

IRISH ASSOCIATION FOR INDUSTRIAL RELATIONS

**The Twelfth
Countess
Markievicz
Memorial Lecture**

1987

Revolution by Evolution

Donald F. Ephlin

The Countess Markievicz Memorial
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The Twelfth Countess Markievicz Memorial Lecture

"Revolution by Evolution"

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PERHAPS THE REVOLUTIONARY TIMES are past in the American labour movement. For us in the United Auto Workers, the revolution in the auto industry came to an end and the evolution began when we won the right to represent workers during the post Depression years.

The mid—1930's were indeed a time of revolution in America. While the workers were engaging in sit—down strikes that winter of 1936—37, the company tried to block food shipments into the plant, called in police who used tear gas and billy clubs, tried to use court injunctions and turned off the heat in the plant. After a bitter 44—day strike, General Motors acceded to the Union's demand to negotiate a contract.

Since that time, our progress has been decidedly evolutionary — a steady succession of gains in bread-and-butter issues that were supplemented year in and year out with broader progress, particularly in social issues such as pensions and health care. More recently, we have made substantial gains in the areas of long— term job and income security, workplace health and safety and greater input into the corporate decision—making process for our members.

But when we step back and look over the span of some 50 years — a wink of the eye in the course of man's long struggle to improve his lot — we can identify change that is cumulatively as dramatic, and at least a far—reaching as the bitter battles of the 1930s that established a beachhead for the United Auto Workers.

In the 50 years since the UAW negotiated its first contract with General Motors, our relationship has evolved from one which was

strictly adversarial to a more reasoned problem—solving approach. This change has occurred on both sides, and I, for one, believes it works to the advantage of the Union, its members and to the corporation.

Make no mistake, however, the UAW and General Motors will continue to disagree at times and use the hard—won contractual protections we have achieved over the years to insure the health, dignity and economic security of the members we represent.

As we look to the future, I think it worthwhile to take a brief glance at the past and to examine how we got to where we are today.

Since the UAW first gained the right to represent workers at GM over 50 years ago, we have seen a dramatic change in the relationship between the giant corporation and the Union that represents its hourly workers. What began as a revolution in Flint, Michigan, in 1937 has evolved into a working relationship that has ultimately benefited all involved.

When the UAW and GM signed that first one—page contract 50 years ago, it was with an initial goal of getting General Motors to agree to negotiate a labour agreement with the UAW. The issue was simple — recognition of the then fledgling UAW as the bargaining agent for GM employees. GM was, by 1937 standards, a huge corporation; with assets of \$1.5 billion and 69 plants in 35 cities. By 1937, the UAW's total membership was at 375,000 up from 35,000 just two years before.

The early years were important in that the Union won significant protections for the workers. Just two years after winning the right to represent GM workers, the Union established seniority rights and laid the groundwork for an apprentice program. While significant progress had been made in a short time, the Union had a broad and long—term agenda for improving the lives and insuring the security of its members. The work had just begun.

Times were good, the companies were enormously profitable and the Union pressed hard to insure that the GM workers shared in the success of the company. This was first seen with the establishment in 1940 of 40 hours of annual paid vacation for employees with at least one year on the job; a provision which was doubled in 1942 for employees with five years of seniority. That same year the contract provided a four-cent-per-hour raise for workers.

It was also during that time — the war years — that the Union's leadership adopted a no—strike clause. The day after the attack on Pearl Harbour the Union's governing body, the International Executive Board, met and voted to place a moratorium on strikes during the war. This position was affirmed by the Union's membership. The UAW also sought to convert auto plants to "arsenals of

democracy" and called for the adoption of a plan, authored by then UAW Vice President Walter Reuther for "Five Hundred Planes a Day". Reuther saw this as a means to put idle workers back on the job and feed the economy. During this period, the Union developed a reputation as being committed to world peace and full employment.

The Union also faced the added concern of the tens of thousands of women — Rosie the Riveters — and others who had joined the workforce in the war years. Reuther also had a plan to replace production for war for production for peace. Its centerpiece was a program to put America's industrial capacity to work building homes, transportation systems and meeting other "social needs" that had been neglected during the war. Reuther reasoned that such a plan could insure the employment of not only the Rosie the Riveters, but the returning GI's as well.

When union members returned from the war and to their old jobs, they found a union that had matured and was committed to pursuing an agenda for economic and social justice for its members. They also faced a corporation which had weathered the war in fine shape and was again highly profitable.

It was in that first postwar contract negotiations with General Motors that the Union demanded that the corporation "open its books". After a 113—day strike in 1945—46, an agreement was signed with GM which gave workers an 18 per cent an hour raise bringing the average hourly wage for an autoworker to \$1.44. Within the next two years the Union negotiated six paid holidays and the first annual improvement factor (AIF) which acknowledged workers' contributions to regular productivity increases. A cost-of-living allowance (COLA) to offset the impact of inflation was also negotiated for the first time.

