WAGE-PRICE GUIDELINES

Labor balks at Carter's concessions

By David Moberg

IF JIMMY CARTER SPENT EVEN A moment tooting a party horn to welcome in the New Year, it wasn't over the likelihood of his wage-price guidelines winning support from organized labor.

Despite some revisions that slightly favored workers, the 7 percent wage limit has still met overwhelming rejection from the AFL-CIO and from most individual unions. In general, Carter's relationship with labor has become more estranged and bitter on both sides as union leaders increasingly see the Carter administration as anti-labor.

Several local unions have already bucked the wage limit, but the first big test comes with the Oil, Chemical and Atomic Workers, who have been negotiating new two-year contracts for 60,000 oil industry workers. Citing the administration pay standards, several oil companies offered pay increases of 7 percent in the first year and 6 percent in the second plus some improvements in the medical plans.

The union rejected the pay increase as failing to meet their unspecified demand for "substantial" wage improvement. OCAW also wants an expanded medical plan fully paid by the employers—they pay roughly half the cost now—and more vacation time.

"Business as usual."

Like the Machinists, now negotiating airline and many diverse local contracts, the Rubber Workers, whose contract comes up in April, the electrical workers (IUE), and several other unions, OCAW officials have told bargainers to pursue "business as usual" and to ignore the Carter guidelines.

The small Association of Western Pulp and Paper Workers, now negotiating contracts for 15,700 of its workers, some of whom have been on strike since last July, challenged the constitutionality of the guidelines after the Council on Wage and Price Stability intervened in their negotiations. The Council had answered an inquiry from Crown Zellerbach Corporation saying that it found no "tandem" relationship between the contracts now being negotiated and those settled earlier. Although that would normally have meant that the new contracts would have to come under the 7 percent limit, an exception was made allowing settlement on somewhat more satisfactory terms offered by the company before Carter's Oct. 24 speech.

Federal judge Robert Belloni ruled that the union had not yet exhausted Council hearing procedures. However, during the court dispute, the Council said that the government would use its strongest sanction—withholding purchases—only against companies holding individual contracts for more than $5 million. That would mean only about 500 companies—and about half of the 500 largest—would be subject to such penalties for violating the price controls.

The constitutionality of the Carter plan will probably be subject to further challenges. The AFL-CIO is considering a legal challenge as soon as the Council on Wage and Price Stability sets up its full procedure. The Pulp and Paper workers have not dropped their suit. Also, a group of right-wing members of Congress, who joined in the Pulp and Paper Workers suit as a friend of the court, may mount their legal attack.

Revised standards version.

In response to comments from businesses as well as labor unions, the wage guidelines were revised on Dec. 13 to permit some benefit increases to be exempted from the 7 percent wage lid. Previously all benefit increases, even those mandated by law or resulting from other inflationary pressures, would have been included within the 7 percent. Typical of many situations, rubber industry representatives figured that simply extending the current contract would raise first-year labor costs by 8 percent.

The revision would exempt all costs to maintain pension benefits at existing levels and anything above the first 7 percent needed to maintain health benefits, but all improvements in benefit standards would be charged against the pay limit.

(There was also a revision of the profit margin test. That was an alternative for firms that could persuasively argue that they could not hold price increases to less than .5 percent below the 1976-77 rate. It would have permitted unrestricted dollar increases in profit, even though it set the profit margin at the level of the best two of the last three years. Now firms choosing this method will also be restricted to a 6.5 percent dollar profit increase. At the same time, all firms will be allowed a minimum of 1.5 percent increase in price, even if they had no price increases in 1976-77.)

Labor leaders were unimpressed by the revision, however. "I don't see any reason to cheer about that," says Rudy Oswald, research director for the AFL-CIO. "Even with it, the Carter program restricts labor significantly more than the wage controls under Nixon in 1971-74," he said.

