <sup>5</sup>
	Manufacturing					
20	Food and kindred products: Armour and Co. <sup>6</sup> George A. Hormel and Co. <sup>6</sup> Kellogg Co.	Food and Commercial Workers Food and Commercial Workers Grain Millers	4,400 6,500 5,000	Sept. 1, 1982 to Aug. 31, 1985 Sept. 1, 1982 to Aug. 31, 1985 Sept. 27, 1981 to Sept. 30, 1984	December December March, thereafter quarterly	..... ..... .....
	Nabisco, Inc.	Bakery, Confectionery and Tobacco Workers	10,500	Sept. 1, 1981 to Aug. 31, 1983	.....	.....
	Sugar Cos. Negotiating Committee (Hawaii) <sup>6</sup>	Longshoremen and Warehousemen (Ind.)	7,000	Feb. 1, 1980 to Jan. 31, 1983	.....	.....
	Swift and Co. <sup>6</sup> Wilson Foods Corp.	Food and Commercial Workers Food and Commercial Workers	3,000 6,500	Sept. 1, 1982 to Aug. 31, 1985 Sept. 1, 1982 to Aug. 31, 1985	December December	..... .....
21	Tobacco manufacturers: Phillip Morris, U.S.A. (Richmond, Va.)	Bakery, Confectionery and Tobacco Workers	9,650	Feb. 1, 1980 to Jan. 31, 1983	.....	Feb. 1: 43 cents
22	Textile mill products: Dan River, Inc. (Danville, Va.) Fieldcrest Mills, Inc. (Virginia and North Carolina)	United Textile Workers Clothing and Textile Workers	7,000 6,500	June 22, 1980 to June 21, 1983 Mar. 1, 1981 to Feb. 29, 1984	..... .....	..... .....
23	Apparel and other finished products: Greater Blouse, Skirt and Undergarment Association, Inc. New York Coat and Suit Association	Ladies' Garment Workers Ladies' Garment Workers	23,000 20,000	June 1, 1982 to May 31, 1985 June 1, 1982 to May 31, 1985	..... January and March	June 1: 35 cents June 1: 35 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.)	37,000	June 1, 1980 to May 31, 1983	.....	June 1: 70 cents
26	Paper and allied products: International Paper Co., Southern Kraft Division	Paperworkers and Electrical Workers (IBEW)	8,000	June 1, 1979 to May 31, 1983	.....	.....
30	Rubber and miscellaneous plastic products: B.F. Goodrich Co. Firestone Tire and Rubber Co. Goodyear Tire and Rubber Co. Uniroyal, Inc.	Rubber Workers Rubber Workers Rubber Workers Rubber Workers	7,200 8,750 16,000 4,100	Apr. 21, 1982 to Apr. 20, 1985 Apr. 21, 1982 to Apr. 20, 1985 Apr. 21, 1982 to Apr. 20, 1985 Apr. 21, 1982 to Apr. 20, 1985	January, thereafter quarterly January, thereafter quarterly January, thereafter quarterly January, thereafter quarterly	..... ..... ..... .....
32	Stone, clay and glass products: Brockway Glass Co., Inc. Owens-Illinois, Inc.	Glass Bottle Blowers Glass Bottle Blowers	7,150 12,400	Apr. 1, 1980 to Mar. 31, 1983 Apr. 1, 1980 to Mar. 31, 1983	..... .....	..... .....
33	Primary metal industries: <sup>6</sup> 8 major basic steel companies: Allegheny Ludlum Steel Corp.; Armco Inc.; Bethlehem Steel Corp.; Inland Steel Co.; Jones & Laughlin Steel Corp.; National Steel Corp.; Republic Steel Corp.; United States Steel Corp.; Aluminum Co. of America Aluminum Co. of America Armco Steel Corp. (Middletown, Ohio) Kaiser Aluminum and Chemical Corp. Kaiser Steel Corp., Steel Manufacturing Division (Fontana, Calif.) National Steel Corp., Weirton Steel Division (Ohio and West Virginia) Reynolds Metals Co. United States Steel Corp., salaried employees	Steelworkers Aluminum Workers Steelworkers Armco Employees Independent Federation (Ind.) Steelworkers Steelworkers Independent Steelworkers Union (Ind.) Steelworkers Steelworkers	215,200 9,150 10,000 6,000 11,000 5,550 10,000 8,100 5,200	Aug. 1, 1980 to Aug. 1, 1983 June 1, 1980 to May 31, 1983 June 1, 1980 to May 31, 1983 Aug. 1, 1980 to July 31, 1983 June 1, 1980 to May 31, 1983 Aug. 1, 1980 to July 31, 1983 Aug. 1, 1980 to Aug. 1, 1983 June 2, 1980 to May 31, 1983 Aug. 1, 1980 to Aug. 1, 1983	February and May March March February and May March February and May February and May March February and May	..... ..... ..... ..... ..... ..... ..... ..... .....
34	Fabricated metal products: American Can Co. <sup>6</sup> Continental Group, Inc. Co.	Steelworkers Steelworkers	6,250 12,000	Feb. 16, 1981 to Feb. 19, 1984 Feb. 16, 1981 to Feb. 19, 1984	February, thereafter quarterly February, thereafter quarterly	Feb. 15: 15 cents Feb. 15: 15-27 cents
	See footnotes at end of table.					