The Union, however, had an agenda far broader than traditional bread and butter matters. Having achieved a measure of economic security for its members, the Union turned its efforts to the area of social issues. Then UAW President Walter Reuther took up the banner of "Too Old to Work, Too Young to Die", and, marshalling public opinion, in 1950 negotiated the first UAW employer—paid pension program. That same year the Union closed the gap and was able to negotiate a fully paid hospitalization plan for employees.

While the auto companies were relatively strong, they were plagued by cyclical downturns in the industry. The workers often found themselves out on the street during these blips and during the then—annual model changeovers. In 1955 the Union took a major step in guaranteeing an annual wage with the adoption of the Supplemental Unemployment Benefit (SUB) Program. This layoff

protection plan has stood the test of time by providing hundreds of thousands of workers with an economic cushion during some lengthy interruptions of work.

It is worth noting that during the 50's and 60's, while the Union made progress in both economic and social programs, management's treatment of workers was building to a crisis point. Nothing illustrated that better than the bitter 67—day strike at General Motors in 1970 over a myriad of so-called traditional issues — most notably maintaining an adequate cost-of-living program and establishing early retirement under the "30 and Out" program. Relations between the management of General Motors and the UAW were so bad that GM's Lordstown, Ohio plant became synonymous with worker dissatisfaction. The plant was immortalized in Studs Turkel's 1972 book, "Working", in a chapter titled "The Blue Collar Blues".

During the 60's and 70's, local contract issues became a critical battleground. In each round of bargaining, negotiations are conducted simultaneously at over 150 local units. In many of these local negotiations, costly strikes resulted. To some, the issues seemed insignificant by economic terms, but in reality, they related directly to shop floor working conditions and matters relating to dignity and the human factors involved in mass production. It took years for the corporation and the union to fully understand how crucial these issues had become.

It was against that backdrop that former UAW Vice President Irving Bluestone pressed hard for the establishment of a "Quality of Worklife" (QWL) program. Bluestone's goal, and the goal of all of us who support the notion of QWL was to address the issues of workplace dignity and to achieving a greater measure of democracy on the shop floor.

While QWL has not been a panacea, it has fostered greater communication among many in management and the Union and in some cases has served as the beginning point for a joint approach in many locations. In retrospect, I believe that the establishment of Quality of Worklife programs laid an important foundation in the evolution of the relationship between workers and managers. It was the first major acknowledgment by management that workers and their union had a contribution to make to the operation of a company.

In the 1970's the auto industry was on a boom or bust roller coaster, caused in part by high price runups at the gasoline pumps and Detroit's lack of preparation for small car demand by consumers. Nothing, however, could have prepared either the Union or the companies for what was to come. Just as everyone thought an

upswing was in place in 1978 with record sales and profits, the following year brought the Iranian revolution, and even bigger surge in gasoline prices and economic chaos that hit the auto industry first and hardest.

While Ford, GM and especially Chrysler were reporting record losses, workers in the plant were experiencing an across-the-board hemorrhaging of their jobs. This was exacerbated by the exhaustion of unemployment benefits, plant closings, depleted or dwindling layoff funds (SUB) and the uncertainty of what was to come.

When the companies came to the Union in late 1981 and asked us to reopen the contracts, it was against a backdrop of 1/3 of our members at Ford and GM on layoff, twenty-two Big Three plants having been closed the previous two years and a growing loss of confidence in the domestic auto industry. There were many factors beyond our control which contributed to the financial woes of the companies, most having to do with skyrocketing sales of imports helped by the strong dollar and a national economic policy of a deliberately engineered recession, soaring general unemployment and double digit interest rates.

It should be noted that we in the Union never viewed ourselves as being in the business of saving or bailing out the companies where our members work — our primary concern had always been to protect jobs, seek reasonable wage and benefit improvements and to insure a safe and healthy workplace. All that changed in the early 1980's when workers in the plants were being made to bear the brunt of the automotive depression and were being singled out for much of the blame for the industry's woes. These changes ranged from unfair accusations of too-high wages and benefits to poor quality and an inability to compete with the Japanese.

When we agreed for the first time in our history to reopen the contracts with Ford and GM, the label "concessionary bargaining" was attached to what we ultimately did. The UAW has a long and proud history of bargaining to the circumstances of the time. We did what was right and responsible in 1982 and our efforts met our main objectives of preserving the long-term job and income security of our members.

I have always viewed that contract as "reciprocal bargaining". For in the long run we won far more than we gave up, most notably the job and income protection provisions of the contract and the establishment of profit sharing. The formula we negotiated at Ford has paid over \$5000 to the average worker in the last five years. While profit sharing at GM has not been as lucrative for the employees, the principle is carved in stone. Looking back on that difficult period, I remain convinced that we in the Union gained far

more than we sacrificed. Yes, the workers did accept a wage freeze for the term of the contract, but in return we established, in perpetuity, several important principles that have served as a foundation upon which to build in the years since.

