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**Stenographic Transcript Of**

**HEARINGS**

**Before The**

**COMMITTEE ON EDUCATION AND LABOR**

**HOUSE OF REPRESENTATIVES**

H. R. 9486 AND H. R. 9500

THE CONSTRUCTION INDUSTRY STABILIZATION ACT OF 1975

*Full Committee Hearing*

Washington, D. C.

September 10, 1975

**Alderson Reporting Company, Inc.**

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GOLDSTEIN 1

H. R. 9486 AND H. R. 9500

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## THE CONSTRUCTION INDUSTRY STABILIZATION ACT OF 1975

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WEDNESDAY, SEPTEMBER 10, 1975

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House of Representatives,

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Committee on Education and Labor,

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Washington, D. C.

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The committee met at 1:30 p.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Frank Thompson, presiding.

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13

Present: Representatives Thompson, Ford, Zeferetti, Quie, Ashbrook, Erlenborn, Sarasin, Biaggi and Hall.

14

Mr. Thompson. The committee will be in order.

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Mr. Secretary, Chairman Perkins had other commitments and regrets his inability to be here for this session and sends you his compliments.

18

19

He has asked me to chair this meeting this afternoon. I must confess, I am pleased that he did.

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The legislation under consideration are the bills H. R. 9486 and the bill H. R. 9500 which shall be the number of the bill that we will work on. I think that the reason for the number 9500 is reasonably obvious, the opposite of 5900 with the staunch support of my distinguished friends from Ohio. I didn't want to confuse him and he can send out his literature

1 simply by transposing two numbers and vote accordingly.

2 In any case, I would like to express my gratitude,  
3 Mr. Secretary, to you and through you, if you will, to the  
4 President, to Mr. Georgine and the building trades and others  
5 for the efforts which have been put forth over a period of  
6 approximately two months to arrive at a solution to the  
7 stabilization of the construction industry.

8 We are pleased and delighted to have you here today and  
9 we will ask you to testify as you wish.

10 I would ask at this point that by unanimous consent your  
11 statement be made a part of the record in full and that you  
12 may proceed with it as you wish.

13 (The statement follows:)

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1 Mr. Thompson. Counsel informs me that in the course of  
2 our attempt at precision we have chnaged the title of the  
3 legislation, H. R. 9500 to the Construction Industry Stabili-  
4 zation Act of 1975, just a matter of precision and semantics.

5 STATEMENT OF THE HONORABLE JOHN T. DUNLOP, SECRETARY  
6 OF LABOR (ACCOMPANIED BY: WILLIAM J. KILBERG, SOLICITOR  
7 OF LABOR).

8 Secretary Dunlop. Mr. Chairman, I welcome this opportunity  
9 to appear before this committee on the matter. I am accompanied  
10 by Mr. William J. Kilberg who is the Solicitor of Labor, on  
11 my right.

12 I will not read the statement in full. I will try to  
13 summarize points and call them to your attention. If I  
14 might be permitted to comment, Mr. Chairman, on the title.  
15 I, myself, feel that the title, Construction Industry  
16 Collective Bargaining Act of 1975, is a much more appropriate  
17 one reflecting its purposes than the Stabilization Act, but  
18 let's leave that for the moment.

19 Now, if I may proceed to summarize this testimony, at  
20 the outset I think it is important for all of us to recognize  
21 the nature of the structure of collective bargaining as it  
22 exists in the industry.

23 It is a large industry with hundreds of thousands of  
24 employer groups, contractors and they in turn are formed into  
25 associations, sometimes not, with 17 national unions, 10,000

1 or so local unions which are affiliated with the building and  
2 construction trades department of the AFL-CIO, and there  
3 is an additional national union, the Teamsters, which has  
4 very extended representation in the industry. And as a term  
5 of art it is my intention to use here as I believe the  
6 legislation does, the phrase "standard national organization,"  
7 to refer to these seventeen national and international unions  
8 affiliated with the department and the International Brother-  
9 hood of Teamsters which is unaffiliated but which in the  
10 practice of collective bargaining is closely related at both  
11 local and national levels.

12 Any brief statement of the structure of bargaining would  
13 point out that in some branches of the industry such as  
14 pipelines and sprinkler systems, elevator construction and  
15 the like, the bargaining is very much on a national basis.

16 In other parts of the industry, in operations it is on  
17 a regional basis. Others are very much in a State basis and  
18 still others on a locality basis. It is a very fragmented  
19 and disperse bargaining arrangement and on pages 3 and 4 of  
20 the testimony I give some substantiations of that with respect  
21 to the State of New York and the State of California.

22 Now, one of the consequences of this fragmented  
23 bargaining is that people, bargainers on both sides, tend to  
24 compare their positions, both with respect to wages and with  
25 respect to benefits, with others. They compare to various

1 crafts in the same locality and they compare themselves with  
2 the same craft in associated related or other localities.

3 The constant problem of comparison becomes a factor which  
4 tends to make for escalation, tends to make for leapfrogging,  
5 tends to make for complications very much in the bargaining  
6 process.

7 Now, if we go back, Mr. Chairman, to the late Sixties,  
8 we found in our country that there began to develop in '66,  
9 '67, '68 a substantial increase in demand for industrial and  
10 commercial work at that time. The result was that by the time  
11 substantial elements arose in certain parts, in the north-  
12 central part of the country, in the gulf area and in Texas,  
13 in California, in those very substantial settlements at that  
14 time, began to spread throughout the country and this process  
15 of acceleration grew until, as I make clear in 5 and 6 that  
16 the first year rates of settlement began to accelerate until  
17 by 1970 they had reached the order of 16 to 18 percent.

18 It was at that time that the President invoked the  
19 authority of the Stabilization Act on March 29, 1971, under  
20 Executive Order 1158, to establish the Construction Industry  
21 Stabilization Committee. It was my responsibility at the  
22 time to have worked out the arrangements for that. I held  
23 from late 1970 to early '71 extended discussions with both  
24 sides in the industry and out of that came the Executive Order.  
25 I think, Mr. Chairman, it is common consent that in the



1 ensuing years of 1971, '72, '73 and until April 30th, 1974,  
2 provided not only more reasonable wage settlements, a balanced  
3 set of wage relationships among crafts and localities, but also  
4 very significantly mitigated the work stoppage numbers for  
5 the duration which had salutary effects on productivity and  
6 work groups.

7 During the time that that committee was in operation the  
8 industry that is subject to collective bargaining agreements  
9 had extended discussions about the future and many on both  
10 sides had hoped to work out arrangements by which some machinery  
11 could be continued to provide a national forum for the  
12 continued resolution of disputes.

13 However, despite my own personal urgings on April 30th,  
14 1974, the statutory base expired and as we all know, in the last  
15 half of '74 and thus far in '75 we have seen a return to the  
16 old 1969-70, '71 circumstances in which we have had very large  
17 settlements particularly on the West Coast.

18 We have seen a great acceleration in the number and  
19 duration of work stoppages and I think it is fair to say that  
20 there is a widespread disposition on all sides in the industry  
21 to recognize that it is timely to do something about this  
22 situation.

23 I do set forth, Mr. Chairman, on pages 9, 10 and 11,  
24 some illustrations of the kind of work stoppages that we have  
25 had this year. If I may be permitted, let me read one or

1 two of those paragraphs. I say at the bottom of page 9:  
2 Here in Washington, 21 of the 22 construction agreements  
3 expire in 1975. Washington was afflicted with work stoppages  
4 from April 4, 1975 until August 1, 1975, a period of 119 days.  
5 For example, the Roofers went on strike on April 3, 1975 and  
6 were not settled until May 21, 1975. The Cement Masons were  
7 on strike from May 1 until June 13. The Operating Engineers  
8 were out May 12 to May 20. The Painters struck from May 19  
9 until May 24. The Teamster (Dump Truck) operators and the  
10 Laborers were on strike from June 13 until August 1. (The  
11 Teamster readymix truck operators' strike started five days  
12 later but ended at the same time.)

13 In early September two strikes are in process -- the  
14 Plumbers and the Pipefitters. Agreements have been reached  
15 in 17 cases, but Washington, D. C. still has the possibility  
16 of additional stoppages this year. Unlike some areas of the  
17 nation, Washington cannot expect to be stoppage-free for the  
18 next two or three years, since several of the contracts are for  
19 one year.

20 Now, I won't read the sections that deal with Dallas,  
21 Fort Worth and the situation in Philadelphia or Beaumont, but  
22 I do want to say this about that part of my testimony. These  
23 illustrations are in no way intended to represent particular  
24 criticism or blame of some crafts and areas or negotiators as  
25 compared to others. Neither does it constitute any unfavorable

1 view of the right to strike or lockout. These cases are handy  
2 and are used here solely to provide specific cases of under-  
3 lying problems in the bargaining structure and to emphasize  
4 the need to improve the process and structure of collective  
5 bargaining through collective bargaining itself and a mediation  
6 process.

7 I have seen thousands of work stoppages in this industry  
8 and many more illustrations of responsible bargaining and  
9 problem-solving. The suggestions for revision in collective  
10 bargaining procedures and structure incorporated in the  
11 proposed legislation are designed to assist voluntary collective  
12 bargaining work more responsibly and effectively. It does  
13 not provide any Government control over the results of private  
14 collective bargaining.

15 Wages and benefits among crafts in the same locality  
16 and among adjacent localities were generally in a stabilized  
17 relationship by early 1974, but serious distortions have emerged  
18 as some crafts and localities have received much greater  
19 increases than other crafts and localities -- preparing  
20 the way for a return to the excessive wage inflation of the  
21 late 1960's to the detriment of the industry, its workers  
22 and enterprises, and to the country as well.

23 Now, at the bottom of page 12 let me pick up and read  
24 now for several pages forward, Mr. Chairman.

25 It can be seen from the experience of the last decade

1 that the present bargaining structure of the construction  
2 industry fails to provide for consideration of wider interests  
3 in local bargaining, resulting in whipsawing negotiations,  
4 distortions of appropriate wage relationships, inefficient man-  
5 power utilization, and costly strikes. It has been my view  
6 for a decade that it is essential to review and modify the  
7 structure of collective bargaining in the industry. In January  
8 of this year the national leaders of the unions and the  
9 contractor associations stated publicly that they agreed  
10 with this view. An enhanced role for national unions and  
11 national contractor associations, working as a group, is  
12 necessary to provide leadership in solving the critical problems  
13 of collective bargaining structure, productivity and manpower  
14 utilization.

15 I do not advocate such legislation for any other industry  
16 than construction with its distinctive collective bargaining  
17 structure and pattern of negotiations.

18 Now, Mr. Chairman, I would like with your permission  
19 to go thorough just a brief background how we got here and  
20 to summarize the legislation that the President has approved  
21 and the legislation which has been forwarded to the Congress .

22 I should like to say that following my previous testimony  
23 here, Mr. Chairman, I thin engaged in a series of informal  
24 discussions with the leaders of the collective bargaining  
25 groups in this industry, the leaders of the labor organization

1 and the leaders of those associations of contractors that  
2 are engaged in collective bargaining. Out of those extended  
3 discussions come first the concepts that are here developed  
4 and then the text of the language.

5 Although it is my custom to let people, want people to  
6 speak for themselves, it is my general impression, Mr.  
7 Chairman, that the proposal here before you, presented by the  
8 Administration, has the endorsement of the union side and  
9 those employers associated that are engaged in collective  
10 bargaining.

11 Now, the bill in its summary -- I am on page 13 for those  
12 of you who are following me -- I would like to go back and  
13 read and with this I will conclude.

14 The purpose of the bill is to revise the framework of  
15 collective bargaining in the construction industry. It  
16 provides an enhanced role in negotiations for national labor  
17 organizations and national contractor organizations working  
18 as a group, while at the same time preserving the flexibility  
19 and variations that appropriately exist among localities,  
20 crafts, and branches of the industry.

21 In other words, it is not a proposal for national  
22 bargaining with a uniform agreement which would be most inappro-  
23 priate in this industry.

24 The proposed legislation seeks to improve dispute settle-  
25 ment, with a minimum of Government interference in the

1 collective bargaining process. It seeks to use the process  
2 of collective bargaining, rather than Government regulation,  
3 to improve the structure and procedures of collective  
4 bargaining.

5 This is not an attempt of the Government to regulate  
6 collective bargaining in this industry. It is a desire to  
7 make and a procedure to make collective bargaining work  
8 more effectively by having the national parties participate,  
9 where appropriate, in the bargaining. Change by collective  
10 bargaining itself rather than by Government regulation.

11 The proposed machinery does not constitute wage and  
12 price control, nor is it a form of compulsory arbitration. It  
13 applies solely to standard labor organizations and to  
14 contractors and their associations engaged in collective  
15 bargaining. It is not applicable to contractors with  
16 independent unions.

17 And if I might stress the next paragraph particularly,  
18 Mr. Chairman.

19 The proposed legislation does not apply, repeat, does not  
20 apply, in any way to contractors who do not operate under  
21 collective bargaining agreements.

22 The major provisions of the proposed legislation are  
23 as follows:

24 (1) The Construction Industry Collective Bargaining  
25 Committee is comprised of 10 management representatives, 10

1 labor representatives, and up to three neutral members, all  
2 appointed by the President. One of the neutral members shall  
3 be appointed Chairman. The Director of the Federal Mediation  
4 and Conciliation Service and the Secretary of Labor shall  
5 be ex officio members. The role of the parties is enhanced  
6 by providing that the members shall be appointed after  
7 consultation with the national organizations.