**Table 7. Continued—Expiration and wage adjustment provisions of selected collective bargaining agreements**

[Contracts are listed in order of Standard Industrial Classification code]

1972 SIC Code	Industry and employer <sup>1</sup>	Union <sup>2</sup>	Employment at time of settlement	Contract term <sup>3</sup>	Provisions for 1983 automatic cost-of-living review <sup>4</sup>	Provisions for 1983 deferred wage increases <sup>5</sup>
35	Machinery, except electrical: Briggs and Stratton Corp. (Milwaukee, Wis.) Cummins Engine Co., Inc. (Columbus, Ind.)	Allied Industrial Workers Diesel Workers Union (Ind.)	7,900 6,700	Aug. 1, 1980 to July 31, 1983 May 4, 1981 to Apr. 29, 1984	..... February and November March and June	..... May 5: 52-64 cents .....
	Timken Co. (Columbus and Wooster, Ohio)	Steelworkers	7,800	July 20, 1980 to Aug. 29, 1983	.....	.....
	Electrical machinery, equipment and supplies: General Electric Co. General Electric Co. Raytheon Co. (Massachusetts) Rockwell International Corp. (Cedar Rapids, Iowa) <sup>6</sup> Western Electric Co. Inc.	Electrical Workers (UE, Ind.) Electrical Workers (IUE) Electrical Workers (IBEW) Electrical Workers (IBEW) Communications Workers	13,000 60,000 9,000 5,200 22,650	June 28, 1982 to June 27, 1985 June 28, 1982 to June 27, 1985 Sept. 16, 1981 to Aug. 31, 1983 Oct. 1, 1980 to Feb. 28, 1983 Aug. 10, 1980 to Aug. 6, 1983	June and December June and December ..... ..... .....	June 27: 3 percent June 27: 3 percent ..... ..... .....
371	Transportation equipment-motor vehicle and motor vehicle equipment: American Motors Corp. (Wisconsin)	Auto Workers	12,000	March 1, 1982 to Sept. 16, 1985	September, thereafter quarterly	.....
	American Motors Corp., Jeep Corp. (Ohio)	Auto Workers	5,000	Mar. 1, 1982 to Jan. 31, 1985	September, thereafter quarterly	.....
	Budd Co. (P&M) Ford Motor Co.	Auto Workers Auto Workers	9,000 110,000	Feb. 2, 1980 to Mar. 4, 1983 Mar. 1, 1982 to Sept. 14, 1984	..... September and December December	..... ..... .....
	General Motors Corp.	Auto Workers	320,000	Apr. 12, 1982 to Sept. 14, 1984	.....	.....
	Transportation equipment-aircraft: Beech Aircraft Corp.	Machinists	6,750	Aug. 3, 1981 to Aug. 5, 1984	September, thereafter quarterly	Aug. 1: 34½-59½ cents
372	Bendix Corp. Boeing Co.	Auto Workers Machinists	6,100 39,900	Apr. 30, 1980 to Apr. 29, 1983 Oct. 4, 1980 to Oct. 3, 1983	January January, April and July	..... .....
	Cessna Aircraft Co. (Kansas)	Machinists	8,000	Sept. 28, 1981 to Sept. 30, 1984	January, thereafter quarterly	Sept. 26: 90 cents to \$1.35
	Lockheed Aircraft Corp., Lockheed-California Division	Machinists	14,000	Oct. 20, 1980 to Oct. 1, 1983	January, April, July	.....
	McDonnell Douglas Corp. (California and Oklahoma)	Auto Workers	10,000	Oct. 17, 1980 to Oct. 9, 1983	January, April, July	.....
	McDonnell-Douglas Corp. (St. Louis, Mo.)	Machinists	11,000	May 11, 1981 to May 13, 1984	February, thereafter quarterly	May 11: 3 percent
	Transportation equipment-shipbuilding: Bethlehem Steel Corp., Shipbuilding Department	Marine and Shipbuilding Workers	5,000	Aug. 14, 1981 to Aug. 19, 1984	.....	.....
373	Litton Systems, Inc., Ingalls Shipbuilding Division (Pascagoula, Miss.)	Pascagoula Metal Trades Council and Teamsters (Ind.)	6,400	Feb. 1, 1981 to Jan. 29, 1984	January	.....
	Newport News Shipbuilding and Drydock Co. (Virginia)	Steelworkers	17,000	Mar. 31, 1980 to Oct. 31, 1983	.....	Apr. 11: 10 cents
	Pacific Coast Shipbuilding and Ship Repair Firms	Pacific Coast Metal Trades Dept. and Teamsters (Ind.)	35,000	July 1, 1980 to June 29, 1983	February and May	.....
374	Transportation equipment-railway cars: Pullman, Inc., Pullman Standard Division	Steelworkers	4,800	Apr. 4, 1981 to May 4, 1984	January, thereafter quarterly	Apr. 4: 20-38 cents, Oct. 4: 15-33 cents
38	Professional, scientific and controlling instruments; photographic and optical goods; watches and clocks: Honeywell, Inc. (Minneapolis and St. Paul, Minn.)  Nonmanufacturing	Teamsters (Ind.)	7,000	Feb. 1, 1981 to Jan. 31, 1984	.....	Feb. 1: 8 percent
12	Bituminous coal and lignite mining: Association of Bituminous Contractors, Inc.	Mine Workers (Ind.)	12,000	June 7, 1981 to Sept. 30, 1984	March, thereafter quarterly; 15 cents guaranteed adjustments	June 25: 40 cents
	Bituminous Coal Operators Association	Mine Workers (Ind.)	160,000	July 1, 1981 to Oct. 1, 1984	March, thereafter quarterly; 15 cents guaranteed adjustments	June 25: 40 cents
15	Construction: Mid-America Regional Bargaining Association (Illinois)	Carpenters	25,000	June 1, 1981 to May 31, 1983	.....	.....
16	Construction: Associated General Contractors (Northern California)	Operating Engineers	12,000	June 16, 1980 to June 15, 1983	.....	.....
17	Construction: New York Electrical Contractors Association, Inc.  See footnotes at end of table.	Electrical Workers (IBEW)	8,000	June 12, 1980 to June 9, 1983	.....	.....

**Table 7. Continued—Expiration and wage adjustment provisions of selected collective bargaining agreements**

(Contracts are listed in order of Standard Industrial Classification code)

