LABOR PRACTICES AND PROBLEMS IN URBAN GOODS MOVEMENT

Abraham Weiss

It is encouraging that the U. S. Department of Transportation and the Canadian Ministry of Transport have sponsored a conference on urban goods movement. As a representative of a labor union whose members are primarily engaged in goods movement and storage, I think our interest in this subject is self-evident. We hope that out of this conference will come a measure of perspective, a more balanced view of urban transportation problems, and a greater awareness that these problems involve not only the movement of people but of goods as well.

It is well known that rapid urbanization has created many transportation problems for metropolitan areas. Most of the attention has been directed to public transit—the movement of people—rather than to the overall urban transportation issue. The lack of free and easy circulation frustrates the whole social and economic edifice of urban centers and leads to decay of metropolitan areas. Moving goods to and from the central city is as important to urban communities as moving people.

Other papers in this report discuss the statistics of urban goods movement; changing patterns in urban growth; shifts in population, employment, retailing, and industry among the cities and the suburbs and the consequences for truck travel; data sources for urban motor truck trips; central business district traffic versus other traffic; and intracity versus intercity movement. My assignment is to discuss labor practices and problems in urban goods movement.

The Teamsters Union has negotiated well over 30,000 collective bargaining contracts, covering both trucking and nontrucking operations in all types of private and public industries. The Teamsters Union is the largest union in the world, with more than 2 million members at the seasonal peak.

The vast number of Teamster agreements in effect and their wide variety and diversity preclude an overall analysis, appraisal, and evaluation of Teamster practices and policies in urban goods movement. The problem is further complicated by the fact that the term "goods movement" has many facets, each of which may have its unique characteristics, mode of operation, bargaining representative, labor contract, and size of bargaining unit. In addition, goods may be transported either (a) by a for-hire carrier, a contract carrier, or a private carrier or (b) by a private firm as distinguished from a governmental agency.

Labor policies and practices in the movement of freight (general commodities) may well differ from those, for example, in route-sales delivery of baked goods, milk and ice cream, soft drinks, and beer to retail stores or to the housewife. Driver-salesman delivery in turn differs from service traffic, such as garbage collection and public utility and road maintenance activities. These activities, in turn, differ from other types of motor truck delivery of merchandise from retail or furniture stores and bulk products such as petroleum products, coal, concrete, and building materials. Still another category of goods movement is service calls by the plumber, TV repairman, or the telephone company. This listing, of course, is not all-inclusive.

The number of labor unions involved in these different types of delivery operations, of course, is substantial. Hence, there exists a broad and diverse spectrum of labor practices and policies, some codified, others informal, that may impinge on urban goods movement or that, conversely, may be affected by changes in the pattern of urban goods delivery.

A global, comprehensive overview of labor practices and problems in urban goods movement is, therefore, nearly impossible. How, then, do we tackle the issue of labor practices and problems in urban goods movement? The discussion that follows is based on an analysis of the National Master Freight Agreement and various supplemental agreements, negotiated between the Teamsters Union and the trucking industry. This agreement is the broadest based and most significant Teamster contract in urban goods movement. In addition, I shall cover the policy of the Teamsters Union toward technological change.

THE FREIGHT AGREEMENT

The National Master Freight Agreement, together with a series of broad regional supplements, covers more than 400,000 employees engaged in local cartage and over-the-road freight operations. The agreement covers more than 400 Teamster-affiliated locals. Every Teamster local union that has members employed in freight operations, either local cartage or over-the-road, is a party to the agreement, with rare exceptions. More than 12,000 firms—private, common, and contract carriers—are covered by this agreement. First negotiated in 1964, the agreement has since been renegotiated at 3-year intervals in 1967 and again in 1970.

Appended to the National Master Freight Agreement are a number of area or regional supplements for either road operations or local cartage. Some of the area supplements cover an entire region such as the Central States (14 midwestern states) and the Western Conference (13 states in the far west and on the Pacific Coast). Others embrace only a single state (Virginia or West Virginia) or a metropolitan area (San Francisco Bay area or Philadelphia and vicinity).