8 (2) Local labor organizations affiliated with the  
9 standard labor organizations in the industry are required to  
10 give 60 days notice to their national unions before the  
11 expiration or reopening of agreements, and contracts or associa-  
12 tions engaged in collective bargaining with them are similarly  
13 required to notify either the national organizations with  
14 which they are affiliated, or the committee directly if there  
15 is no national affiliation. The standard national labor  
16 organizaions and the national contractor associations engaged  
17 in collective bargaining are required to forward such notices  
18 to the committee.

19 I remind you there is a 60-day notice now in the statutes.  
20 Only notification there is given to the Federal Mediation  
21 and Conciliation Service and to the other side.

22 (3) The committee may elect to take jurisdiction of the  
23 matter, in which case any strike or lockout is deferred for  
24 up to 30 days past the expiration or reopening date.

25 Mr. Thompson. Mr. Secretary, if I might interrupt, with

1 respect to the 60-day notice in the existing law, I think it  
2 is important to emphasize that under the statute that is  
3 required, 60 days prior to expiration of the contract and  
4 so this is in effect an add-on which this bill would seek to  
5 achieve.

6 Secretary Dunlop. Yes, Correct.

7 (4) The committee may decide to refer a matter to a  
8 national craft board or to the national machinery established  
9 by a branch of the industry, on which national unions and  
10 national contractor associations are presented, in an  
11 effort to assist the parties to reach agreement. The committee  
12 may elect to meet with the parties itself.

13 (5) The committee may also request the standard national  
14 labor organizations and the national contractor associations  
15 whose members are directly involved to participate in the  
16 negotiations. In that event, any new or revised collective  
17 bargaining agreement shall be approved by the standard  
18 national construction labor organization with which the local  
19 labor organization, or other subordinate body, is affiliated  
20 in order for the agreement to be of any force or effect. In  
21 the event the standard national labor organization or national  
22 contractor association participates in such negotiations, it  
23 shall not suffer any criminal or civil liability arising out of  
24 such participation; nor shall the standard national labor organi-  
25 zation be subject to any civil or criminal liability arising



1 out of its approval, or failure to approve, a collective  
2 bargaining agreement.

3 (6) The statute specifies the standards which the  
4 committee shall take into account in taking jurisdiction of  
5 a matter and requesting the participation of the standard  
6 national labor organizations and the national contractor  
7 associations. These standards broadly specify improvements  
8 in collective bargaining procedures and practices.

9 (7) The committee is authorized to make broad studies of  
10 collective bargaining in the industry and to make general  
11 recommendations with regard to negotiating structures, improve-  
12 ment of productivity, stability of employment, differentials  
13 among branches of the industry, dispute settlement procedures,  
14 and other related matters.

15 (8) The proposed legislation runs for a term of five  
16 years. The committee shall submit annual reports to the  
17 Congress and, six months in advance of the five-year limit,  
18 the committee shall make recommendations with regard to the  
19 extension of the legislation.

20 In conclusion, Mr. Chairman, I wish to urge that the  
21 committee give favorable consideration to the Construction  
22 Industry Collective Bargaining Act of 1975, which is before  
23 you. The need to improve the structure of collective  
24 bargaining in this industry is widely recognized and accepted  
25 by all sides within the industry. There will not be a



1 better time to provide the means peacefully and productively  
2 to improve the processes of collective bargaining with full  
3 support, participation and involvement of labor and  
4 management.

5 I am sorry to have taken so long, Mr. Chairman, but I  
6 briefly summarized that statement.

7 Mr. Thompson. Mr. Secretary, you have not taken too  
8 long. This is a very important piece of legislation. I  
9 neglected earlier to state that the Ranking Member of the  
10 committee who is the co-sponsor of H. R. 9500 and I have  
11 been in very close touch. Before I get to specific questions,  
12 I might point out a bit of history, if I may paraphrase  
13 your earlier testimony in support of H. R. 5900.

14 You opened on what I felt was a splendid note saying  
15 in effect that your hope was that there would be a reasonable,  
16 calm and dispassionate discussion of the legislation. I  
17 would be happy for us then to consider what I think is an  
18 incendiary release of the Associated General Contractors and  
19 history has repeated itself. I have before me a -- and  
20 I will ask unanimous consent that following these remarks  
21 it be made a part of the record -- a release from the  
22 Associated General Contractors, the spokesman in this case  
23 being Mr. James M. Sprouse, the Executive Vice President,  
24 saying he wanted specifically to deny the allusion made by  
25 Representative Thompson in introducing H. R. 9500 earlier this

1 week, that the bill was the second part of a package and then  
2 he goes on.

3 I am glad he used the word "allusion" because it is a  
4 vague word and in my statement, in introducing this in the  
5 record I went so far as to say that management groups had  
6 been contacted. I don't know whether the AGC wants to  
7 be isolated from those whom I describe as management groups.  
8 If so, that is fine. I made no specific reference to any one  
9 of them.

10 In your summary and in the Washington Post story of  
11 Sunday, September 7th, Mr. Sprouse, the Executive Vice President  
12 of the Associated General Contractors, was quoted as saying,  
13 "While the bill falls short in several areas, 'it is' certainly  
14 a step in the right direction."

15 I just wanted the record clear. I have not had the  
16 pleasure of talking to Mr. Sprouse. I relied on the extensive  
17 discussions, reported to me which have gone on in the  
18 construction development of this legislation. I think in  
19 the final analysis that we are in a unique situation -- at  
20 least in my years as a member of this body -- in that there  
21 is, notwithstanding some disagreement which I consider to  
22 be inevitable, a remarkable constructive approach, attitude  
23 and solution in the development of this legislation which  
24 if it were a part of a package would obviously be an amendment  
25 to or an addition to the earlier bill characterized as a

1 secondary boycott bill by AGC.

2 I don't think we have time, nor do I think perhaps it  
3 would be worth the time -- with all due respect to them --  
4 to try to educate the Association of General Contractors as  
5 to what in fact a secondary boycott is. Nevertheless, this is  
6 separate legislation. If when and as it reaches the  
7 President's desk and he has endorsed it as well as an earlier  
8 legislation, I hope that it is signed and I think that  
9 the AGC to spite themselves will benefit greatly.

10 Having said that, now I will ask a few questions, if I may,  
11 before yielding to my distinguished Ranking Member and  
12 co-sponsor.

13 (The News Release follows:)

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1 Mr. Thompson. Now, this legislation establishes a  
2 rather large committee, Mr. Secretary, which it would seem  
3 to me could find it difficult to meet and consider all possible  
4 notices much less to debate or consider and make decisions  
5 as to taking jurisdictions and what actions ought to be  
6 taken in specific instances.

7 I wonder if you could give us a little clearer information  
8 as to how you contemplate the committee might act to carry  
9 out its functions?

10 Secretary Dunlop. Yes, Mr. Chairman. I would envisage  
11 myself perhaps the continuation of practices of a group that  
12 size that has been or was in operation from 1971 through  
13 March of 1975, '74, and which has been in effect in  
14 recent months under the committee established by Executive  
15 Order by the President. And that is something like this:

16 That a full meeting of that group would take place  
17 once a week. We now tend to meet or are available to meet  
18 on Thursday mornings for three or four hours and I would  
19 believe that such a committee comprised of on the union side  
20 the general presidents of the unions, and on the management  
21 side a combination of associate officers and individual  
22 contractors, representative of those associations that are  
23 engaged in collective bargaining, would meet once a week  
24 and could at that time make most of those decisions.

25 There would, of course, be a small staff. They could

1 meet in varying subcommittees if necessary, on particular  
2 cases to try to mediate solutions.

3 The meeting of the group as a whole once a week it seems  
4 to me is imperative because one of the principle things that  
5 happens in such a group is that each branch of the industry  
6 and each side learns about developments from the other. They  
7 talk about what is going on in Cincinnati or Spokane or whatever  
8 part of the country.

9 One seeks to identify from wage data an fringe benefit  
10 data those parts in the country where we have upcoming  
11 contract expirations and how to resolve them.

12 It is very much my -- I am not responding to your  
13 question, Mr. Chairman as a kind of theoretical point, I am  
14 responding on the basis of a group of men of that size who  
15 have met in that fashion for now almost five years.

16 Mr. Thompson. I know that that type of group, and a  
17 group that size is not unique in the Federal Government and that,  
18 as you suggest, is a possibility -- indeed, it would seem to  
19 me almost a necessity -- of breaking into subcommittees and  
20 meeting once weekly, that this could be a very salutatory thing.

21 As a matter of fact, I would envision it to be much more  
22 difficult with a smaller group because of the burden which would  
23 be placed on them. And for a further reason, Mr. Chairman.

24 It is important for each of the major sectors of the  
25 industry and branches of the industry to be in touch with  
each other. A great deal of our problems arise because, say,

1 the plumbing branch of the industry or the sheetmetal branch  
2 of the industry or the electrical branch of the industry or  
3 the bricklayer branch of the industry looks at their problems  
4 in isolation when as a matter of fact they are very much  
5 a part of thier whole industry and one of the principal  
6 purposes of a committee of that size is so that they each know  
7 of the developments and can relate to this larger set.

8 Mr. Thompson. Mr. Secretary. in Section 3-A there is a  
9 provision that -- to quote the section, "All actions of  
10 the committee shall be taken by the Chairman or the Executive  
11 Director on behalf of the committee." Is it contemplated  
12 that the Chairman or the Executive Director in a sense be  
13 the decision-maker under the policies laid down by the  
14 Commission?

15 Secretary Dunlop. Well, we again have had four or five  
16 years of history on this matter. Our practice would be, I  
17 think, or the practice of the committee as I envisage it, would  
18 be that the question of whether to talk jurisdiction or  
19 not in a matter would be a matter which would be decided by  
20 the committee itself either in the specific case or by a  
21 category of cases which the committee itself would lay down and  
22 in which case the Chairman or Executive Director would be  
23 acting on the specific instructions of the committee. This  
24 is not an indication, as I perceive it, in which the Chairman  
25 is acting kind of independantly of the committee but would be

1 acting under the instructions of the committee either in  
2 the specific case or category case.

3 Mr. Thompson. In other words, if I can make it simpler  
4 for my own self, the committee as a whole would meet, set forth  
5 or establish policy decisions which in turn would be relayed  
6 through the Chairman to the Executive Director who at that  
7 point obviously would have gone through that process, have  
8 the operating authority. Is that correct?

9 Secretary Dunlop. That is correct. Let me illustrate,  
10 Mr. Chairman.

11 The committee might reach the conclusion after looking  
12 over all the cases, let us say in the country that we are  
13 going to expire in March, that the four or five most important  
14 cities in the United States where there are problems were these  
15 half dozen cities. One might say we want to assume jurisdiction  
16 of all the cases in City A and these three or four in City B  
17 and so on and the Executive Director would then be instructed --  
18 because he would normally sit on the committee -- to carry  
19 those out, notify the parties that the committee had taken  
20 jurisdiction and then arrange for the separate craft boards  
21 to try to resolve them or on occasion arrange for hearings,  
22 groups to meet in Washington with the committee on the  
23 more important ones.

24 Mr. Thompson. Now, getting to the administrative thing,  
25 I assume that if there were differences between the Secretary



1 of Labor and the Chairman of the committee or of the committee  
2 itself, that they, that those would be resolved in a meeting  
3 in one of the meetings to which you refer.

4 Section 3-B provides that the Secretary shall appoint the  
5 staff to carry out the committee's functions. Do you contem-  
6 plate that these will be Labor Department personnel assigned to  
7 or delegated to assist in the function?

8 Secretary Dunlop. Yes. My contemplation, Mr. Chairman,  
9 is as follows: That the top of the staff, say the Director,  
10 one would want to discuss fully, if I were involved as  
11 Secretary, with the committee, the one or two top people in  
12 that staff with the committee and get their general approval  
13 of it because if they are to work effectively with the committee  
14 they must be acceptable.

15 Then my notion is that the rest of the staff -- and it  
16 would not be large -- would be drawn from present Labor  
17 Department staff, the operation would be housed there, it would  
18 supplement, for example -- it would interface with the  
19 computer program of wage data and fringe benefit data which  
20 we have been collecting now, drawing out of the previous  
21 stabilization efforts, and that is my view of how it works.

22 Mr. Thompson. I would assume, as counsel points out,  
23 that on page 10 of the bill, on Section C, beginning on line 18 --  
24 I will go to line 21, that where it says, "Only a civil action  
25 for equitable relief brought by the committee in a district

1 court according to the procedures set forth by Subsection (d)"  
2 -- and so on -- would necessitate the presence of a legal  
3 staff.

4 Secretary Dunlop. Let me say a word about that, Mr.  
5 Chairman more generally, then your question might be  
6 quickly responded to. If I thought that this proposal would  
7 engender a great deal of litigation or if I thought litigation  
8 was a significant tool in measuring the purposes of this Act  
9 I would never have made the proposal.

10 Now, there is a very limited purpose, as I see, of  
11 litigation in this situation. Sometimes people might not give  
12 notice as they may not now under the National Labor Relations  
13 Act, and some relief for that is appropriate or if conditions  
14 are changed inappropriately under the provision of this you  
15 might have some litigation, but that emphasis it seems to  
16 me kind of distorts its fundamental purpose, the emphasis  
17 on that.