1972 SIC Code	Industry and employer <sup>1</sup>	Union <sup>2</sup>	Employment at time of settlement	Contract term <sup>3</sup>	Provisions for 1983 automatic cost-of-living review <sup>4</sup>	Provisions for 1983 deferred wage increases <sup>5</sup>
40	Railroads: <sup>6</sup>					
	Class I railroads:					
	Operating unions	Locomotive Engineers (Ind.) United Transportation Union	26,000 85,000	Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984	January and July January and July	..... .....
	Nonoperating unions:					
	Shop craft	Electrical Workers (IBEW) Firemen and Oilers Machinists Railway Carmen Maintenance of Way Employees Railway Clerks	9,000 8,400 15,000 32,000 61,000 70,000	Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984 Apr. 1, 1981 to June 30, 1984	January and July January and July January and July January and July January and July January and July	July 1: 3 percent July 1: 3 percent July 1: 3 percent July 1: 3 percent July 1: 3 percent July 1: 3 percent
	Nonshop craft	Transport Workers and Railway Carmen	7,800	Apr. 1, 1981 to June 30, 1984	January and July	July 1: 3 percent
	Conrail and Amtrak, Maintenance and Equipment employees	Railway Clerks	12,450	Apr. 1, 1981 to June 30, 1984	January and July	July 1: 3 percent
	Conrail, Clerks	United Transportation Union	16,100	Apr. 1, 1981 to June 30, 1984	January and July	July 1: 3 percent
	Conrail, Operating employees					
	42	Trucking and warehousing:				
Local Cartage, for Hire, and Private Carriers agreement (Chicago, Ill.)		Chicago Truck Drivers (Ind.)	8,700	Apr. 1, 1982 to Mar. 31, 1985	April	.....
National Master Freight agreements and supplements <sup>6</sup>						
Local Cartage		Teamsters (Ind.)	200,000	Mar. 1, 1982 to Mar. 31, 1985	April	.....
Over-the-road	Teamsters (Ind.)	100,000	Mar. 1, 1982 to Mar. 31, 1985	April	.....	
United Parcel Service	Teamsters (Ind.)	85,000	May 1, 1982 to Apr. 30, 1985	May and November	.....	
44	Water transportation: <sup>6</sup>					
	Dry Cargo Cos., Atlantic and Gulf coasts	Masters, Mates and Pilots	5,000	June 16, 1981 to June 15, 1984	June and December	June 16: 7½ percent
	Dry Cargo Cos., Tankers, Atlantic and Gulf coasts	Maritime Union	15,000	June 16, 1981 to June 15, 1984	June and December	June 16: 7½ percent
	New York Shipping Association, Port of New York	Longshoremen (ILA)	10,200	Oct. 1, 1980 to Sept. 30, 1983	.....	.....
	Pacific Maritime Association	Longshoremen and Warehousemen (Ind.)	11,000	July 1, 1981 to July 1, 1984	.....	July 2: \$1.25
	Standard Freightship Agreement, Unlicensed personnel	Seafarers	10,750	June 16, 1981 to June 15, 1984	June and December	June 16: 7½ percent
	Standard Tanker Agreement, Unlicensed personnel	Seafarers	10,750	June 16, 1981 to June 15, 1984	June and December	June 16: 7½ percent
	Steamship Trade Association of Baltimore, Inc., Port of Baltimore	Longshoremen (ILA)	5,000	Oct. 1, 1980 to Sept. 30, 1983	.....	.....
	West Gulf Maritime Association, Inc.	Longshoremen (ILA)	7,500	Oct. 1, 1980 to Sept. 30, 1983	.....	.....
	45	Airlines: <sup>6</sup>				
