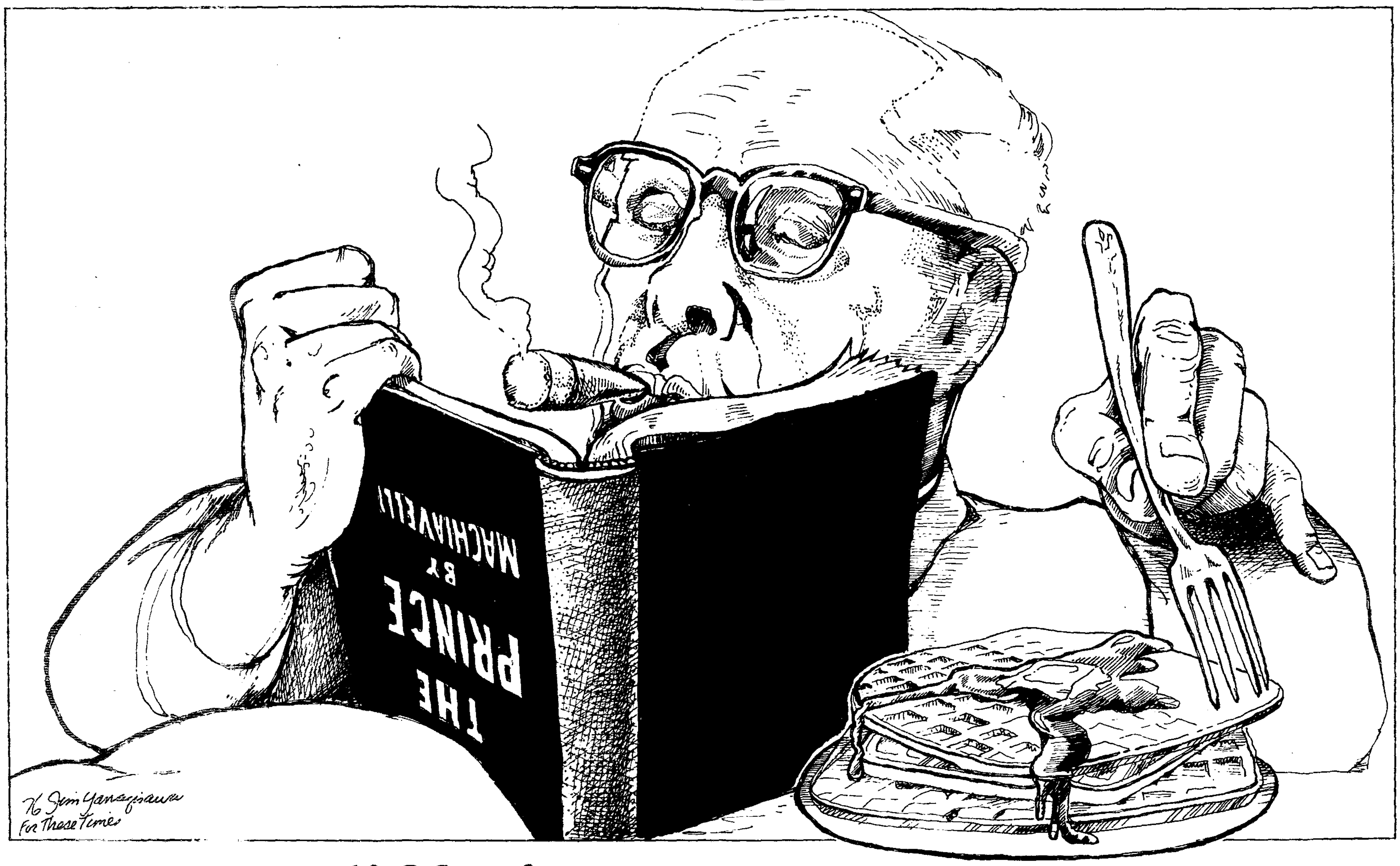
A series on the labor movement, No. 2



Labor's differing attitudes on controls

By Dan Marschall
National Staff Writer

Jimmy Carter and George Meany have struck a similar chord in their recent pronouncements about the economy: the subject of wage-price controls. The President-elect is all for voluntary controls, formulated in consultation with business and labor, to "try to hold down inflationary pressures." Meany is "very, very leery" of any kind of controls, but is willing to discuss the matter with business and the Carter administration.