18 I recognize it was there. The fundamental purpose is  
19 to get the national parties to work together on these  
20 disputes and if any one thought you could accomplish that by  
21 a formal regulatory or litigation process, I am here to tell  
22 you it can't be done. This has got to be done by the parties  
23 nationally working together.

24 Mr. Thompson. I hasten to agree with you there. We  
25 have a number of our colleagues here. I have more questions

1 but I think I should use no more time now and I will yield  
2 to my distinguished co-sponsor, Mr. Quie.

3 Mr. Quie. Thank you, Mr. Chairman, and Mr. Secretary.

4 I appreciate your testimony in preparing this legislation.  
5 I know we talked at some length for a few months this year  
6 about the possibility of this legislation. In fact, I became  
7 first aware of it, with your work when it was contemplated  
8 you would be coming up to testify on H. R. 5900.

9 While I recognize that many employer groups have stated  
10 very emphatically that any acceptance of H. R. 9500 does  
11 not mean that they then accept H. R. 5900, that you have  
12 performed a very valuable service in bringing about this  
13 hopeful improvement of collective bargaining so that the  
14 settlements will come easier and the problems that exist in  
15 the industry will not be as great.

16 I am also pleased that we do have a bipartisan support  
17 for this legislation with which we can progress.

18 I have a few questions, Mr. Secretary, that I would  
19 like to ask because it is time that we discuss these before-  
20 hand so we are not surprised when the legislation is enacted  
21 and it comes into being.

22 It may help everyone if it can be discussed now and you  
23 are the most knowledgeable person in the country on this  
24 legislation.

25 Secretary Dunlop. Let me make a general comment to you.

1 I am happy to answer such questions as you put to me today.  
2 I am quite happy because in my own view of the matter, it is  
3 important to be available to meet with Members of this committee  
4 in their offices or other places to pursue particular points  
5 further.

6 Mr. Quie. Along the line of what the Chairman asked you  
7 about the committee meeting and talked about the history of  
8 a similar committee operating in weekly meetings, how about  
9 the rules for such things. Would a quorum be necessary and would  
10 you have to have votes? Is that going to be established  
11 in regulations by you? Is it going to be established by  
12 the committee once it is set up and then I would ask what  
13 about quorums and voting and so forth.

14 Secretary Dunlop. Mr. Chairman, the text of the bill --  
15 Mr. Kilberg, I am sure, will find the precise section for me --  
16 specifies that the committee shall be authorized to establish  
17 rules and procedures. They would be published in the regular  
18 fashion in which such rules and procedures are promulgated.

19 Under Section 3-C the committee may from time to time  
20 promulgate such rules and regulations as may be necessary and  
21 appropriate to carry out the purposes of this Act.

22 My notion is that one of the first chores the committee  
23 would do after meeting would be to set forth the normal  
24 kinds of rules about calling a meeting, quorum and so forth.  
25 All of those matters would be specified in the rules. My

1 notion is that they would be adopted by the committee and  
2 promulgated as a counsel will advise me either by the Labor  
3 Department or by the Secretary in behalf of the committee.

4 Now, the voting matter I suppose I should respond this  
5 way to. It would be my experience and my hope that 99 percent  
6 of the activities of this committee would be by unanimous  
7 consent since one is trying to resolve disputes. There is  
8 no authority to specify what the terms and conditions of  
9 employment would be. It is a question of take a jurisdiction  
10 or not, the procedures to work things out.

11 In the case of a divided view about a matter, it would  
12 then be the custom for the neutral members perhaps to cast  
13 a vote on such a divided question as to whether to take  
14 jurisdiction or not, but that seems to me in those circumstances  
15 should be spelled out in the rules rather than proscribed  
16 by legislation.

17 Mr. Quie. Whatabout the two ex officio members?

18 Secretary Dunlop. They would be non-voting members.

19 Mr. Quie. From your experience with the previous  
20 committee how long would you expect the committee to take in  
21 order to act once they get a notice that within 90 days there  
22 is going to be an expiration or modification of the contract?

23 Secretary Dunlop. Well, the committee, as this bill makes  
24 clear, Mr. Quie, might decide that it did not want to take  
25 jurisdiction, let nature take its course, let the local parties  
handle the matter as they have been handling it, in which



1 case it decides and that is the end of it or it decides that  
2 it wishes, the case is of sufficient significance under the  
3 criteria that are spelled out in the statute, it may say, we  
4 will take jurisdiction and promptly refer it to the craft  
5 board or other disputes machinery in that branch of the  
6 industry or it may say this is a significant case, we will  
7 handle it ourselves.

8 Or after a craft board has handled it for a few weeks,  
9 we will handle it. One of the purposes of the weekly meeting  
10 of the committee, Mr. Quie, is that in this industry time is  
11 everything and you have to keep absolutely on top of this.  
12 This is a case in which the development of a backlog is simply  
13 impossible. So I would say that the committee would decide  
14 these matters on a weekly basis or shorter.

15 Mr. Quie. In other words, when they receive it within  
16 that day they would decide whether to ---

17 Secretary Dunlop. My view is within the course of the  
18 week.

19 Mr. Quie. What would you expect of the NLRA that would be  
20 preempted by this?

21 Secretary Dunlop. Mr. Quie, that is a question that  
22 apparently has concerned a lot of legal professions with which  
23 I have talked and perhaps let me give you a general answer  
24 and if you wish to pursue specific questions about it maybe  
25 Mr. Kilberg can answer it.

1 My view is that as a practical matter this leaves the  
2 operation of the National Labor Relations Board in the  
3 construction industry exactly as it is now and it is not  
4 intended to change it.

5 For example, the question of what is an unfair labor  
6 practice about picketing or what is an unfair labor practice  
7 with respect to discharges and all those sorts of things are  
8 not in any way changed by this.

9 This does not deal with jurisdictional disputes which  
10 are the subject, as you know, of separate statutory provision,  
11 Section A-B-4-D. There is a voluntary machinery in the  
12 industry. This bill is only dealing with disputes over the  
13 terms of collective bargaining agreements as they are re-opened  
14 or as they expire from time to time.

15 My general answer to you is that it was -- and it is  
16 certainly my intention and in all the discussions that I have  
17 had with both sides, the union fellows and the management  
18 fellows over these last several months -- is this would  
19 leave the National Labor Relations Board in the same posture  
20 as it was before.

end

Goldstein

McGrath

fols

2:30 p.m.

end ms

fols

24

25

McGrath

fls

stn

2:30p

1 Mr. Quie. If the Committee decides to take jurisdiction  
2 during that period of time I understand the extension is for  
3 90 days.

4 Mr. Kilberg. Sixty under the old agreement and 30 more.

5 Mr. Quie. Thirty under the new?

6 Mr. Kilberg. Thirty extension.

7 Mr. Quie. And then during that period of time is the  
8 NLRB preempted from the injunctive process?

9 Mr. Kilberg. No.

10 Mr. Quie. What about the Federal Mediation and Concilia-  
11 tion Service, does the Committee have precedence over them  
12 if they decide to take Option No. 2?

13 Mr. Kilberg. The answer to that, I think, is this status  
14 is not in any way intended to take statutory responsibility  
15 out of the Federal Mediation and Conciliation Service.

16 Section 9(b) says, "The Committee and the Mediation and  
17 Conciliation Service shall regularly consult and coordinate  
18 their activities to promote the purpose of this Act."

19 I would point out to you the Director of the Federal  
20 Mediation and Conciliation Service and the Secretary of Labor  
21 are ex officio members for the express purpose -- we are both  
22 concerned with mediating these matters. The committee might  
23 very well urge the Mediation Service it should have a  
24 representative of the mMediation Service typically sitting in  
25 all of its meetings. They would say get the mediator out there



1 in Spokane, Jackson, Mississippi to do this, or do that, or  
2 the line of communication would go down through the national  
3 unions or national associations.

4 I can tell you we have been doing this, we did it through  
5 the last four or five years. At the present time Mr. Usery  
6 with the President's Committee, and I, can assure you in his  
7 behalf he is fully in support of this legislation.

8 Mr. Kilberg. Let me back up to the National Labor  
9 Relations Act question. We are very conscious of this Act  
10 as it relates to the National Labor Relations Act. As the  
11 Secretary indicated, it would not preempt that Act. Certain  
12 provisions in this bill, particularly parts of 4(a) and  
13 section 4(c) were lifted into it from the Taft-Hartley Act, and  
14 that was done to provide a degree of symmetry, but it may  
15 provide a degree of overlap. It was to apply a degree of  
16 symmetry referring back to the Taft-Hartley Act.

17  
18 The only situation where we can envisage there might be  
19 some situations arising under this Act is with the question of  
20 involvement of national  
21 able to agree to a collective bargaining agreement without the  
22 approval of its International. In that context a situation  
23 might arise where an employer filed an AB-5. But we have been  
24 doing some research under the National Labor Relations Act and  
25 we find the same situation arises now because the local union

1 has as part of the international constitution it is required  
2 to clear its local agreements with the International and the  
3 NLRB accepted those and found no refusal to not bargaining in  
4 those cases. We see no opportunity for conflict.

5 The questions which the NLRB handle still remain with the  
6 NLRB. They are not affected by this statute.

7 Mr. Quie. This Act then doesn't change the National Labor  
8 Relations Act in any way except the requirement that the new  
9 contract has to be approved by the national union?

10 Mr. Kilberg. That doesn't change its NLRA. That adds a  
11 separate statutory requirement. There is a provision of  
12 the bill that says the national union will not be liable  
13 criminally or civilly for its approval of a collective bargain-  
14 ing agreement. That is absolutely essential to the operation  
15 of this statute, but that is not a change in the Act.

16 Mr. Quie. Going through the Mediation Service, when the  
17 committee takes jurisdiction, it has two options or the combina-  
18 tion of both options in that, one, a turning over to the vo-  
19 luntary national craft or branch board, and the second is for  
20 the committee itself to meet with the parties themselves.

21 Mr. Kilberg. Yes.

22 Mr. Quie. Now, if it becomes necessary to use FMCS, would  
23 the committee -- and option 2 was a part of it -- would the  
24 committee then be a party to deciding whether to call in  
25 Mediation?

1  
2 Secretary Dunlop. As a practical matter, Mr. Quie, since a  
3 representative of the Mediation Service would be sitting with  
4 the committee in all of these matters, my view is that the  
5 committee would some time say, "Well, we don't want to make  
6 jurisdiction of that matter, let the Mediation Service handle  
7 it a little longer before we do."

8 Or it might say, "Why doesn't the Mediation Service get  
9 on the phone and find out what its local mediator thinks about  
10 the situation."

11 The National Mediation office may be saying one thing,  
12 the employers' national association another. We may want a  
13 third position on that and may ask the Mediation Service to  
14 get it. I think you would find they would be working very  
15 closely together.

16 The mediation people would be working closely with the  
17 committee, sometimes the so-called neutral members. I would  
18 think of them myself as persons I would not want, that is,  
19 people to be neutral members of this committee, Mr. Quie,  
20 unless, so to speak, they were qualified to be members of  
21 the Mediation Service where they are working full time at it.  
22 They would have the same skills, indeed, more specialized  
23 skills in this industry.

24 Mr. Quie. The last question I would like to ask, suppose  
25 the notification was given more than sixty days prior to the  
termination, let's say it was 90 days, does the committee have

1 a broken jurisdiction then? You would have 60 days and then  
2 there would be 30 days where they wouldn't have a voice, and  
3 then again 30 days. How would that work out?

4 Mr. Kilberg. Let me attempt to explain that. In picking  
5 up some language from Taft-Hartley, in section 4(a) in sub-  
6 paragraph 5, "The parties shall continue in full force and  
7 effect without resort to strike or lockout, all the terms and  
8 conditions of the existence of collective bargaining agreement  
9 for a period of 60 days after the notice required by this  
10 subsection is given, or until the expiration of such collective  
11 bargaining agreement, whichever occurs later."

12 What we mean is this: If notice were given to us 90 days  
13 before the expiration date, the 30-day no-strike provision would  
14 not actually begin to run until the date of expiration. So, in  
15 other words, you would have in effect a total of 120 days.  
16 You would have 60 days, but that 60 days would be extended  
17 because the expiration date was 30 days later and then 30 days.

18 By the same token, if the committee took jurisdiction of  
19 a matter, say a normal 60-day notice period was given and  
20 the committee were to take jurisdiction on the 70th day, the  
21 no-strike or no-lockout provision would run for only 20 days,  
22 a maximum of 90. So what you have is the period up to expira-  
23 tion, which has to be at least 60 days plus 30.

24 Secretary Dunlop. Up to 30.

25 Mr. Quie. So in the latter one, the possibility there

1 would be in the first instance the committee would decide not  
2 to take jurisdiction and they would find out later they would  
3 take jurisdiction, and you would have that 30 days only running  
4 after expiration.

5 Mr. Kilberg. That is correct.

6 Mr. Erlenborn. You just made reference to a certain  
7 section -- what was that reference that would provide a tolling  
8 of the running of time, say the notice was given 90 days before  
9 expiration?