Those controls were designed to "zap labor," according to a Nixon administration official. Nevertheless, they had more exceptions for labor than Carter: improvement in the level of benefits was not counted in the pay limit, cost-of-living increases were weighted as they were enacted over a year rather than counted in their entirety from the beginning of the year, workers who had not received sizeable pay increases for years could "catch up," and the low-wage exemption started at a proportionately higher level than under Carter's plan. The implicit conclusion in the AFL-CIO analysis: Democrat Carter is out to "zap labor" even more than Nixon was.

The conclusion of the AFL-CIO analysis is: Jimmy Carter is out to out-Nixon Nixon.

11 percent increase predicted.

If the predictions of a panel of industry and labor representatives assembled by the Conference Board come true, discussions of the plan's details are pointlessly academic. They expect first-year wage and benefit increases to average 11 percent in major contracts this year. That would effectively kill the President's plan, which half of the panel expected to be replaced by mandatory controls.

The Conference Board experts said that the President's 7 percent goal would be tough to reach in any case, since wages and fringes together probably increased by 10 percent in 1978 (wages alone averaged 7.7 percent increase), and most workers are now more, not less, concerned about inflation eroding their income than they were in 1978. The administration guidelines, labor writer A.H. Raskin predicted, would probably become "a floor for union demands.... That automatically makes 10 percent or higher the starting point for any buy-up of work rules and other restraints on productivity."

Even without these pressures brought on by worries about inflation and lost income and about recession and job insecurity, Carter would be in tough shape politically. Rep. Al Ullman (D-OR), chairman of the House Ways and Means Committee, and—even more forcefully—Rep. Charles A. Vanik (D-OH), a ranking committee member, have criticized Carter's wage insurance plan. Although it still hasn't been spelled out in detail, wage insurance was intended to reward workers who stayed within the pay guidelines with tax rebates if inflation exceeded 7 percent and thereby win labor support.

Carter's already testy relationship with George Meany worsened in December when Carter refused to reappoint Meany to the board of the Communications Satellite Corporation. Then AFL-CIO secretary-treasurer Lane Kirkland resigned in response from the Arms Control and Disarmament Agency and from the National Advisory Committee for Women. The AFL-CIO was still fuming over Carter's apparently vengeful dismissal of Assistant Labor Secretary Francis X. Burkhardt, a former Painters union official.

Moreover, many unions—already unhappy with the Council on Wage and Price Stability and its director, Barry Bosworth, for backing employers in labor disputes—have even more reason to be concerned about the onesidedness of the Carter inflation program. CWPS action in the Pulp and Paper case, where the council responded unilaterally to a corporate inquiry on wage negotiations without even consulting the union involved, was ominous. Likewise CWPS chairman, Alfred Kahn has frankly admitted that many workers who have fallen behind in pay during recent years will simply not catch up if the anti-inflation plan works. Also, CWPS deputy director Robert Russell said that increased strikes will be another price of the inflation plan, thus indicating administration support for companies that take a tough line. The expectations may be realized quickly.

Oil showdown.

"Every passing day increases the probability of a strike," OCAW spokesman James Archuleta said late last week. Since the OCAW contract has no cost-of-living adjustment, any wage settlement less than 9 percent or thereabouts is likely to be considered insubstantial, even though the union has not publicly set a target.

"It's not collective bargaining whatsoever if the government is injecting itself in negotiations and going to company officials and saying don't cave in to employee demands," Archuleta complains. "No longer are there two parties. There's the specter of a third, the government."

"However," he adds, "it's a voluntary program anyway and we choose not to volunteer. If we negotiate those items [approved by a vote of the membership for bargaining], we will certainly break the guidelines. And it's our intention to break those guidelines if we possibly can, even though we are up against the biggest corporations in the world."

Ironically, the first test of Carter's inflation policy is one that demonstrates how little impact workers' wages often have on price increases. Even though the relatively skilled refinery workers make an average of $8.82 an hour, according to the union, that figures out to less than a cent per gallon of gasoline in labor costs.