United Airlines, Inc., flight attendants	Air Line Pilots	9,300	Apr. 1, 1982 to Mar. 31, 1983	.....	.....	
48	Communications:					
	American Telephone and Telegraph Co., Long lines dept.	Communications Workers	23,300	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	Bell Telephone Co. of Pennsylvania	Federation of Telephone Workers of Pennsylvania (Ind.)	11,950	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	General Telephone Co. of California	Communications Workers	.....	.....	.....	.....
	Illinois Bell Telephone Co., (Illinois and Indiana)	Communications Workers	20,500	Mar. 5, 1980 to Mar. 4, 1983	.....	.....
	Illinois Bell Telephone Co., (Illinois and Indiana)	Electrical Workers (IBEW)	5,500	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	Illinois Bell Telephone Co., (Illinois and Indiana)	Electrical Workers (IBEW)	13,800	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	Michigan Bell Telephone Co.	Communications Workers	.....	.....	.....	.....
	Mountain State Telephone and Telegraph Co.	Communications Workers	20,000	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	New England Telephone and Telegraph Co.	Electrical Workers (IBEW)	29,200	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	New England Telephone Co.	Electrical Workers (IBEW)	16,000	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	New Jersey Bell Telephone Co.	Electrical Workers (IBEW)	6,300	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
	Southwestern Bell Telephone Co.	Communications Workers	11,450	Aug. 10, 1980 to Aug. 6, 1983	.....	.....
Western Electric Co., Inc. (Service Div.)	Communications Workers	88,000	Aug. 10, 1980 to Aug. 6, 1983	.....	.....	
Western Electric Co., Inc. (Installation)	Communications Workers	14,750	Aug. 10, 1980 to Aug. 6, 1983	.....	.....	
Wisconsin Telephone Co.	Communications Workers	14,000	Aug. 10, 1980 to Aug. 6, 1983	.....	.....	
Wisconsin Telephone Co.	Communications Workers	6,250	Aug. 10, 1980 to Aug. 6, 1983	.....	.....	
49	Electric, gas and sanitary services:					
Consolidated Edison Company of New York, Inc.	Utility Workers	16,750	June 18, 1980 to June 17, 1983	.....	.....	
53	Retail trade-general merchandise:					
	Bloomingdale Bros. (New York)	Retail, Wholesale and Department Store	5,600	Mar. 1, 1980 to Feb. 28, 1983	.....	.....
Woodward and Lothrop, Inc. (Maryland, District of Columbia, and Virginia)	Food and Commercial Workers	5,000	Nov. 18, 1979 to Feb. 1, 1983	.....	.....	
54	Retail trade—food stores:					
	Cleveland Food Industries Committee (Ohio)	Food and Commercial Workers	8,400	Sept. 1, 1980 to Sept. 3, 1983	March	.....
	Food Employers Labor Relations Association of Northern California <sup>6</sup>	Food and Commercial Workers	17,000	Mar. 5, 1980 to Mar. 5, 1983	.....	.....
	Food Market Agreement of Minneapolis, (Minnesota)	Food and Commercial Workers	7,200	Mar. 3, 1980 to Feb. 25, 1983	.....	.....
	Philadelphia Food Stores (Pennsylvania, New Jersey and Delaware)	Food and Commercial Workers	5,000	Mar. 9, 1980 to Mar. 5, 1983	.....	.....
	See footnotes at end of table.					