10 Mr. Quie. Page 5, lines 3 through 8 is what he was reading.

11 Mr. Kilberg. You have a 60-day notice period and then you  
12 have a 30-day no-strike or no-lockout period after 30 days, or  
13 up to 30 days. That is referred to as 90 days, referred to a  
14 total of 90 days throughout the period. What we are referring  
15 to is 60 plus 30. What we mean to indicate is that later 30  
16 days, the total 90 doesn't begin to run until the expiration  
17 date or later.

18 Mr. Ford. How did you get that to 120?

19 Mr. Kilberg. The example I gave was Mr. Quie's example.  
20 The notice was given 90 days before expiration. The union or  
21 employer gave an additional 30 days notice, 30 more than they  
22 have to. Our intention is, just as the Taft-Hartley language  
23 has been interpreted in 8(d), the total period would be 30  
24 days after expiration.

25 Secretary Dunlop. That is a key point. The key point is we

1 are talking about up to 30 days after the date of expiration  
2 of the contract.

3 Mr. Ford. Why don't we consider redrafting so it says  
4 that? There are several of us up here who are not looking at  
5 this kind of legislation for the first time and we have some  
6 counsel that are underpaid but overtrained, and it has taken  
7 us all this time to figure out what this says here -- he just  
8 said the statute -- instead of having to work it out with this  
9 kind of reasoning.

10 Mr. Quie. I defer to the gentleman from Illinois.

11 Mr. Erlenborn. I thank the gentleman for yidding.

12 I had trouble with this section and don't have the trouble  
13 resolved by reference to page 5. Throughout section 5 you  
14 talk about the 90-day period running and the serving of the  
15 notice and you don't have any provision for tolling the  
16 running of that 90 days. And you have no limitation in  
17 section 4(a) as to when that notice is given, as to how early  
18 it may be given.

19 You say it must be given at least 60 days before expira-  
20 tion. It seems to me a clear interpretation of the language  
21 before us in the bill would allow notice to be given 120 days  
22 before expiration. That time when the notice is served begins  
23 the notice of the 90 days in section 5 so the authority of  
24 the committee would expire 30 days before the contract expired.

25 I don't see any language here on lines 3 and 4 that tells

1 the running of the 90 days.

2 Mr. Kilberg. That was in fact our intention, to toll it.  
3 We were reading the language in 4(a) to tolling of the 60 days  
4 before expiration as the key point. The reason we refer to  
5 the 90 days is because of the other example I gave Congressman  
6 Quie, that is the situation where the committee takes juris-  
7 diction 70 days after notice was given. The no-strike no-  
8 lockout period would then run only for an additional 20 days so  
9 you have a maximum of 90 days, assuming that notice was given  
10 appropriately 60 days before expiration.

11 Mr. Erlenborn. I think you have taken a good deal of time  
12 in drafting this bill -- I know throughout the month of  
13 August, part of July -- and it seems to me something as crit-  
14 ical as the time element here would be carefully thought out,  
15 and it seems to me the language is quite clear.

16 All these references to the length of time in which the  
17 committee has jurisdiction is 90 days from the serving of the  
18 notice and there is no limitation on how early that notice can  
19 be served, and it seems to me you are not by any interpreta-  
20 tion of this language necessarily giving the committee  
21 jurisdiction beyond the termination of the contract.

22 Any clever lawyer for employer or employee group would  
23 advise their client to serve the notice at least 90 days before  
24 expiration and avoid the additional 30-day period.

25 Mr. Thompson. Will the gentleman yield.

1 Mr. Quie. I yield to the Chairman .

2 Mr. Thompson. I want to avoid any confusion that there  
3 is any intent in this legislation to amend the National Labor  
4 Relations Act. The 60-day notice in the National Labor Rela-  
5 tions Act relates to the employees' specific notice to the  
6 employer, to the opposite party, of 60 days.

7 I think that if counsel, or the Solicitor, would restate  
8 the time elements involved here from the beginning, that this  
9 question would be thereby clarified. If not, I am sure  
10 Mr. Ford of Michigan will be glad to assist.

11 Mr. Kilberg. Our intention is to have a period running  
12 from 60 days prior to expiration until 30 days after expiration

13 Mr. Thompson. For a total of 90 days.

14 Mr. Kilberg. If notice is given prior to that 60-day  
15 period, it is our intention that that second 30-day period would  
16 not actually begin to run until the day of expiration.

17 Mr. Quie. We also take then the first 60 days. Does  
18 that begin before the 60 days before expiration, or does it  
19 begin to run at the time the notice was received?

20 Mr. Kilberg. The first 60 days begins to run at the time  
21 the notice is received and will run --

22 Mr. Quie. No, because you will have a gap in there  
23 or else have longer than 90 days.

24 Mr. Thompson. Between you and I we are sort of computing  
25 like a confused obstetrician. Let's get this staightened out.



1 Mr. Kilberg. The language talks about a period of 60 days  
2 after the notice is given, or until the expiration of such  
3 collective bargaining agreement, whichever occurs later.

4 Mr. Thompson. It is 60 days from the point that notice  
5 is required under this Act.

6 Mr. Quia. As I understand this, if the notice is  
7 given 90 days prior to the expiration, the committee can then  
8 have jurisdiction for 90 days prior to the expiration and 30  
9 days after the expiration. Am I correct in that?

10 Mr. Kilberg. That is correct, if somebody gives notice 90  
11 days prior to expiration, then the committee would have juris-  
12 diction for that 90 plus 30.

13 Secretary Dunlop. Mr. Chairman, I think perhaps we need  
14 to have the legal profession, the committee and the Department  
15 kind of work it over if there is a problem in the language.

16 My own view is there is absolutely no doubt and never has  
17 been any with respect to the intent. The intent is that there  
18 is now an obligation 60 days before the expiration of the  
19 agreement, or its reopening, or its effective date of reopening  
20 That is a period the committee would like to have, and 30 days  
21 thereafter, up to 30 days thereafter. That is all we are talk-  
22 ing about. It is a very simple idea.

23 Mr. Thompson. I would like the record to show the Chair  
24 agrees precisely with the Secretary on that point.

25 Mr. Ford.

1 Mr. Ford. I think I am beginning to understand, but now  
2 I have a problem with it. That is what usually happens when  
3 you start to read these bills.

4 The national Labor Relations Act has a clearcut 60-day  
5 notice provision precedent to striking to the opposite party.  
6 Forgetting that is in place for just a minute, we now have a  
7 complete new, separate Act that says as a condition to striking  
8 you shall give notice under this Act to the opposite party  
9 and to other parties, any parties.

10 As a matter of fact, the employer could give that notice  
11 any time he wanted and the right to strike is suspended during  
12 the entire period from then until when the agreement would have  
13 concluded, is that correct?

14 The maximum time he can suspend the right to strike, or  
15 the right to strike is suspended under the National Labor  
16 Relations Act, is 60 days. Right?

17 Mr. Kilberg. Right.

18 Mr. Ford. This Act says on page 5 no matter when the  
19 notice was given you would not have a strike or lockout from  
20 then until 60 days or until the expiration of the contract,  
21 whichever is later.

22 Mr. Kilberg. This is identical to the Taft-Hartley Act.

23 Mr. Ford. If one party gives notice six months before the  
24 negotiations they want to reopen, from that six months period  
25 on you can't use a strike as a way to force reopening. It is

1 not any longer a 60-day period, it is whatever time there is  
2 between the time that notice goes out.

3 Mr. Kilberg. That language and the Taft-Hartley language  
4 are identical and would be interpreted in identical fashion.  
5 The only difference you have here is the 30 days beyond  
6 expiration.

7 Mr. Ford. If you look at page 5 of the bill, that is the  
8 way it reads.

9 Secretary Dunlop. But the intent is --

10 Mr. Ford. I think I understand the explanation of what  
11 you intended to say, but that is not what the bill says.

12 Secretary Dunlop. Mr. Kilberg is making the point that  
13 is the precise language of the Taft-Hartley Act, and you are  
14 now telling me you have problems with the way the Taft-Hartley  
15 Act is written. We have no difference in fact with how it  
16 works, and we want it to work for the first 60 days in the  
17 same way.

18 Mr. Ford. No, it doesn't have that language in it. The  
19 qualifying language in your bill that is not in Taft-Hartley is  
20 "or until the expiration date, whichever comes later".

21 Mr. Kilberg. No, that is in the Taft-Hartley law.

22 Mr. Ford. Then it is your intention that this language  
23 be interpreted as it was interpreted by the NLRB in the past?

24 Mr. Kilberg. That is correct. That is why we used the  
25 identical language to Taft-Hartley, so you have a 60-day period

1 plus an additional up to 30 days.

2 Mr. Erlenborn. Page 5, lines 3, 4, and following, is that  
3 also taken from the NLRA?

4 Mr. Kilberg. I don't have the same copy you have.

5 Mr. Erlenborn. It says the parties shall continue in full  
6 force and effect without resorting --

7 Mr. Kilberg. That is the language I am quoting from Taft-  
8 Hartley.

9 Mr. Erlenborn. Doesn't it mean to say -- I don't know  
10 what it does say, I don't have a copy here -- the agreement  
11 shall remain in full force and effect rather than the parties?  
12 I don't think any of the parties would cease to exist during  
13 this period of time.

14 Mr. Kilberg. The language is identical. All we are saying  
15 is the parties shall continue in full force and effect all the  
16 terms and conditions of the existing bargaining agreement.

17 The only difference in the language is in Taft-Hartley it  
18 says "Continues in full force and effect all the terms of  
19 the existing contract." We can use contract, but it is the  
20 same language.

21 Secretary Dunlop. The point, Mr. Chairman, is that the  
22 language that has been used here was drafted to use the language  
23 used in the National Labor Relations Act, as amended, and our  
24 intention with respect to the 60-day part of this is that it  
25 shall be interpreted in the same way.



1 Mr. Thompson. I agree. This is a highly technical aspect.  
2 It ignores, for instance -- as it should, because we are not  
3 trying to amend the NLRA as amended -- the fact that at any time  
4 if an unfair labor practice, for instance, is committed, there  
5 can be a strike as distinguished from economic differences.  
6 And we don't want those apples and pears mixed here.

7 Mr. Ford. That clears up the purpose of the kind of  
8 strike during the period of time is limited to renewal or re-  
9 opening.

10 Now, going back to section 5(a) and trying to read it  
11 fast without taking every word and highlight it -- as staff  
12 has finally done for me, so it really had me confused -- in  
13 the event the Committee has received notice pursuant to  
14 section (a), it may take jurisdiction of the matter by  
15 transmitting written notice, so on and so forth, within 90  
16 days following the giving of notice. Now, that seems to tie  
17 your 90-day period to the actual giving of the notice.

18 Wouldn't it be better if we said within 90 days within  
19 which notice may be given? Start the 90 days running from  
20 whatever the section dictates and run it 90 days from there,  
21 instead of saying from the time the notice is actually given?

22 Mr. Kilberg. If appropriate, I think it would be a good  
23 idea if I sat down with the counsel of the Committee and clari-  
24 fied that language. Obviously the bill is not as clear as we  
25 would all like it to be.

1 Mr. Ford. I think we could all agree on that quickly,  
2 that you intend 90 days before the closing. If we said that  
3 instead of 90 days following the giving of notice we wouldn't  
4 be worried about the one hundred twenty, and this other business.

5 Mr. Quie. I want to clear up an answer Mr. Kilberg gave.  
6 He gave an answer that if the notice was given 90 days before,  
7 the committee could have jurisdiction for that 90 days, plus  
8 a 30 days. It is my understanding by the conversation now  
9 that even if the notice was given 90 days beforehand, or 120  
10 days beforehand, the committee's jurisdiction would run 60  
11 days before and 30 days after.

12 Mr. Kilberg. That is correct.

13 Mr. Quie. For a total of 90 days. Then it fits with  
14 NLRA as I read that and it fits with the understanding of  
15 what we were doing in this Act, and it fits with section 5  
16 of this Act, which you were reading.

17 Since we don't want to amend NLRA, that puts it in  
18 acceptable form.

19 Mr. Kilberg. That is correct.

20 Mr. Ford. In the Secretary's statements on page 6,  
21 beginning on page 6, where you are talking about the practice  
22 under Executive Order 11588 of the Economic Stabilization  
23 Committee, is that what it was called?

24 Secretary Dunlop. Construction Industry Stabilization  
25 Committee.

1 Mr. Ford. You point out in your statement that a salutary  
2 effect achieved was that by involving national unions in the  
3 collective bargaining process that you could broaden the base  
4 of wage and other economic demands to get a greater degree of  
5 uniformity.

6 Without having said so, when you made the balance of your  
7 statement for the next couple of pages, it sounds like you are  
8 suggesting that you would expect that this process would result  
9 in something getting closer and closer to national contracts  
10 in the industry and, since on balance the rest of your state-  
11 ment seems to deal with wage demands, you use an expression  
12 like leapfrogging, that one area or trade of the country -- I  
13 think your language was -- gets a hard settlement and somebody  
14 else feels challenged by that to do better, or another trade  
15 is challenged to maintain the relationship of their pay scale  
16 and benefits scale to what it traditionally has been with that  
17 trade that just got the new agreement.

18 Now, it would seem to be, on the basis of the experience  
19 we had in the steel industry in the national contracts, that  
20 you are not likely to get national or large regional settle-  
21 ments that are lower than the highest one in that area. There  
22 was no experience where they brought anybody down to get a  
23 national level, they brought everybody up to it.