Meany is reluctant to talk about the subject partially because he doesn't know what is meant by "voluntary" controls. Models for such a program now exist in Britain, West Germany and Scandinavia, where the major trade union federations have agreed to "income policies," voluntary limits on wage increases.

Whether the "social consensus" achieved in these European countries has actually cut inflation is yet to be seen. The most recent experiment with controls in the U.S., Nixon's mandatory Wage-Price Freeze from 1971-74, was a disaster for working people. The rate of inflation went up, real wages went down.

►Emerging social democratic view.
Much of the labor movement will now discuss controls and consider accepting them under certain conditions. This is an indication of labor's drift since the early 1960s from a "free market" collective bargaining position to a social democratic approach to economic policy.

Organized labor does not question corporate capitalism, but it has endorsed democratic national planning of the economy and has progressively down-played a purely adversary bargaining relationship to management and to the government.

The "blind" forces of the capitalist marketplace cannot be relied upon, many labor leaders believe, to fulfill the needs of the American people. Some form of national mechanism is required to evaluate the country's resources and plan their allocation in the context of public discussion.

Part of this social democratic view is the increased willingness of labor unions to accept governmental intervention into areas formerly reserved to collective bargaining (wage rates, the right to strike, working conditions) to try and move the system through a series of political reforms toward a more equitable distribution of income.

►Advisory committees.
In addition, labor is more receptive to participating in advisory committees where labor leaders voluntarily cooperate with government and management (the case with the committees set up during the Kennedy, Johnson, Nixon and Ford administrations) or just with employer representatives. Joint labor-management committees now operate in 89 American companies, involving 147 locals of 96 international unions, aiming to increase productivity, cut down waste, and centralize industry negotiations.

Labor's new perspective may crystallize during the next four years as labor unions work out their positions regarding wage-price controls and the extent of popular input into economic decisions.

The road that labor takes will have important implications for the shape of governmental intervention in the economy, wage patterns for the entire working class, and labor's activities in the electoral arena.

►Meany walks out.
George Meany, the AFL-CIO president who once bragged that he had never walked a picket line, has led several wildcat walkouts since 1971 against government committees that stacked the cards against labor. In 1972, Meany and other AFL-CIO officials quit Nixon's Pay Board, the labor-management-public body that administered Phase II of the Wage-Price Freeze. They charged that the board's "public" members really represented business and the Nixon administration.

Nixon attacked their withdrawal as a "totally selfish and irresponsible" attempt to sabotage his inflation-fighting plans. The *New York Times* said the walkout was a "destructive act" designed to smash the government's machinery for keeping a lid on wages and prices. Others characterized it as another "public be damned" deed by the cigar-chomping old man of American labor, more concerned about the narrow interests of the "labor aristocracy" than those of the entire working class.

►Walkout consistent with labor policy.
But the AFL-CIO's decision to abandon the Pay Board was wholly consistent with its often-stated policy towards government controls. Six years earlier, the AFL-CIO announced that it would cooperate with stabilization measures as long as the government controlled other forms of income (prices, profits, dividends, rents, executive salaries) along with workers' wages.

"We are prepared to sacrifice as much as anyone else, for as long as anyone else, so long as there is equality of sacrifice," the AFL-CIO Executive Council said in 1966. "Workers, the poor or the disadvantaged must not be made to carry the burden alone."

Looking back on two and one-half years of mandatory controls, businessmen and economists concede that the freeze fueled inflation while it roasted organized labor. "The idea of the freeze and Phase II was to zap labor, and we did," said Arnold Weber, former director of the Cost of Living Council and a dean of Carnegie-Mellon University.

►Controls created climate for business.
A 1974 study for the American Economic Assn. concluded that the stock market expected controls to create a favorable climate for business and "to improve the relative share of corporate profits at the expense of labor."

Wage increases were held to a 5.5 percent ceiling during the freeze while corporate profits rose 28 percent during 1971-73 and the Consumer Price Index rose 18 percent, according to AFL-CIO calculations. When controls were lifted in mid-1974, the buying power of a working family had declined 7 percent from October, 1972.