While administration officials—reportedly Vice-President Walter Mondale and Bosworth—were urging oil companies to show patriotic vigilance against any oil worker wage increase, Carter is also planning decontrol of gasoline prices, which will push prices up faster and farther than a doubling or more of oil worker wages would.

If oil workers strike nationwide for the first time since 1969, the companies will undoubtedly try to use management personnel to run the highly automated refineries. But union officials doubt that will seriously weaken their strike power. "It doesn't seem logical that they would have 1,400 people working in their refinery at Whiting, Ind., if they didn't need them," district director Ernest Toth reasoned.

The 12-member National Oil Bargaining Policy Committee—including one union member elected from each of eight districts—will decide on acceptance of a pattern settlement, which would then ultimately be referred back to 411 local unions for ratification. President Al Grospiron already has authority to call a strike. That could give Jimmy Carter a taste of what his New Year will be like. ■

RACE DISCRIMINATION

Oakland black mayor's liberal bloc endangered

By Randall Risener

OAKLAND, CALIF.

MAYOR LIONEL WILSON—the city's first black mayor—and the coalition of liberal-left Democrats, community activists and minorities that put him into office more than a year ago may be parting ways.

This rift went "public" recently on the heels of allegations that Wilson and his administration are trying to stifle probes into charges of racial discrimination within the Oakland Police Department (OPD).

In a sense, the present controversy and potential ramifications reflect a city of political, racial and economic diversity moving from one era into another. For Wilson it began with his election last year. For the OPD it started in 1969.

That year saw this city signing a consent decree as a result of a lawsuit alleging racial discrimination in the department's hiring practices.

Ensuing years brought an increase in employment of black officers—many critics, though, say that the OPD's racial ratio is still unrepresentative of the city's population.

By 1975, however, the OPD's racial policies were back in the news with the issue focusing on promotions, transfers and assignments. The city council sided with complaining black officers that year and commanded the department to correct its internal practices.

"All's well that ends well," the saying goes and the OPD seemingly had proved that rhetoric a truism until last month when controversy was once again placed before the public by the city's Civil Service Commission.

Chaired by Sandre Swanson, a Wilson appointee, the commission tackled recent and long-standing complaints leveled by the Oakland Black Officers Association (OBOA) and community activists.