24 The change in the South was very dramatic once they went  
25 to national contracts. Isn't it just as likely this is going

1 to produce for some of the trades in some areas of the country  
2 a substantial increase to come up to those areas of the country  
3 where they are doing so much better?

4 Secretary Dunlop. I don't think so, Mr. Ford.

5 Let me say that I think we are here dealing with a  
6 situation which is very, very much fragmented as compared to  
7 anything in the so-called basic steel industry. Let me sug-  
8 gest to you, for example that, as the testimony makes clear,  
9 you may have 50 or 100 agreements that were given in a given  
10 State.

11 I therefore think maybe if you consolidate those by cutting  
12 down a few, the distance between that and national margaining  
13 is so far that I can not envisage one leading to another.

14 As a matter of fact, as the very opening statement of my  
15 summary makes clear, all of us who know the industry believe  
16 it is terribly important to preserve a great deal of localism,  
17 a great deal of local circumstances and so on. There is cert-  
18 ainly no thrust toward a single rate or a thrust in a State  
19 gradually, or a single rate over wide regions of the country.

20 At the present time there are some crafts and branches  
21 which are national. There are some that are regional, and so  
22 on.

23 Also may I suggest to you that the problems in a region  
24 between the metropolitan areas and the surrounding more rural  
25 areas is a terribly important problem for collective bargaining.



1           As highways develop and people travel farther, how far the  
2 city rate travels into the surrounding county is a crucial  
3 question which the parties in each case ought to look at on a  
4 county by county basis.

5           What I am trying to suggest to you is that not only is  
6 there no notion of a national rate, or a national uniformity  
7 of wages and benefits. Now there may be some interest,  
8 Mr. Ford, in some branches of trying to standardize some of the  
9 conditions of work so you get more uniformity in working rules  
10 or more uniformity in the non-economic, so to speak, provisions  
11 in an agreement. I think most national and international  
12 unions might agree with that.

13           But the thrust of this being toward a national bargaining  
14 is one I am strongly opposed to.

15           Let me make a final comment to you. In the testimony  
16 you may receive from one of the employers' association, also  
17 engaged in bargaining, in the mediation process, Mr. Ford,  
18 some, or at least one of the employers' associations has urged  
19 a single uniform expiration date of all agreements in the  
20 industry. That is not a union proposal that is a management  
21 proposal.

22           I happen to be strongly opposed to that, largely on the  
23 grounds that it would permit a nationwide strike in construc-  
24 tion, which seems to me silly. But the thrust for greater  
25 uniformity of expiration dates is really a thrust on the

1 part of management in at least one of the associations.

2 Now, I do not perceive this as doing more than rounding  
3 out the edges of looking as to whether conditions have changed  
4 these few counties, or something of this sort, rather than any  
5 notion of a national pattern of settlement, or a uniform rate  
6 of settlement.

7 I mean the notion that one seeks in this industry to say  
8 five percent to everybody, or ten percent to everybody, or  
9 three percent, that kind of solution is just terrible in this  
10 industry because you must look at these differentials in  
11 structure.

12 Mr. Ford. I am not trying to quarrel with the merits of  
13 any particular thing that might be done. I am trying to  
14 determine your perception of the way in which this committee  
15 is going to function and the way in which it is going to  
16 influence the process of collective bargaining in the future.

17 If you look at page 4 of your statement you say during  
18 the 50's and early 60's wage relationships among the various  
19 crafts and local areas were comparatively stable. I take that  
20 to mean the difference between Detroit and St. Louis, which was  
21 much less in the 50's and 60's than it might be found in the  
22 70's, and the difference between plumbers and pipesetters was  
23 different in the 50's and 60's than in the 70's.

24 You take those distortions and attribute two of the causes  
25 to the fact there were different expiration dates and because

1 some parts of the country started to grow rapidly, a new  
2 demand made it possible to get higher wages. So the difference  
3 between crafts and the difference between areas became more  
4 dramatic. You go on to say one of the good things a former  
5 committee -- which I take it you think this committee will be  
6 like -- started to reduce or reverse that trend by getting  
7 those two factors, crafts and regions, differentials to come  
8 closer together.

9 As you go down through here it appears you would envisage  
10 this Committee doing that. If that is the case, I am just  
11 wondering if you envisage doing that by restraining additional  
12 demands in the high wage areas or by encouraging an increase  
13 in demands in the low wage area.

14 How do you propose to approach the reduction of that dif-  
15 ferential?

16 Secretary Dunlop. Let me say several things. Of course  
17 the prior committee -- this is not the same as the prior com-  
18 mittee in the sense the prior committee was a wage control  
19 committee under Act of Congress and Executive Order.

20 By the way, you see the desire to return those differ-  
21 entials to more customary and traditional and appropriate levels  
22 is kind of a necessary condition of stability. The reason one  
23 wants to do it, so to speak, is not because that is kind of  
24 the first objective, it is that such a condition is necessary  
25 for stability to be maintained because if those relationships

1 are not normal, or appropriate, whatever those words mean, than  
2 you will set in motion only the upward spiral with which we  
3 are concerned.

4 My notion is that the national people, working with the  
5 local people, will try to get those differentials to be much  
6 more kind of standardized, much more appropriate to those  
7 localities. The relation between the pipefitters and the  
8 sheetmetal workers, if you were working them out, you would  
9 not like to see those differentials so wide in one way or the  
10 other, so that they themselves tend to be a factor tending to  
11 make for an inflationary process, or the same principle among  
12 areas.

13 I suppose the answer is that if the interest was stabil-  
14 ization -- and I remind you there are no stabilization  
15 authorities here -- if the interest was stabilization I have no  
16 hesitation and find your question relatively direct and easy  
17 to answer: you always stabilize from the top down. Any time  
18 you go into a stabilization rate, you hold the high rate.  
19 Unless you do that, you can't stabilize anything.

20 I emphasize in the present situation that is not kind of  
21 a mandated responsibility, this is not a wage control or wage  
22 stabilization program.

23 Mr. Ford. Now, on page 7 you said with the Executive  
24 Order Committee -- the word it refers to -- "it gave special  
25 attention, where appropriate, to differentiation of rates by

1 crafts among branches of the industry, to the coordination  
2 of bargaining among crafts and branches within localities  
3 and to agreements providing for significant changes in the  
4 geographical structure of bargaining."

5 Do you assume this committee would also pay special atten-  
6 tion to that?

7 Secretary Dunlop. That is correct.

8 Mr. Ford. You said, "The committee also separately  
9 considered changes in working rules, refusing to approve most  
10 of those which were cost-increasing, and encourage those which  
11 decreased costs or resulted in increasing productivity."

12 Would you contemplate this committee would do the same  
13 thing?

14 Secretary Dunlop. I would certainly contemplate the new  
15 committee would seek to stimulate improvements in productivity  
16 and loes which help to reduce costs. The problem I am having  
17 with answering your question simply yes or no is that the  
18 sentence refers to "refusing to approve" and it is not this  
19 committee's responsibility to approve an agreement, you see.  
20 But in that direction, yes.

21 Mr. Ford. But presumably this committee is going to  
22 exert some kind of influence on the form that a collective  
23 bargaining agreement finally takes.

24 Secretary Dunlop. Hopefully.

25 Mr. Ford. And you are patterning this committee after

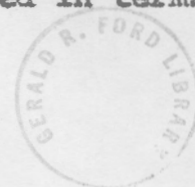
1 what you consider to be the successful actions of this previous  
2 committee and you consider one of the successes of that prev-  
3 ious committee the fact -- you could have said it a different  
4 way -- "it was our policy to refuse most of the changes that  
5 somebody asked for that would cost more money and to approve  
6 those that would cost less money".

7 That sounds a little bit one-sided as a principle to be  
8 guided by and leaves the question, suppose it is a safety  
9 question, cost then isn't the consideration, is it?

10 Secretary Dunlop. Mr. Ford, the committee is composed,  
11 was, and the new one would be, I trust, of very practical  
12 people in the industry. When I am using that kind of general-  
13 ized language I am speaking about the number of men on a  
14 piece of equipment, in particular types of work, I am referring  
15 to questions about certain types of high time rules, I am  
16 referring to special premiums for very special kinds of  
17 equipment.

18 It is that kind of cost increasing rules that I really  
19 had in mind and I certainly believe that the whole record of  
20 these committees over 35 years is certainly not in the direc-  
21 tion of giving any lack of weight to safety.

22 Mr. Ford. I am afraid taht that generalization is likely  
23 to raise the same kind of questions with other people as it  
24 does with me, because it suggests as a generalization that one  
25 of the successful things that was done was measured in terms



1 lessening cost to management and to the ultimate builder. I  
2 wonder why you generalize. Of all the other things you might  
3 have done, to generalize on the success the committee had in  
4 refusing most of those which were cost increasing and encour-  
5 aging those which decrease cost and resulted in increased  
6 productivity. Those are very desirable goals for any industry;  
7 however, they are usually goals we would expect to have  
8 advanced by management to be reacted to by their employees, and  
9 and here you characterize that as a function of this committee.  
10 And I am happy that you now characterize that as a loose  
11 generalization.

12 I would hope that is not a goal that you envision for the  
13 future activities of this committee.

14 Secretary Dunlop. I am happy to confirm one is concerned  
15 with safety problems. I might add in the area to which I was  
16 referring that committee previously was almost unanimous, and  
17 I would expect it to be so here.

18 Mr. Ford. Thank you very much.

19 Mr. Thompson. The gentleman from Ohio is recognized  
20 under what has become the 20-minute rule.

21 Mr. Ashbrook. By my count, the 25-minute rule.

22 Thank you, Mr. Chairman.

23 We have talked a little about the history of this bill  
24 and the drafting of this bill. I understand before you  
25 presented this bill another proposed bill was submitted to the

1 Building Trades Department of the AFL-CIO for comment and  
2 approval. Is that accurate?

3 Secretary Dunlop. No, this is the first bill drafted.

4 Mr. Ashbrook. No draft of any kind was presented?

5 Secretary Dunlop. No draft bill was presented to anybody.

6 Mr. Ashbrook. I am glad that is misinformation. I am  
7 glad we can at least pin that down. I picked that up several  
8 times and I wondered, if that were the case, what happens  
9 rejected.

10 I perceive several areas where I can determine some prob-  
11 lems. In 5(c), for example, page 7, lines 15 to 17, it was a  
12 failure to require a national employer organization to approve  
13 a contract of a local employer, which would be similar to a  
14 national union's approval. Was that an oversight, or done for  
15 any reason?

16 Secretary Dunlop, Mr. Ashbrook, since you seem to inquire  
17 into the history of this matter, I proposed that to the  
18 employees originally in the industry and they rejected it. I  
19 think they know they don't have the national capability of  
20 doing it and after several weeks of discussion they and I  
21 agreed it was not a practical solution in these situations.

22 Mr. Ashbrook. How can we tell the unions they have to  
23 do one thing and tell management they don't have to do the same  
24 thing?

25 Secretary Dunlop. I think the situation is this: that



1 there is a hundred years of history, Mr. Ashbrook, of the  
2 developments of the national unions in this industry that have  
3 constitutions, that have a history of their relationships with  
4 their local unions. I trust you are aware that the journeymen  
5 and apprentices who are involved in the union sector of this  
6 industry are members in the first instance of their national  
7 unions, they are not members of their local unions except in  
8 a derived way.

9 On the other hand, the national employers' association  
10 have no constitutions except one, that I know of, they have  
11 virtually no authority over their local associations and  
12 it is for that reason that they have felt -- while I happen to  
13 think a great deal needs to be done and this bill will  
14 facilitate over five years the development of more capacity,  
15 more staff, more competence on the part of the national  
16 associations to deal in bargaining, at this point in time it  
17 is their view and mine that the parallelism would not in fact  
18 be operative.

19 Mr. Ashbrook. I think you have answered my question  
20 directly and very well.

21 Mr. Chairman, did you have a question?

22 Mr. Thompson. Isn't it so, Mr. Secretary, that with  
23 respect to the unions themselves that the greatest majority  
24 of them have bylaws which are consonant with the objectives  
25 of this legislation and it would therefore be no real departure

1 as far as they are concerned.

2 Secretary Dunlop. You are talking about the national  
3 employers associations?

4 Mr. Thompson. No, the employees, the unions.

5 Secretary Dunlop. I have, Mr. Chairman, in the course  
6 of my own work in this field and this bill been over, had my  
7 staff go over each of the national unions involved here and  
8 the preponderant majority of them have authority to approve or  
9 disapprove agreements, have the authority to approve or dis-  
10 approve local stoppages of work.

11 Many of them have national strike funds under which they  
12 authorize or do not authorize local strikes.

13 Mr. Ashbrook. If that is the case, does this portion of  
14 the bill really change anything? If they already require it,  
15 what is the big deal in this bill?

16 Secretary Dunlop. First of all, if I may respond to your  
17 question, I would not have characterized the bill as a big deal

18 Mr. Ashbrook. I think it has been characterized as a big  
19 deal in the other sense of the word.

20 Secretary Dunlop. But more directly in response to  
21 your question, first of all, international unions differ widely  
22 in the nuances of their constitutions on these matters.  
23 Secondly, national unions differ widely in their willingness to  
24 use their authorities. Thirdly, national unions differ widely  
25 in a given time and place in which the national union officers

1 are prepared to use those authorities. And therefore it is  
2 my view, and I believe it to be the view of the national  
3 union leaders whom I have consulted in the national employers'  
4 associations whom I have consulted, that this would be a very  
5 constructive step toward the improvement of collective bargain-  
6 ing in this vital industry.