**Table 7. Continued—Expiration and wage adjustment provisions of selected collective bargaining agreements**

[Contracts are listed in order of Standard Industrial Classification code]

1972 SIC Code	Industry and employer <sup>1</sup>	Union <sup>2</sup>	Employment at time of settlement	Contract term <sup>3</sup>	Provisions for 1983 automatic cost-of-living review <sup>4</sup>	Provisions for 1983 deferred wage increases <sup>5</sup>
	Retail Food Store Agreement (San Jose, Calif.)	Food and Commercial Workers	6,800	Jan. 1, 1980 to Feb. 28, 1983	.....	.....
58	Retail trade-eating and drinking places: Restaurant-Hotel Employers Council of Southern California	Hotel and Restaurant Employees	10,000	Mar. 16, 1979 to Mar. 15, 1983	.....	.....
70	Hotels, rooming houses, camps, and other lodging places: Hotel Employers Association of San Francisco (California)	Hotel and Restaurant Employees	6,000	July 1, 1980 to Aug. 14, 1983	.....	.....
	Nevada Resort Association, Resort Hotels (Las Vegas, Nev.)	Hotel and Restaurant Employees	15,000	Apr. 2, 1980 to Apr. 1, 1984	.....	Apr. 2: 30-55 cents
78	Motion pictures: Screen Actors Guild, Commercials Contract	Actors	52,700	Feb. 7, 1982 to Feb. 6, 1985	.....	.....
80	Medical and other health services: Kaiser Foundation Hospitals and Health Plan and Permanente Medical Group (California)	Service Employees	7,850	Nov. 1, 1981 to Oct. 29, 1983	.....	.....
91	Federal Government: U.S. Postal Service Agreements	Postal Workers; Letter Carriers; Rural Letter Carriers; Mail Handlers	568,000	July 21, 1981 to July 20, 1984	May and November	July: \$300 or \$375 per year July 21: \$300 or \$350 (bonus)

<sup>1</sup> Geographical coverage of contracts is interstate unless specified.