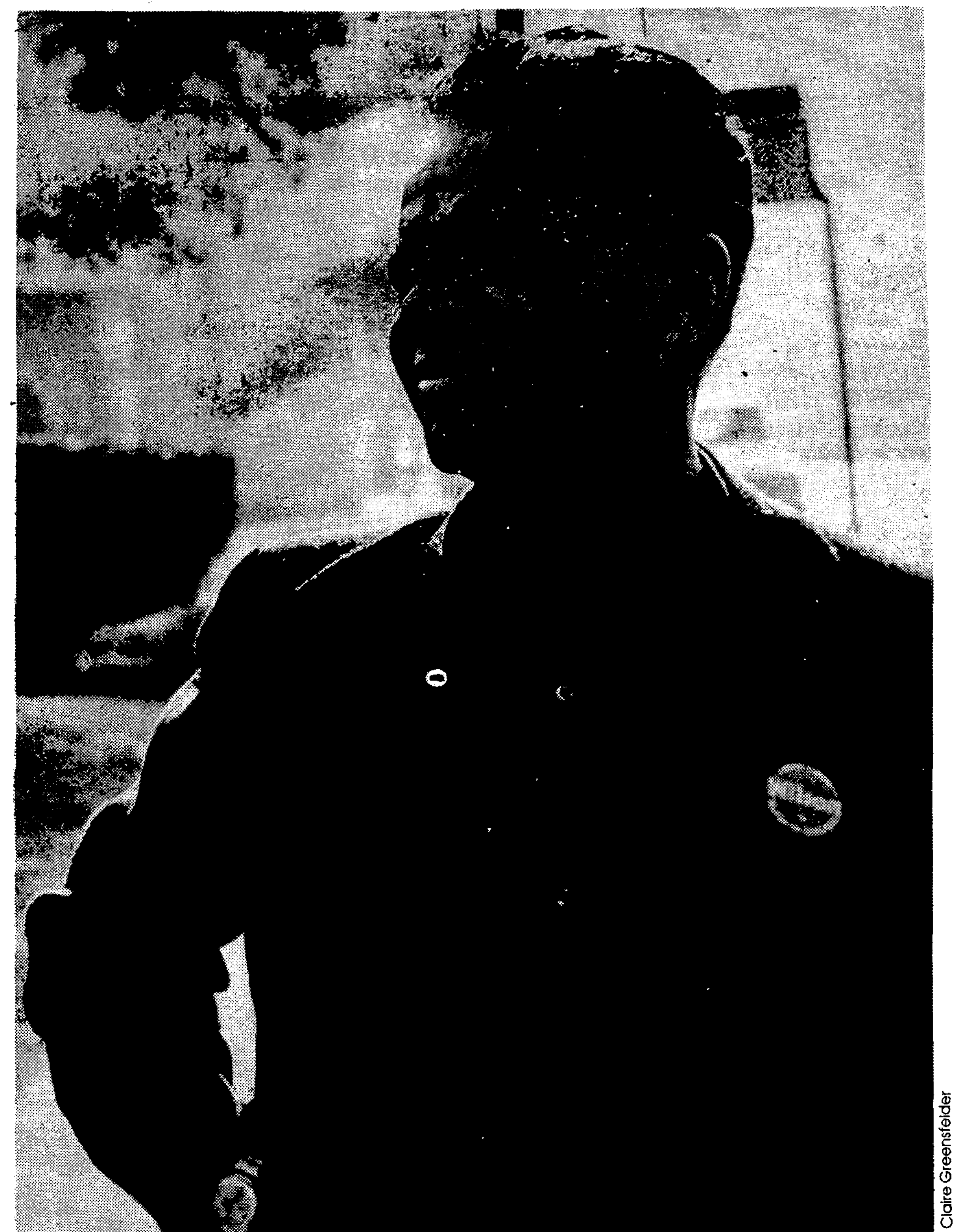
Discrimination does exist.

Whether or not discrimination exists within the OPD is not the point of dispute—all sides agree it does. How to resolve the issue promotes current dissention and the hearings have produced little more than bitter accusations and denials with their continuation prompting Wilson's latest headache.

Of late, Wilson has called for a halt to the public hearing replacing them with a settlement worked out between his administration, the OBOA and OPD.

"It's my feeling," Wilson said, "that the hearings won't lead to a resolution. The commission is only an advisory body that makes recommendations to the city manager and the city manager already feels he can put positive changes into effect. I would like to see the hearings suspended."

While critics have offered little "hard evidence" to contradict Wilson's assertions, black community leaders argue that the hearings should continue in order to spotlight public attention on the situation. Many feel that nonpublic negotiations would "ease the heat" on public officials, leaving them less inclined to follow through on public promises.



Claire Greensfelder

Lionel Wilson, Oakland's first black mayor.

The running battle between the OBOA, OPD and Wilson was highlighted recently by the resignation of Sgt. Calvin Young, a ten-year veteran of the force and a founder and vice-president of the OBOA.

Young said that negotiating with the OPD and the city was analogous to "blacks in Africa negotiating with Ian Smith of Rhodesia."

Private negotiations.

Many observers feel that Wilson's recent attempts to handle the OPD affair on a more private basis may be a natural reaction to protect the image of his administration on the heels of a recent scandal in which the former director of the city's

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FREE SPEECH

BU president fires key broadcaster

By Anita Diamant

BOSTON

TURMOIL HAS PERIODICALLY rocked Boston University since John R. Silber was named president in 1971. While workers on the campus successfully organized unions despite union-busting activities that brought the University before the National Labor Relations Board and into court, other people on campus have been dumped by Silber in his efforts to gain "financial stability through managerial excellence," excellence being Silber's buzzword and his device to severely limit free speech on campus.