7 Mr. Ashbrook. Talking about the nuances, one of the  
8 problems that might be implicit in this bill -- again you have  
9 to think ahead to how something will be implemented -- if  
10 the national union has the power under this bill to veto a  
11 contract, in fact allowing them to tell a local union this is  
12 not consonant with the goals set out by the committee that  
13 we have agreed to, et cetera, however this committee will work,  
14 I would like to get into that because I am not so sure I know  
15 how this committee will work.

16 I would like to have that side of the coin. On the other  
17 side of the coin is there possibly the power to insist on pr  
18 ovisions in a contract at the local level? Could you answer  
19 that, Mr. Kilberg?

20 Secretary Dunlop. There is no authority specified in this  
21 bill with respect to the international authority to require  
22 it to approve agreements.

23 I refer you particularly to section 5(e), which says,  
24 "Nothing in this Act shall be deemed to authorize the com-  
25 mittee to modify any existing or proposed collective bargaining

1 agreements.

2 The committee can't say, "You know, you have to change the  
3 agreements", or something that would be a form of control, as  
4 I see it.

5 Mr. Ashbrook. But it wouldn't be like the judge who can  
6 say, "We accept the jurisdiction if you reduce it from 200,000  
7 to 100,000."

8 You don't think there is any of that kind of power involved  
9 in it?

10 Secretary Dunlop. You are talking of the national union,  
11 not the committee.

12 Mr. Ashbrook. Yes, I am talking of the national union.

13 It surely isn't written in there, that is why I raise the  
14 possibility. It is almost implicit if you have the final  
15 say to reject, often you have the final say to insist something  
16 go in.

17 Secretary Dunlop. I think it is.

18 I think I should be open about the intention. I think  
19 it is explicit the intention is to provide, and the very  
20 purpose of it, in my mind, the national union leaders have a  
21 significant role in the final terms and conditions of employ-  
22 ment prevailing in local agreements.

23 end gl

24 ms fls

25

ms-1  
fols  
1

1 Mr. Ashbrook. I am not sure I understand that but it  
2 is a little different from what you said originally. I think  
3 we are recognizing the possibility that there is more in both  
4 the escalation of authority to the national union, whether  
5 it has been there, whether it has been exercised or not, the  
6 intent of this bill is clearly to bring the local problem to  
7 the national, both in the sense of the union itself and the  
8 committee. I guess the thing that concerns me is implicit in  
9 that is the ability to not only reject but also to insist on  
10 provisions at the local level.

11 Mr. Ford. Will the gentleman yield?

12 Mr. Ashbrook. Certainly I will.

13 Mr. Ford. I am in agreement with your intent, the record  
14 ought to be pretty clear on it. If for example local customs  
15 in an area that had not for a very long time been unionized,  
16 if they were about to enter into contracts and because of  
17 local habits were writing a soft contract, it is clearly  
18 understood the national union could refuse to allow them to  
19 go ahead with that contract if it was not consistent with the  
20 pattern in other parts of the country for minimal kinds of  
21 working conditions and so on?

22 Secretary Dunlop. I guess what Mr. Ashbrook is saying  
23 to me, the bill explicitly says if the committee has asked  
24 the international union and the national employers  
25 associations to participate in these negotiations, the terms

2 1 and conditons of employment agreed upon may not take effect  
3 unless they have been approved by the international union.

4 You are now saying to me that gives the international  
5 union some influence over what goes into those agreements,  
6 and I agree with that, that is the purpose.

7 Mr. Ford. What I am trying to do is get you to say  
8 directly that the power of the national union or, as the bill  
9 calls it, the standard national construction labor organization  
10 has an absolute power which not only includes the power to  
11 restrain unreasonable demands by a local union but to prevent  
12 a local union from entering into a sweetheart contract because  
13 of the mores and folk customs in the area where that union is  
14 located.

15 Secretary Dunlop. That is a possibility.

16 Mr. Ford. Would you consider that a legitimate reason  
17 for a parent union to deny approval of a contract because they  
18 felt that local union was too green and they had not negotiated  
19 a strong enough contract?

20 Secretary Dunlop. Yes.

21 Mr. Ford. Thank you.

22 Secretary Dunlop. Now, let me comment, though, on both  
23 of the questions that you have raised by saying that, as  
24 a practical matter, actions often thereby set up discussions  
25 between the national union and the local people who are  
affiliated, and my sense of those matters is that the kind

3 1 of difficulties that sometimes arise have been somewhat  
2 exaggerated and it does seem to me what happens is a further  
3 understanding of what is appropriate for that area and in the  
4 end these matters are worked out without very much difficulty.

5 Mr. Ashbrook. Again, maybe there is a possibility that  
6 will happen, too.

7 I have a lot of concerns about the bill. A couple of  
8 questions specifically.

9 Say a party gives notice under 8(d) of the NLRA but does  
10 not give notice required by this bill, is that failure a  
11 violation of 8(b) or 8(a)5, refusal to bargain under the  
12 NLRB? You say there is no change. They refuse to and  
13 give notice under 8(d), aren't you in kind of a Catch-22  
14 situation? I would ask the counsel, particularly in view  
15 of your statement, it does not really change the NLRA?

16 Mr. Kilberg. I am not sure I can answer. I think that  
17 would have to go before the board but my guess is that would  
18 not be a violation of the NLRA.

19 Mr. Ashbrook. It would be my guess also, and I guess we  
20 go back to the Secretary's original statement he hopes there  
21 would not be much litigation. I frankly can see a lot of  
22 litigation in questions coming on this bill, the right of  
23 injunction, for example, we have not even talked about those.

24 Well, I won't get into that subject until later. I think  
25 there are so many areas where your rights that you have

4 1 developed~~ed~~ and we all agree they should be there for  
2 local members, whether they be under the NLRA, the Taft-Hartly  
3 Act, the Landrum-Griffin, the basic rights they have, and  
4 all of a sudden putting these superstructures on top and saying  
5 we are not going to change these basic rights, I think we  
6 are kidding ourselves, I think there are going to be questions  
7 up and down the line that will bring a great amount of liti-  
8 gation and a great amount of questions before the NLRA. And I  
9 only wish I could agree with the optimism of the Secretary.

10 I guess getting into the specific operation of the  
11 committee itself is where I have the most doubts and, reading  
12 the Secretary's statement, I never want to state what some-  
13 body else says. I know most of us who have been through a  
14 campaign never really understand our position when it is  
15 explained by somebody else.

16 Mr. Thompson. It isn't often we understand our own.

17 Mr. Ashbrock. That is to our credit most of the time.

18 Judging by the first five or six pages of your statement where  
19 you are talking basically about strikes and talking about leap-  
20 frogging, without trying to summarize what you said, I gather  
21 some of the purposes of this bill is in some way to curb what  
22 you deem excessive economic demand and excessive settlements  
23 in an economic area. Is that a reasonable summation or did  
24 I go a bit too far?

25 Secretary Dunlop. I think, to put it very sharply, it



5 1 is my practical experience, it is my considered intellectual  
2 view that the present structure of bargaining, the way in  
3 which collective bargaining is carried forward in this industry  
4 in its fragmentation, et cetera, which I refer to here, that  
5 that structure of bargaining in and of itself results in the  
6 kind of settlements which pyramid on each other, that if one  
7 is to change, if one can change the structure of bargaining,  
8 then out of the process of bargaining will come much more  
9 rational, much more economically related types of settlements  
10 in the industry.

11 Mr. Ashbrook. How can you say that -- I guess to be  
12 the devil's advocate -- when there is no criteria, no  
13 mandate, no requirement that they do this? There is nothing  
14 implicit in the bill I read anywhere to implement what you have  
15 just stated.

16 Secretary Dunlop. Mr. Ashbrook, let me say this to you  
17 very strongly, I have the feeling that in our country there  
18 is a view that the only way you get things done is by  
19 ordering people to do things by this body and the Senate  
20 passing laws. That has not worked well in the industrial  
21 relations field, Mr. Ashbrook.

22 Mr. Ashbrook. So we come up with another bill.

23 Secretary Dunlop. And this is a bill which is designed  
24 to help the process of collective bargaining work, not to  
25 regulate the substantive terms and conditions of employment

6 1 and there is an enormous difference between those two.

2 Mr. Ashbrook. Again I say without any criteria, without  
3 any standards, without any mandate to do what you have  
4 just said.

5 Secretary Dunlop. I don't quite agree, there are standards  
6 in Section 6 as to the committee's taking jurisdiction.

7 Mr. Ashbrook. We are talking about excessive wages,  
8 settlements, economic packages, all the material things ---

9 Secretary Dunlop. This is not an ethereal thing, Mr.  
10 Ashbrook.

11 Mr. Ashbrook, That is my point, it was specific in your  
12 statement but it is a theory in the bill. I guess that is  
13 the thing that bothers me a little bit.

14 Secretary Dunlop. I want to try to be helpful and don't  
15 want to be difficult. Let me put it this way, if you are  
16 suggesting to me what the bill should contain is guidelines,  
17 or guideposts about wage settlements, I am here to tell you  
18 I and the Administration are unalterably opposed to that.  
19 It is our view that we can be helpful to the national leaders  
20 in this industry. I hope you will talk with them. I have  
21 been talking with them for many years and they wish to find  
22 a more suitable settlement of many of these disputes. This  
23 statute is designed to assist them in doing so.

24 It is my conviction on many years of experience, Mr.  
25 Ashbrook, having handled thousands of strikes and wage disputes

7 1 in this industry and many others, that this is an appropriate  
2 step at this point.

3 Mr. Ashbrook. I understand your position and would reject  
4 that also. I just wish that somewhere between the maximum of  
5 what you stated and nothing there would have been something.  
6 Really I don't see anything in there between zero and the  
7 absolute statement you made that none of us want any harsh  
8 treatment of the construction industry, either side, and yet  
9 I don't really see anything in this bill that does more than  
10 set up a machinery.

11 Secretary Dunlop. Mr. Ashbrook, you are quite right,  
12 what this bill does is to set up a machinery, a machinery  
13 in which the nationally responsible people on both sides  
14 will have a much more effective forum than hitherto in  
15 resolving through collective bargaining the disputes of the  
16 industry and I suggest, if you will ask them that question,  
17 they will agree this is an improvement of substantial  
18 proportions.

19 Mr. Ashbrook. And one last statement. I would only  
20 say my experience in watching this rather closely is it  
21 is rather strange because, when it comes to some areas, you  
22 want a hundred percent local, when it comes to this area, you  
23 want it national, when you come to civil rights compliance,  
24 regulations have small concerns so strapped that if they are  
25 in compliance, they have to be in home company compliance.

8 1 I have a company with 30 men working for them and under  
2 the regulations of the Secretary they have to have a percentage  
3 of race on every job. I have one company that was rejected  
4 because he had one driver that was not in home compliance. I  
5 guess it is the inconsistency that makes me look a little  
6 less than favorably on your efforts -- not on your effort,  
7 not what you are trying to do, but on the phenomenon we are  
8 talking about.

9 Secretary Dunlop. Mr. Chairman, I think all I would like  
10 to say is, since I am a strong believer in the powers of  
11 persuasion, I would request the opportunity in the next few  
12 days or week to have the opportunity to persuade Mr. Ashbrook  
13 further of my point of view.

14 Mr. Thompson. That is granted, you certainly can.

15 Secretary Dunlop. Thank you, Mr. Chairman.

16 Mr. Thompson. I particularly enjoyed this exchange  
17 between a Harvard graduate and a former Harvard professor. It  
18 leads me to wonder, first, how talented the faculty are and,  
19 second, how receptive the students are.

20 The gentleman from New York.

21 Mr. Ashbrook. Would the gentleman yield.

22 First, in our hearings I noted once our Secretary was  
23 referred to as a Secretary, then referred to as a professor  
24 and when the unions came in they referred to him as a student  
25 of labor policy. I don't know whether he was going up or down.

9 1 Mr. Thompson. You forgot doctor.

2 Mr. Zeferetti.

3 Mr. Zeferetti. I have a few questions on the make-up  
4 of the committee. The language in the committee says the  
5 committee shall consist of 10 members qualified by experience  
6 and affiliation to represent the viewpoints of employees. It  
7 says the same for the labor organizations.

8 Secretary Dunlop. Yes.

9 Mr. Zeferetti. Are we talking in fact of labor leaders  
10 and the builders of such, 10 large builders and 10 labor  
11 leaders?

12 Secretary Dunlop. Mr. Zeferetti, if the statute were  
13 enacted, it would be my view, subject to the President's  
14 powers to appoint, of course, that on the union side there  
15 would be appointed by him, after recommendation or consultation  
16 with the standard national organizations, 10 general presidents,  
17 or perhaps the president of the department as well, they would  
18 be the top responsible, elected officials of these inter-  
19 national unions.

20 On the management side, though that is a little perhaps  
21 precise, the precise composition is a little more variable.  
22 It would appear to me they should be drawn from two sorts of  
23 persons, one, those men, often with construction experience,  
24 normally with construction experience, who serve as the  
25 national officers, full-time officers drawn from 10 or 15

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10 1 major national contractors associations. I think myself that  
2 group ought to also include not merely a kind of staff  
3 officers of associations but ought to also include in the  
4 group men who at the time are chief executive officers of  
5 individual contracting firms.