From that agreement grew a new and expanded role for workers and their Union in the day to day operation of the company. Out of those negotiations also grew a myriad of training, education and health and safety programs that have enhanced life on the plant floor and have given workers a greater say in defining and implementing their jobs. Perhaps the most significant aspect of the contracts reached that year was that the agreement was based upon an overriding principle — total acceptance of the Union.

In our next round of contract talks in 1984, the Union expanded upon the job and income security programs negotiated during the crisis a few years earlier. While the companies were not out of the woods financially, they appeared to be on the road to stability. We had, however, established the critical principals of jointness and greater plant democracy and there was no turning the clock back.

In 1984 we also negotiated a far-reaching and comprehensive job security program at GM, the Job Opportunity Bank Security (JOBS) program which guaranteed protection against layoff caused by outsourcing, new technology or negotiated productivity improvements. The program, part of the pattern set at GM, was replicated at Ford. Since the programs were implemented three years ago, some 12,500 workers at GM have participated in the JOBS program. Another 2,000 workers at Ford who would have otherwise lost their jobs and income, have participated in a comparable program at the number two automaker.

When we went to the table in 1987 to negotiate a new national agreement with Ford and General Motors, we had as the centerpiece of our demands enhanced job security. We opened talks at GM in the summer of 1987 against a backdrop of declining market share, eroding sales, the announcement of nearly a dozen plant closings, a loss of public and investor confidence and a crisis in GM's in-house components operations. Moreover, we in the Union made our position clear that we felt a large measure of GM's problems were directly attributed to their lack of a uniform labour policy and an absence of clear direction and follow—through from the top managers in the corporation.

Out of this round of negotiations also grew major improvements in our job security program that protect employees from layoff except in well—defined volume related situations. Gains were also made in the areas of wages, pensions, health care and in strengthening the solvency of the Supplemental Unemployment Benefits

(SUB) fund which provides a cushion for those workers who are laid off.

Moreover, we expanded the scope of our current joint activities at GM and won a greater level of involvement for the union in numerous areas. Too much cannot be said about the input and impact our union and its members can have on the day-to-day operation of the General Motors Corporation. None of us could have imagined the across the board involvement we now have.

For example, one year ago I was invited to serve on the corporation's Quality Council, a group of top GM executives who regularly review and make recommendations on all aspects of quality. During the 1987 contract talks, Bob Stempel, the new president of GM asked me to co-chair the Council. In addition to our involvement with the Quality Council, the union and management have jointly developed a corporation-wide Quality Network comprised of representatives of the company and the union who will, on the group and plant levels, participate in quality efforts from design to final assembly. This is significant in that for the first time in the history of General Motors, the parties are working in concert to address quality and customer satisfaction.

Another area in which we have made substantial progress is a contract mandate that at each location periodic "state of the business" meetings take place. While this may seem like a small thing to some, the fact that top management and the local union leadership in a plant will meet to become better informed about the competitive challenges facing GM and to explore solutions is indeed significant.

These few examples are only part of a broader agenda of jointness we adopted in contract talks this year.

While the pattern for this year's agreement was set at Ford, it was based upon input from the GM section of the Union and addressed many of the challenges which are unique to the GM workforce.

We in the GM section of the UAW and the domestic auto industry in general still will face serious competitive difficulties. But we have weathered some violent storms and have found ways to work together to meet the crises we face. Our progress has been staggering in that the relations between the Union and management at GM have gone from the worst in the industry to what I consider the best. There exist today more open lines of communication and opportunities to have an impact than ever before in our history.

I have said in the past and continue to believe that we — and by we, I mean the General Motors workers and all people who are part of the giant corporation from the chairman and president to the workers and managers on the shop floor — are at a crossroads, with

the future of General Motors as we know it at stake. There is no question that if the wrong fork in the road is taken, all the progress we have made over the years will be swept away.

This Union and its leadership have a lot to contribute to the future success of the General Motors Corporation — our mission is simple — we want to help manage the corporation and have as our goal saving the General Motors Corporation for the General Motors workers.

I remain optimistic about the future of the General Motors Corporation, about our ability to compete and about a rebound in the domestic automotive industry. I am also reminded of how closely our destinies are tied and how critical it is that the corporation work in concert with the Union and its members in seeking and implementing solutions to the challenges we face. Any other approach would be irresponsible.

If we respond with courage and innovation, as we have since foundations of the U.S. auto industry began to tremble in the late 1970s, we can point the direction for all of industrial America as the nation struggles to compete in the new global economy. We are poised to lead once again, as we have from the Union's earliest days.

We also intend for the evolution to continue as we work to increase the Union's involvement in the various aspects of the operation of General Motors. For while "industrial competitiveness" has only lately become a political buzzword, we have lived it for a full decade in Detroit and dozens of other communities.

We have been writing the book on workplace innovation, and now we are beginning another chapter. The revolution is not over, the evolution continues.