The results of this first peace-time experiment with controls has so turned labor against a mandatory program that the AFL-CIO will oppose granting Carter standby authority to impose them again. These experiences also appeared to vindicate two other labor views toward controls: that labor should push for national planning in a more comprehensive form, and that controls will always be inequitable.

►Woodcock proposed tripartite body.
United Auto Workers' president Leonard Woodcock joined the AFL-CIO representatives in leaving the Pay Board. But the UAW went further in advocating a permanent labor-management-public body that would stabilize prices after Phase I.

Since the 1950s the UAW has backed a tripartite Wage-Price Review Board that would examine proposed price increases for major corporations, sponsor public hearings and make recommendations.

For Phase II, Woodcock cited the experience of World War II and the Korean war and proposed a voluntary body that would equalize the voices of labor and management. The government would keep hand off such a mechanism, Woodcock suggested, and leave all decisions on standards, rules and procedures to the labor-management-public board.

This body could not prohibit corporations from raising prices, but could publicize the different opinions on whether those increases were justified with the hope that governmental and popular pressure would do the rest.

►Left-of-center unions opposed controls.
On the other side, the leaders of left-of-center unions say that controls can never be equitably administered because of the unbridled power of American corporations. These unions identify with the militant struggles of the 1930s.

The 58,000-member International Longshoremen's Union was unalterably opposed to controls of any kind during the Wage-Price Freeze. Controls do not affect a basic redistribution of wealth, the ILWU pointed out, and are based on the false premise that high prices are caused by high wages. Neither a Democratic nor Republican administration can oversee controls in an even-handed way since they're "virtually impotent when applied to prices and profits," they say.

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When a rank-and-filer sues the Teamsters union...

A member of Teamster local 592 in Richmond, Va., has sued the union for refusing to allow him to speak at the local's meetings and for refusing to provide financial information. Granted $33,000 by a federal district court, Welford Wigglesworth later lost the case on appeal, but he has established a precedent that others may follow.

"I've been a member of the Teamster's union for 25 years—an outspoken member—and I've been curbed as much as any human being can possibly be curbed. Anybody who gets up to speak at a union meeting who is half effective is ruled out of order," says Wigglesworth.

"I have yet to see anybody get impartial justice from the internal grievance machinery in any Teamster union local in this country..."

In the fall of 1974 he was prevented from speaking at two union meetings by the local's president, William Hodson. Wigglesworth sued the local, charging that his rights to freedom of speech under the Landrum-Griffin Act had been violated.

The suit also alleged that the president refused to give him information on the union's financial affairs and denied his request to inform the membership of their rights under the Act.

In September, 1975, Wigglesworth was granted $33,000 by the district court, along with "injunctive relief" in a directive from the court that local officers not coerce, restrain or intimidate him.

On Nov. 17, 1976, that decision and compensation was overturned by the U.S. Court of Appeals. The court ruled that Wigglesworth had not followed the letter of the law that required him to exhaust all internal union remedies before bringing suit in open court.

The district court, in the first decision, addressed the question of "internal union remedies" and ruled that "the internal grievance procedure would have been futile" because he had gone through the procedure in 1972 over a controversial union election."

"I have yet to see anybody get impartial justice from the internal grievance machinery in any Teamster union local in this country and I'm familiar with quite a few," Wigglesworth explains.

►Pressure form international. Why did he lose the case on appeal? Wigglesworth cites a series of events after the first court ruling that indicate the international union exerted a lot of pressure to overturn the decision.

The officers of the local union were belligerent after the first ruling, Wigglesworth says, refusing to pay the compensation because word had come from Frank Fitzsimmons, general president of the International, that the case would set a bad precedent. Fitzsimmons was especially concerned, Wigglesworth claims, because he had called for an impartial parliamentarian at future local meetings—"someone we could appeal to, regardless of who was running the local affairs of the union."

"This was when Fitzsimmons discovered that he had an emergency situation on his hands and placed the union in trusteeship for 30 days," Wigglesworth says.