6 Let me give you an example. Our present comprised --  
7 the committee was created by Executive Order -- is comprised  
8 of officers of those various associations, the mason  
9 contractors, associated general contractors, and so forth.

10 In addition, a man who is the chief executive officer  
11 of an individual contracting company is also serving as one  
12 of the group. So you would draw them from both places.

13 Mr. Zeferetti. My concern is, you know you always wonder  
14 about the person that is there doing the negotiating, who he  
15 is responsive to. In other words, is he speaking in fact  
16 for the builder or if in fact he has to go back and clarify  
17 everything that is said as a representative. That is why  
18 I asked a question related even to the unions, if in fact  
19 it is a member of the board that has to go back to the national  
20 board and then in turn has to go back to the local area  
21 involved, it becomes a cumbersome and not a practical way  
22 of doing business.

23 Secretary Dunlop. On the union side, I have indicated  
24 they would be general presidents of the unions in most cases.  
25 In the contractors side, they would be people who are elected,

11 1 or appointed in the board cases, appointed by their own  
2 organizations to represent the members of that organization.  
3 They would have to go back in some cases to localities to  
4 get acceptance.

5 In the mediation process there is a lot of contact  
6 between national people and my notion is that these people  
7 would be recognized as leaders and all leaders have problems  
8 of checking with their constituents, and Members of Congress  
9 I am told.

10 There is some of that that is necessary but on the  
11 whole they are people who are recognized generally as  
12 responsible officers.

13 Mr. Zeferetti. The employer group would then be national?  
14 Secretary Dunlop. Oh, yes, absolutely.

15 Mr. Zeferetti. One other point here ---

16 Secretary Dunlop. National representatives.

17 Mr. Zeferetti. --- the three members representing the  
18 public interest, what criteria do these people come under as  
19 far as public interest is concerned? Who are we talking about  
20 in general?

21 Secretary Dunlop. I am talking, I think, sir, about  
22 persons who have the following principal qualifications, one,  
23 that they have a thorough knowledge of the industrial relations  
24 arrangements in the construction industry, they must know  
25 how things are done in the industry, they must know the



12 1 principal people, be familiar and respected by them. You  
2 can't persuade people if they don't know anything about you  
3 or have knowledge of one's integrity and so forth. They  
4 have to be people who are working for a union or a contractor.  
5 Thirdly, they must be people in my view who have some  
6 kind of industrial relations, mediation, or arbitration  
7 experience and understand how you persuade people to accept  
8 settlements.

9 Mr. Zeferetti. Would they be salaried, Mr. Secretary?

10 Secretary Dunlop. My notion at the present time is that  
11 perhaps the Chairman might be. That has not been determined.  
12 My notion is that on the whole those up to three neutrals would  
13 not be. They would also be part-time, the staff would be  
14 full-time covered employees.

15 Mr. Zeferetti. When you say the committee itself will  
16 work on rules and regulations, are we talking about  
17 rules and regulations on the functioning of the committee or  
18 rules and regulations to create productivity and the like in  
19 the field?

20 Secretary Dunlop. The bill has two refernces to that. I  
21 can answer it this way. I think, with respect to the  
22 rules of the operation of the committee, those are specified  
23 in sections that I read before, Section 3(c), which says the  
24 committee may from time to time promulgate such rules and  
25 regulations that may be necessary and appropriate to carry

1 out the purposes of this act. That means rules with respect  
2 to its own operation, quorum rules, how often it meets and  
3 things of that sort.

4 The bill also specifies that the committee may from time  
5 to time make general statements or recommendations such as we  
6 think that local negotiators ought to take into account, the  
7 need for special conditions of work in the housing branch of  
8 the industry and spell out a little bit of that. That kind  
9 of recommendation to local parties is spelled out in Section  
10 7 of the statute, but that is a recommendation to local parties  
11 of a general nature. The first subject I mentioned are  
12 the rules under which the committee itself works.

13 Mr. Zeferetti. Thank you very much, Mr. Secretary.

14 Mr. Ford. Mr. Chairman.

15 Mr. Thompson. Mr. Ford.

16 Our next witness has time problems.

17 Mr. Ford. These are kind of mundane after this deep  
18 philosophical exchange we had here. The appointment of  
19 the committee is by the President?

20 Secretary Dunlop. Yes.

21 Mr. Ford. There is no term specified. Does that mean  
22 you intend they would serve at the pleasure of the President  
23 no later than February 1981?

24 Secretary Dunlop. Yes, I think that statement you  
25 just made would be my understanding, up to that date at the

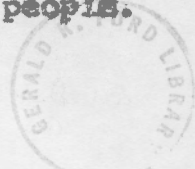
14 1 pleasure of the President.

2 Mr. Ford. Doesn't that virtually guarantee that you only  
3 disagree once? In other words, do you think it is wise  
4 to appoint somebody to this kind of board now? NLRB has  
5 a very definite term if the guy does not quit and you  
6 don't have a vacancy to fill. But if you are serving at the  
7 pleasure of the appointing authority, the appointing authority  
8 has the ability to say, "Look, I don't like the disagreement  
9 you brought to the last meeting. If it happens again I will  
10 recommend appointing to that position.

11 Would you have any objection to saying that they would be  
12 appointed for the term of this bill?

13 Secretary Dunlop. I havenot considered that. What I  
14 would like to do is consult with those whom I consulted in  
15 the process of preparation of this and come back and advise  
16 you. I personally have no objection to that. In the normal  
17 course of events, there would be the normal kind of turnover  
18 on such a committee as people change. I would want formally  
19 to consult my colleagues with whom I have mediated but in  
20 principal I think the answer would be, no, no objections.

21 Mr. Ford. It is pretty clear that we replace the entire  
22 board in 1977. It is clear as a result of our exchange that  
23 it is the intention of the way this appointing authority is  
24 written that the President, whoever he may be in 1977, can fire  
25 them all if he wants to, replace them with his own people.



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1 I was originally thinking of sparing poor Gerry the extreme  
2 pain of having people call him all the time to get rid of a  
3 troublesome member. Somebody called my attention to the  
4 fact he might be spared that opportunity.

5 Secretary Dunlop. I have nothing to say on that.

6 Mr. Thompson. Mr. Quie has a couple of questions and  
7 your Harvard colleague has one or two.

8 Mr. Quie. Mr. Secretary, on Section 6, I would like to  
9 have you elaborate a little, if you will, on Subsection (c)  
10 and the standard to "encourage collective bargaining agreements  
11 embodying appropriate expiration dates." What do you mean  
12 by "appropriate"?

13 Secretary Dunlop. Let me be very candid with you,  
14 Mr. Quie, as always. There are some people who are very strong  
15 on trying to make expiration dates entirely uniform. I think  
16 that that would be inappropriate in the sense that, (a) it  
17 can't be done and, (b) the declared purpose of that is I think  
18 oftentimes itself a source of enormous difficulty.

19 On the other hand, I do believe that one can move a  
20 lot closer toward a kind of phased expiration date. You  
21 might get the trades all together, the mechanics close together  
22 and therefore the meaning of that is that one would move in  
23 that direction without necessarily committing oneself to a  
24 uniform expiration of all agreements in all localities.

25 Mr. Quie. In other words, what we are really saying

16 1 now in the legislative history it will be an effort of this  
2 committee to move the agreements to where they would have, at  
3 least within crafts, uniform expiration dates?

4 Secretary Dunlop. So there would be some sensible relation-  
5 ship in these expiration dates.

6 Mr. Quie. This goes to your testimony on leapfrogging?

7 Secretary Dunlop. Yes.

8 Mr. Quie. Subsection (e), "Promote voluntary procedures  
9 for dispute settlements." Are you talking here about voluntary  
10 arbitration and will that be one of the actions of the  
11 committee to encourage contracts to be written which will  
12 include voluntary arbitration, which seems to me a growing  
13 number of contracts include?

14 Secretary Dunlop. There are now two or three branches  
15 of the industry with internal machinery designed at the  
16 national level to kind of form arbitration with respect to  
17 contracts, the electric branch, plumbing branch, sheetmetal  
18 branch. What we suggest that means is, as this committee  
19 works, it can establish in some cases a craft board, which  
20 is a kind of mediating situation. They may go further and  
21 adopt internally procedures for the arbitration, or final  
22 resolution may be the better word, of the dispute.

23 We would like to see these branches develop that,  
24 recognizing their interrelationship through the committee to  
25 the rest of the industry.

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1 Mr. Quie. Thank you, Mr. Secretary.

2 Mr. Thompson. Mr. Ashbrook.

3 Mr. Ashbrook. Mr. Secretary, we referred on a number  
4 of occasions to the NLRA, specifically on two other subjects.  
5 Does the bill in any way negate any of the rights which  
6 local unions and local employees now have under the so-called  
7 bill of rights of the Landrum-Griffen Act?

8 Mr. Kilberg. No.

9 Mr. Ashbrook. The Taft-Hartly Act imposes certain  
10 duties on local parties to bargain in good faith. You know  
11 some of the provisions set out there. Does this in any way,  
12 in your judgment, interfere with the requirements or the  
13 performance of the parties of these Taft-Hartly duties?

14 Mr. Kilberg. No.

15 Mr. Ashbrook. In one section of the bill you indicate  
16 the purpose is to improve productivities, manpower development  
17 and training.

18 Going back to our prior question, the colloquy I guess  
19 we should call it, at least what I thought to be a lack of  
20 standards, a lack of anything concrete in the bill to achieve  
21 these, what mechanics do you figure in the bill will achieve  
22 these goals?

23 Secretary Dunlop. The power of persuasion. It is the most  
24 powerful force in the world.

25 Mr. Ashbrook. Yes, like we have been doing against the

18 1 Russians. We have been very successful there.

2 I suppose maybe the same power of persuasion -- oh, okay.

3 Let's get back to the power of persuasion again. When  
4 national labor organizations are requested to participate, as  
5 I understand it, no new agreement can be put into effect until  
6 approved by the national labor organization; is that basically  
7 correct?

8 Mr. Kilberg. I didn't hear the question.

9 Mr. Ashbrook. When you are bringing the national labor  
10 organization in, the reason obviously is their approval has  
11 to be made, in other words, no new agreement can be made  
12 until the national labor organization has approved; is that  
13 basically correct?

14 Mr. Kilberg. If the national parties have been requested  
15 to participate in negotiations.

16 Mr. Ashbrook. Again, what criteria or what standard  
17 of conduct is required by the National labor organization  
18 in performing this function aside from the power of  
19 persuasion, if any?

20 Secretary Dunlop. In legal terms it is the usual  
21 provisions in our statutes having to do with the doctrine of  
22 fair representation and so forth. These are the representative  
23 bargaining agents and they are representing their people.

24 Mr. Ashbrook. Suppose somebody besides Mr. Georgine  
25 were there, we know how he would function responsibly, but for



19 1 the purpose of seeing how the bill works, suppose the national  
2 labor organization winds up approving every agreement presented  
3 to them, some you might think excessive. What would render  
4 this bill unable to function?

5 Secretary Dunlop. There is no provision in the bill  
6 that would automatically remedy it. My view is in the dynamic  
7 processes of interaction between the other international  
8 union presidents and the national employers associations  
9 there would be a fair amount of discussion about that matter  
10 if you expect me to follow a reasonable program in City A,  
11 B or under circumstances C, D and E, it is time you do the  
12 same.

13 Mr. Ashbrook. You mentioned a couple you thought were  
14 a little excessive, suppose those national leaders -- they  
15 will remain nameless, you mentioned them, but I won't -- the  
16 areas where you thought there might have been excessive  
17 contracts, suppose they take that attitude, and say, "You may  
18 think it is excessive, we don't," and ratify them all. Then  
19 what happens?

20 Secretary Dunlop. Mr. Ashbrook, to respond to your question  
21 in saying there is something certain that can be done, I would  
22 have to be here asking you for wage controls or mandatory  
23 arbitration and I have no intention of doing that.

24 Mr. Ashbrook. I would not want you to. I guess my problem  
25 is we are basically ending up with a sort of nothing, really.



1 Secretary Dunlop. Let me comment on that, it is fair  
2 for somebody to say to me you think this will accomplish  
3 nothing. I say to you, it is my considered judgment that it is  
4 a significant new tool for the parties in the industry at the  
5 national level to effect the results of collective bargaining.  
6 That is the judgment of all the national union people. I  
7 believe it is the view of the national contractors who deal  
8 with collective bargaining. If all of us are mistaken, then  
9 it is we who are going to try to make it work. I don't ask  
10 you to be impressed by that array of views, but I report  
11 to you that it is our view.

12 Mr. Ashbrook. What we have ended up with in response  
13 is the dynamics of interaction and the power of persuasion  
14 and I guess in those tender mercies I guess we ought to  
15 leave the whole legislation.

16 Mr. Quie. One of the situations, as I listen to it ---

17 Mr. Thompson. These are your fellows, you know.

18 Mr. Quie. As I understand, sometimes an employer, where  
19 there is excessive settlements and he agrees to it, he feels  
20 like he is kind of alone out there. Under this situation he  
21 is no longer alone, he has other employers representing that  
22 national organization who are also talking to representatives  
23 of unions on the national basis who are looking at this from  
24 a national point of view rather than just the local point of  
25 view and, therefore, that is how the persuasion is brought

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to bear on the parties who otherwise he is alone in dealing with them and now he gets help. While we have no certainly this will bring about always the settlement that will be agreeable to you and I, out of this it will come closer to it.