One of Silber's favorite targets has been the University radio station, WBUR, which has gained a national reputation as part of National Public Radio. Silber's interference led to a Boston public hearing of the directors of NPR and on the day before his Christmas vacation, Steve Slade, executive producer for public affairs at WBUR was fired with no reason offered after three and a half years. It seems clear, though, that his outspoken opposition to the increasing intervention by university officials was the cause.

Tapes not aired.

Slade and other station workers feel he got the axe because he talked to local newspapers about two tapes that were kept off the air because they obtained comments critical of Silber.

After Slade's firing, Gail Fuhrer, a public affairs producer, was asked to assume Slade's responsibilities. "Nobody told us he was fired," Fuhrer said when she resigned in protest.

The firing of the public affairs producer may be the final blow to the station's autonomy and to its national reputation as a leader in public radio. WBUR was the first station on the East Coast to air regular programming for the gay community. A show produced by Norfolk prisoners has been a regular feature for years and the Assassination Information Bureau was given air time even before they were considered respectable.

"Foreign Policy Report" is now off the air, and Slade thinks that programs like "The Struggle," a minority magazine, are in jeopardy too.

Last spring, a pro-Silber professor was assigned to oversee the day-to-day functions of the station, to get the programming more in line with the university's "mission." A letter from Silber to his "overseer" was made public and caused an uproar at the station, within the university community, and in the Boston press.

Silber said, "We should not lend ourselves to the advocacy of drug usage, homosexuality, quack psychotherapy, or of anything else that is likely to frustrate the optimum personal fulfillment of our students or of citizens.... We should reflect our concern for the role of the family as a continuing structure in American soc[illegible] contribute what we can to its strengthening.... I think WBUR must be a vehicle through which we should inform the public about Boston University."

Last summer, pressure began to build and administration desires began to be felt in hiring, firing, and program development. Eventually, the station manager, Bonnie Cronin, and program director, Vic Wheatman, resigned. Slade says the station's content has suffered since because acting replacements without expertise were hired. "We were treading water and filling in the holes," says Slade. The lack of new programs produced by the station meant more reliance on increasingly "safe" National Public Radio features.

"Managerial excellence" is the slogan Silber uses to severely limit free speech on Boston University campus.

Slade thinks the university has successfully sabotaged "one of the leading public radio stations. We are no longer in the vanguard. Nothing was created to replace what went off the air. We're living off the capital of previous programming. They've already done the damage."

No more pressure.

For Steve Slade, there's nothing left to do except talk to reporters. "I have no legal recourse," he said after consulting local lawyers. "You can be fired for speaking out in the private sector. All that's left is to get publicity. They hate publicity enough to fire people for it, so obviously it's detrimental to them."

Slade's departure may signal the end of the pressure WBUR will exert on the administration. "Once they can appoint the management," warns Slade, "they can make changes without Silber headlines."

Silber headlines have appeared in the *New York Times* and *Esquire* magazine as well as the local Boston papers and more are on the way. The Civil Liberties Union of Massachusetts filed a lawsuit on behalf of the staff of the Boston University *Exposure*, a subsidized student newspaper. The suit charged BU with repression of freedom of the press and free speech and also with breach of contract. *Exposure* claims that the university is seeking to censor the poublication by withholding funds which were allocated to the newspaper. The paper has been bitterly critical of Silber's policies and gave extensive coverage to developments at the radio station.

What happened at WBUR isn't likely to spark much activity on campus. The station is a professional operation with little student input, and besides, the recent firing took place when students were away on winter vacation.

But as Slade and others point out, enormous pressures and resentments from every faction on campus persist. "The best bet is that there will be an open confrontation in the spring," predicted Slade. Silber survived a concerted attempt by professors and students to oust him in 1976, but the developments of the past year have further united faculty, students, clerical and grounds workers and public sentiment against the man who boasted that the university would have to accept him as he was, "warts and all." ■