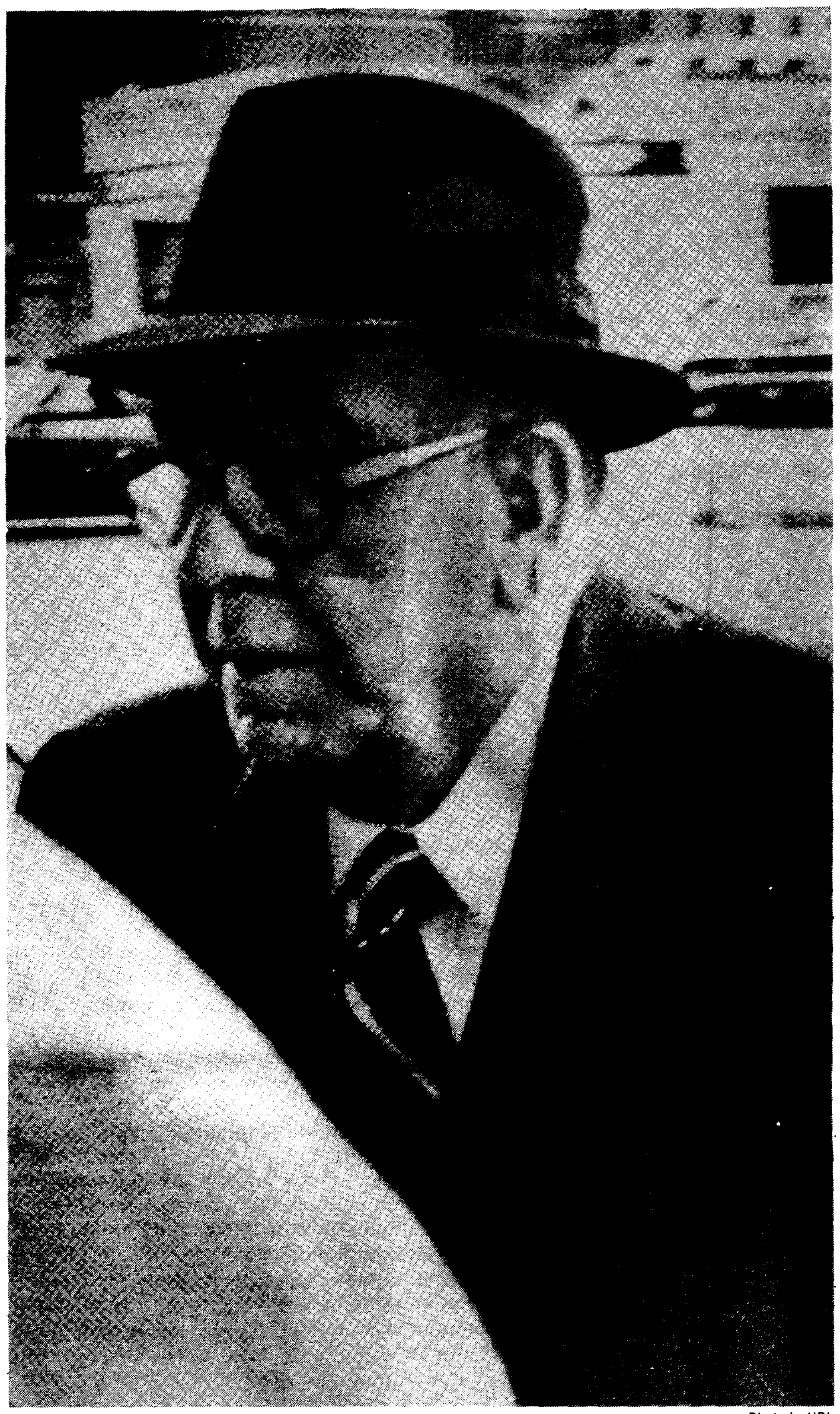

Photo by UPI

Frank Fitzsimmons, president of the International Brotherhood of Teamsters.

A comprehensive report on the Teamsters by the Professional Drivers' Council (PROD) describes trusteeship as "one of the general president's most potent weapons," often used to stifle independent leadership or force compliance with a particular union policy.

►Continued harassment. Wigglesworth states that he continued to be harassed by local officers, despite the court's grant of injunctive relief. At the one meeting held during the trusteeship, the trustee demanded to know who gave him permission to take notes. Several months later, Wigglesworth was arrested for trespassing when he entered the union hall during working hours.

In addition, four of the witnesses who testified in behalf of Wigglesworth have been discharged or driven out of the industry completely.