Secretary Dunlop. You are precisely right, I would add the notion that it is not only the individual contractor with others, it is each branch having its influence on the other branch.

Mr. Thompson. Mr. Secretary, thank you very much.

Secretary Dunlop. It is always a pleasure to visit, Mr. Chairman.

22

1 Mr. Thompson. Our next witness is Mr. Robert Georgine,  
2 President of the Building and Construction Trades Department  
3 of the AFL-CIO.

4 We have your statement and without objection it will  
5 be made a part of the record at this point. It is brief,  
6 please read it if you wish, or do as you wish.

7 Mr. Georgine is accompanied by Mr. Louis Sherman on  
8 his left and on his right by Mr. Dan Mundy.

9 STATEMENT OF ROBERT GEORGINE, PRESIDENT OF THE  
10 BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AFL-CIO  
11 (ACCOMPANIED BY: LOUIS SHERMAN, GENERAL COUNSEL AND  
12 DAN MUNDY, LEGISLATIVE DIRECTOR.)

13 Mr. Georgine. Thank you.

14 I do have a statement. I don't think I will read the  
15 whole statement, maybe a few sections and then I will answer  
16 any questions that you or any Members of the committee may  
17 have. I don't know anything I could say after the seminar  
18 that just took place, it would just be an anti-climax.

19 Mr. Ashbrook. I hope you will explain the dynamics and  
20 persuasion you are going to have.

21 Mr. Georgine. That is a pretty good subject.

22 I appear here today in support of H. R. 9500, the bill  
23 entitled "Construction Industry Collective Bargaining Act  
24 of 1975." I am doing so as President of the Building and  
25 Construction Trades Department which represents 17 international  
unions working in the building and construction industry. The

XXXXXXXXXX

23 1 Department supports the bill for enactment at this session of  
2 the Congress.

3 The bill takes its place with other legislation and  
4 procedures in recognizing the unique and complex facts of the  
5 industry. I refer here to the Wage Adjustment Board which  
6 functioned most successfully during the early Forties; the  
7 administrative action of the National Labor Relations Board  
8 in exempting the construction industry from the scope of the  
9 Wagner Act, i.e., from 1935 to 1947; the private plan for the  
10 settlement of jurisdictional disputes in the construction  
11 industry from 1948 to present; the Wage Stabilization Board  
12 during the Korean War; the Landrum-Griffin amendments relating  
13 to the building and construction industry in such matters as  
14 validation of the "pre-hire agreement;" and the Construction  
15 Industry Stabilization Committee established by Executive  
16 Order on March 29, 1971.

17 We agree with the analysis by the Secretary of Labor on  
18 the distinctive structure and process of collective bargaining  
19 in the industry.

20 We are also in general agreement with the Secretary's  
21 analysis of the current developments which call for the  
22 introduction of the legislative measure here involved.

23 I cite in my written testimony a typical hypothetical  
24 case which I will skip for the moment.

25 Mr. Thompson. We have read it, thank you.

24

1 Mr. Georgine. The procedures provided by this bill are  
2 neither wage controls nor compulsory arbitration. Indeed,  
3 Section 5(e) of the bill provides specifically that "Nothing  
4 in this Act shall be deemed to authorize the committee to  
5 modify any existing or proposed collective bargaining  
6 agreement." The procedures have been carefully drafted so  
7 as to provide the necessary time for the mediation processes  
8 to take effect.

9 We also note with interest the provisions of the bill  
10 which automatically terminate its effect in a period of five  
11 years.

12 The Building and Construction Trades take pride in  
13 their long-standing contributions to the development of this  
14 country. Some of the International Unions affiliated with  
15 the Department were founded more than 100 years ago and each  
16 has had an important impact on the construction industry and  
17 the welfare of the entire country.

18 The Building and Construction Trades have been on the  
19 American scene through good times and bad times. Presently  
20 we, the construction industry, are faced with the worst  
21 recession of this century. We have unemployment that  
22 exceeds one million construction workers and our rate of  
23 unemployment is more than double the national average.

24 Each of the problems has to be met on the basis of  
25 current and relevant developments. We are practical men.

25 1 We think that whatever the negative effect of this bill is,  
2 it is far outweighed by the establishment of an orderly pro-  
3 cedure in meeting the obligations to this industry and to the  
4 needs of the country.

5 Mr. Chairman, I would also like to take this occasion  
6 to reaffirm Secretary Dunlop's statement that the building  
7 trades department didn't receive any previous draft of the  
8 bill and that the first actual bill we saw is the one before  
9 you.

10 (The statement of Robert Georgine follows:)

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1 Mr. Thompson. I thank you, Mr. Georgine, for stating  
2 that. As for myself, although I was privy to a conversation,  
3 a direct conversation with the President who endorses this,  
4 it was some weeks ago, early in July. I, too, had not seen  
5 a draft, but I must say I am very pleased with that which I  
6 have seen and I am particularly gratified that the building  
7 trades department is in support of this.

8 With respect to technical questions, we will, as far as  
9 I am concerned, abandon them for the time, since it is  
10 my understanding that if we get to that point where we need  
11 answers to technical questions for the record, we can avail  
12 ourselves of the services of the distinguished counsel,  
13 Mr. Sherman, Dan Mundy, or both, so thanks to you.

14 I will yield now to Mr. Quie.

15 Mr. Quie. Thank you, Mr. Chairman.

16 We are pleased to have your testimony and glad to see  
17 you are in support of this testimony.

18 As the Chairman said, I think it is a good piece of  
19 legislation.

20 From questions asked of the Secretary, I see really only  
21 a problem in that one part where the language is drafted to make  
22 clear how that 90 days runs.

23 Let me ask you, as you listened to it -- maybe I should  
24 preface it a little bit. It seems to me I have heard it  
25 expressed by some people on the employers side nationally

27 1 that it could happen that there was notification earlier than  
2 the 60 days and therefore the whole 90 days would run  
3 before the expiration of the contract and on the other side  
4 for the unions, it seems to me that it is important that you  
5 don't have to wait until the last minute to notify. To be  
6 able to notify a couple of weeks ahead of the 60 days  
7 should be acceptable without running into a problem yourself  
8 of the committee taking jurisdiction.

9 As I understand it, that even if the notification was  
10 made prior to the 60 days ahead of the expiration, the 60  
11 days would run only during that last 60 days before the  
12 expiration and the 30 days pick up later on. Do you find  
13 that was an acceptable arrangement and the understanding that  
14 you had when the legislation was drafted?

15 Mr. Georgine. As I said a little earlier, we didn't see  
16 a draft of the bill itself or its exact language, however,  
17 we had discussions with the Secretary and, as he explained  
18 those provisions to us, and as we questioned him, that is  
19 certainly the impression that we got and the intent we  
20 believe the language means.

21 Mr. Quie. Thank you.

22 Mr. Ford (Presiding). I am happy to see you here again,  
23 Mr. Georgine. You can understand how nervous I get when I  
24 find Quie and I on the same side of a labor bill.

25 The 60-day period is something I think we are going to have



281 to pin down now a little better in the language of the bill.  
2 I think almost everybody now understands what we are trying  
3 to do but I am curious, with respect to the contracts that  
4 are renewed without dispute, or a dispute that ends up in  
5 work stoppages, how does the 60-day period fit into the  
6 pattern or practice that exists at the present time in the  
7 industry? If a contract is going to be renewed, is it  
8 generally renewed well in advance of its termination date or  
9 does it happen during the last few minutes of the agreement?

10 Mr. Georgine. The normal situation, if there is a  
11 reopener, or a new collective bargaining agreement is  
12 negotiated, the normal procedure is you negotiate prior to  
13 expiration and somewhere in the negotiation you come to terms  
14 and agree upon whatever the terms are agreed upon in your  
15 negotiations, but that is usually around the expiration  
16 of the agreement.

17 There are some cases where a local union in a contractors  
18 group or employers association may well agree upon terms long  
19 before the expiration of the agreement and reach an agreement  
20 and have that come into effect after the agreement expires.

21 That is not usually the case but that has happened and  
22 does happen.

23 Mr. Quie. Are there some situations where there is a  
24 modification of the contract before the expiration date?

25 Mr. Georgine. There are reopeners and collective

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1 bargaining agreements. They may begin to negotiate prior  
2 to the date of that opener and they may come to terms. They  
3 may voluntarily agree to open up that agreement, which is a  
4 provision in most agreements, and modify it accordingly. As  
5 I say, that is not the normal type of situation but it does  
6 happen.

7 Mr. Ford. In some industries the advent fo the 60-day  
8 notice brought about a sort of automatic process. When you  
9 look at the Taft-Hartly 60 days and look at this, the difference  
10 I see is that this triggers in a board or committee that has  
11 jurisdiction by giving them notice, even if you are close  
12 to an agreement, but in order to preserve your rights, the  
13 local union gives a notice that triggers this whole process  
14 and I am trying to visualize whether or not this is not likely  
15 to produce a situation where virtually every contract coming  
16 close to expiration is going to be subjected to this process.

17 Would local union people, unless they are virtually  
18 sure, give this notice automatically, unless they had the  
19 assurance they would renew in the last 60 days?

20 Mr. Georgine. I think the bill provides they have to,  
21 it makes it mandatory. So 60 days prior to expiration they  
22 would have to give notice.

23 Mr. Ford. You visualize the situation if they are  
24 giving notice even on the eve of agreement that there would  
25 be nothing but a sort of pro forma situation by agreement of

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1 this committee?

2 Mr. Georgine. That would be true. I think you have to  
3 understand just exactly the exercise, first of all, of  
4 collective bargaining in the construction industry. Secondly,  
5 what is envisaged that the committee would do.

6 Now, because of the construction industry stabilization  
7 committee, some may think it did some good, others may have  
8 a different opinion on that, but in any case, what it did do is  
9 establish a data bank of information and that data bank of  
10 information has been kept up. This committee on the national  
11 level would really have a very large bank of information  
12 concerning all collective bargaining in the country.

13 In other words, that committee would be looking at all  
14 sections of the country and would know what the collective  
15 bargaining picture is in given areas of the country.

16 Now, if they get notice that a collective bargaining  
17 agreement is about to expire, in 60 days it will expire, and  
18 they see in that particular area a very stable type of atmos-  
19 phere, chances are that they probably would not even assume  
20 jurisdiction. If it seems like it is an area that seems  
21 to be very unstable so far as collective bargaining is  
22 concerned, they would very well watch that particular case.  
23 If they thought it was an area that might have some effect  
24 on the rest of the country or adjacent areas, they would be  
25 establish kept up.

31 1 on the look out for those particular types of agreements and  
2 I would assume those are the kinds of agreements they would  
3 assume jurisdiction on and really take a close look at.

4 Mr. Thompson (Presiding). Would the gentleman yield?

5 Mr. Ford. I guess the final thing is if the committee  
6 had reason to believe notice was given but there was not  
7 likely to be too much difficulty, they would not intervene  
8 and set the committee in motion.

9 Mr. Georgine. Presumably so.

10 Mr. Thompson. Mr. Sherman, on page 5 of the bill, do  
11 you have a copy?

12 Mr. Sherman. Yes.

13 Mr. Thompson. I think that we have worked out something  
14 to clarify the confusion with respect to time. On page  
15 5 of the bill, beginning on line 23, here the language says,  
16 "Bargaining agreements within 90 days following the giving  
17 of notice under Section 4(a)." What would you think of,  
18 beginning on line 23, striking the words, "the giving" the two  
19 words, and substituting after the word "following" so that  
20 it would read, "following the last day providing for giving  
21 notice." Wouldn't that make more clear what we were getting  
22 at earlier?

23 Mr. Georgine. Yes, I agree with that. I think the task  
24 of getting the figures together should be done in the library  
25 as well as here and cases which have been decided on this

32 1 point show that it is agreed one way and administered another.  
2 There is a difference of opinion how it is handled.

3 What we do under the Taft-Hartly Act is give a specified  
4 period for cooling off so it is really 60 days prior to  
5 the point of expiration and 30 days would be prior to the  
6 events we are talking about, the strike, not the termination.

7 Mr. Thompson. I think that is fine and what we will do,  
8 if Mr. Quie will agree, is to consult counsel, majority and  
9 minority counsel, you and the Labor Department lawyers.

10 Mr. Georgine. I think it is a simple enough problem.

11 Mr. Thompson. Thank you for yielding, Mr. Chairman.

12 Mr. Ford (Presiding). Mr. Zeferetti.

13 Mr. Zeferetti. No questions. I just welcome Mr. Georgine.

14 Mr. Ford. Thank you very much, Mr. Georgine.

15 We apologize for keeping you so long but you saw the  
16 temptation for Mr. Quie, Mr. Ashbrook and myself with the  
17 Secretary. The temptation is almost irresistible.

18 Mr. Georgine. I think I understood most of the  
19 bill before I came here. I was confused after the discussion  
20 but I think it has been cleared up.

21 Mr. Thompson. The committee will recess now but will  
22 meet to hear employer witnesses.

23 The committee will meet at 2:00 p.m. in this room tomorrow

24 (Whereupon, at 4:15 p.m., the committee recessed, to  
25 reconvene at 2:00 p.m., Thursday, September 11, 1975.)