<sup>2</sup> Unions are affiliated with AFL-CIO, except where noted as independent (Ind.).

<sup>3</sup> Contract 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 agree-

ments provide for automatic renewal at the expiration date unless notice of termination is given.

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

<sup>5</sup> Hourly rate increase unless otherwise specified.

<sup>6</sup> Contract is not on file with the Bureau of Labor Statistics; information is based on newspaper accounts.

SOURCE: Contracts on file with the Bureau of Labor Statistics, Oct. 1, 1982. Where no contracts are on file, table entries are based on newspaper accounts.

The most prevalent COLA adjustment formula in current agreements provides a wage increase of 1 cent per hour for each 0.3-point increase in the CPI. COLA adjustments for more than 1.8 million workers, including those in the steel, railroad, trucking, and aerospace industries, use this formula. The automobile and rubber industries agreements provide for adjustments of 1 cent for each 0.26-percent movement in the CPI; workers in the electrical equipment industry receive adjustments of 1 cent for each 0.2-percent change, but beginning in June 1983, will receive 1 cent for each 0.175-percent change in the CPI; and workers in telephone communications receive COLA adjustments at the rate 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 the COLA clause. Annual reviews are the most common, affecting 2.1 million workers, including those in telephone communications, trucking, and apparel agreements; quarterly reviews cover 1.9 million, including workers in the automobile, steel, and aerospace industries; semiannual reviews affect 825,000 workers, most notably in railroads and electrical products.

Four million of the 4.9 million workers with COLA provisions are covered by contracts that tie possible adjustments to movements in a BLS Consumer Price Index for "all cities." Another 270,000 workers are under con-

tracts that use an index for an individual city and contracts for 660,000 in the automobile industry relate adjustments to a combination of the U.S. and Canadian indexes because contracts cover workers in both countries.

Some contracts specify that upon reaching a certain level in COLA payments, no further adjustments will be made. Maximums, or "caps," sometimes are set for each of the reviews during the contract term, or for the total accumulated amount over the term, or some combination of the two. COLA clauses covering 1.1 million workers, most notably in the railroad industry, contain provisions for some limitation on the size of adjustments.

More than 350,000 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 upon the movement in the CPI. Therefore, these amounts are treated as specified increases rather than COLA adjustments.

Given the current economic climate, it is possible that some of the deferred increases and COLA reviews discussed above will not be implemented as scheduled. In 1982, a number of contracts negotiated earlier than scheduled provided for suspension or delays in previously negotiated increases and/or COLA adjustments. □

—FOOTNOTES—

<sup>1</sup> "Steel Bargains for its Future," *Business Week*, July 12, 1982, p. 20.

<sup>2</sup> "U.S. Steelmakers Slim Down for Survival," *Business Week*, May 31, 1982, p. 88.

<sup>3</sup> "Steel Production Continued Downward in October," *Steel Production News*, American Iron and Steel Institute, Nov. 24, 1982.

<sup>4</sup> George J. McManus, "Steel's Nightmare—Imports and Layoffs Up, Markets and Spending Plans on the Scrap Heap," *Iron Age*, May 21, 1982, p. 39.

<sup>5</sup> "Steel Bargains for its Future."

<sup>6</sup> "The Pressure for New Steel Talks," *Business Week*, Oct. 4, 1982, p. 90.

<sup>7</sup> "Recession Spurs Drop in Demand," *The New York Times*, Jan. 26, 1982, p. D-14.

<sup>8</sup> "Aluminum Companies Ask Union to Open Pact," *The New York Times*, Aug. 23, 1982, p. A-12.

<sup>9</sup> "ILA Targets Early Pacts Next Year," *Journal of Commerce*, Oct. 8, 1982, pp. 1, 3b.

<sup>10</sup> "Industry Resilient Despite Setbacks," *Financial Times* (London) Aug. 23, 1982 and "Switch in Time—Simmonds Precision's Stress on Defense Products Pays Off," *Barrons*, Apr. 5, 1982.

<sup>11</sup> About 190,000 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.

<sup>12</sup> The data for 1983 are based on information available as of Oct. 1, 1982.

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**A note on communications**

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

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