The final blow came when the U.S. Court of Appeals prepared to hear the case. Wigglesworth had dismissed his first attorney because he refused to press the local union to pay the compensation granted by the district court. "I could see that a change in his attitude after he won the first time. I think the union got to him," Wigglesworth says.

This same lawyer then appeared in front of the Appeals Court and represented him against his will, Wigglesworth claims, not giving him sufficient notice of the hearing so that he could represent himself. "From the papers I've seen, it looks like he joined forces with the union lawyer and agreed that I hadn't exhausted my internal remedies before going into court," he says.

►Unable to appeal further. Wigglesworth is unable to appeal the case any further because of the expense—he's already spent $19,000.

His case is apparently not unique. John Henry Johnson, also an activist at union meetings, was awarded $25,000 by a Richmond jury earlier this year. Teamster officers have responded by expelling him from the union and blacklisting him. Johnson is unable to comment on the specific of his case until appeal hearings end.

Welford Wigglesworth remains determined to fight for his democratic rights in the Teamsters union. "I'll wait to see the attitude they take at the next union meeting. If they try to assess me court costs, I'll go through the four months of internal remedies required by the act and then sue the union again," he says.

In addition, Wigglesworth hopes to start a Richmond chapter of the Teamsters for a Democratic Union (TDU), a national network of Teamsters committed to reforming the union from the bottom up.

—Dan Marschall

Pardons, power, politics

By Tim Frasca
Washington Bureau

Washington. Lawyers on President-elect Carter's transition team are at work on legal aspects of the pardon to be granted to selected Vietnam war resisters in what apparently will be Carter's first major act in office.

In the area of long-range administrative organization, Carter is getting strong advice—and reportedly is paying attention to it—to break the White House stranglehold over policy formulation and execution.

Carter's pardon of draft violators will be universal regardless of circumstances, but deserters will be dealt with on a case-by-case basis. About 14,000 persons will receive Carter's limited amnesty.

But the 750,000 Vietnam-era veterans who received less-than-honorable discharges remain unaffected. The status of nonregistrants, estimated by former Atty. Gen. Ramsey Clark to number a million, is unclear from present reports.

"Carter's got trouble on this one," one amnesty activist said. "He's going to get it from both sides, the Legion and VFW—who hate him already—and on the other hand, those he's left out."

Carter is also facing in the transition period important questions on the scope and nature of presidential power. Stephen Hess, a fellow of the Brookings Institution, the liberal thinktank, is advocating reversal of the FDR-to-Nixon trend toward turning the White House into a super-executive, initiating and administering policy over the heads of the bureaucracy.

"Roosevelt saw the inherited permanent government as too conservative," Hess said. "Eisenhower found it too liberal. Kennedy's people considered it a bulwark against change, and to Johnson and Nixon it was simply disloyal."

The Nixon White House became, according to Hess, who worked there under Daniel P. Moynihan, almost a "counter-bureaucracy," the culmination of the centralization trend.

Hess' analysis, contained in his well-timed book, *Organizing the Presidency*, is attractive to a broad range of the moderate-to-liberal Washington establishment. After eight years out of power, incoming Democrats are eager to enter the government as innovators or even activists, not cautious 4th or 5th-echelon functionaries afraid of looking like usurpers to a power-jealous palace guard.

Furthermore, a legislature bursting with Democrats is sure to be nodding vigorously at Hess' reminder that "Congress, not the president, delegates administrative authority to the departments." Under Hess' conception, the president becomes "not the chief manager, but the chief political officer, making important, but relatively few, political decisions."

Although Carter has so far indicated only that he is studying the Brookings thesis, adopting it may be the line of least resistance, most suited to pleasing the people Carter must live with for the next four —or, if all goes well, eight—years.

Cabinet and cabinet-level appointments in coming weeks will be strong clues as to which organizational course Carter will take.

His expected choice to head the Office of Management and Budget, Thomas Bertram Lance, would be consistent with the Brookings conception. Though a conservative banker who, along with Coca-Cola's J. Paul Austin, has been arranging rendezvous for Carter with "leading businessmen," Lance is known as a competent fiscal manager less likely to assert policy prerogatives through the White House-connected OMB over departments headed by cabinet appointees.