As of 1967, there were 18 local cartage supplements to the National Master Freight Agreement. These 18 local cartage supplements were reviewed and analyzed to ascertain those contractual provisions that might have a bearing or impact on urban goods movement. These supplements cover freight (general commodities) carriage and not the specialty delivery trades.

In analyzing the local cartage freight supplements, I sought to focus on 2 interrelated items: congestion and its impact on efficiency and on the cost of transporting goods within the metropolitan area, and, conversely, changes in urban goods movement so as to ease congestion and effect economies in goods distribution. In essence, I posed the following questions:

1. What if urban deliveries and shipments of goods were made during nighttime hours or on weekends rather than during congested daylight, Monday-to-Friday hours? If this were done, what labor practices, if any, included in the local cartage agreements would inhibit or prevent or make more costly truck deliveries at hours other than peak hours? In other words, what are the local cartage labor contract provisions that would restrict 7-day, round-the-clock delivery of freight by motor carrier?
2. What labor practices, if any, restrict the use of larger vehicles or tend to reduce the number of vehicles on the streets at any given time and so relieve congestion?

The following findings are based on a review of the 18 local cartage and pickup and delivery supplements to the National Master Freight Agreement with respect to starting times, scheduled work days, premium pay for weekend work, night-shift premiums, and pay differentials for operating large equipment.

Starting Times

Only 3 of the 18 broad regional local cartage supplements prescribed a fixed starting time or times: San Francisco Bay area, Chicago, and New Jersey-New York metropolitan area. In one other supplement (upstate New York) only 1 of the 13 local unions covered has a fixed starting time—between 7:00 and 8:30 a. m.; but the hourly rate for members of this local union is 4 cents an hour less than that for the other locals.

The remaining local cartage supplements either do not mention starting times or refer to starting times in general terms, such as the following from the Western Conference supplement: "Present practice with respect to starting times shall prevail with a maximum of six starting times per day, unless mutually agreed to otherwise. This shall apply separately to drivers and dock in each terminal."

Another illustration, found in the Southwest Areas and the Virginia supplements is as follows: "When the starting time is changed the position will be bulletined as a new position and the employees will be permitted to exercise their seniority." Still another illustration is taken from the Southeast Areas supplement: "At any terminal where 10 or less employees are employed, starting time shall not be subject to bid. Employees are to be notified at the end of the day's work the starting time available for the next day."

Obviously, in these last 2 illustrations, starting times are fixed by management, unilaterally. Moreover, the Western Conference provision for as many as 6 starting times would appear to provide trucking management with sufficient flexibility to adjust its work force to the flow of freight.

Work Week

A fixed Monday-through-Friday work week is prescribed in 9 of the 18 local cartage supplements. Two of these 9 state that the employer will guarantee a 40-hour work week to 80 percent of his employees if they agree to a flexible work week—in one case, Monday through Friday or Tuesday through Saturday, and, in the other case, Monday through Friday or Tuesday through Saturday or Wednesday through Sunday.

The remaining contracts call for any 5 consecutive days; 5 consecutive days Monday through Friday or Tuesday through Saturday; or, in one case, 5 days consecutive if possible within a 7-day period.

Premium Pay for Weekend Work

With respect to premium pay for weekend work for local drivers under the 18 local cartage supplements, 9 provide for premium pay for work on Saturday as such and 12 require premium pay for work on Sunday as such.

Night-Shift Premiums

Only 4 of the 18 local cartage supplements include provision for a night-shift premium amounting to 7½ cents per hour, 10 cents per hour, $1.00 per shift (12½ cents per hour), and 10 percent respectively. The size of the premium is not a deterrent to nighttime delivery or pickup or to sorting freight for delivery next day. The premium is more than offset by the time and fuel savings of deliveries at other than congestion hours.

Pay Differentials for Operating Large Equipment

The fifth subject of investigation dealt with vehicle size and whether Teamster contracts affected the use of larger vehicles. I raise this question because one ought to consider whether urban goods-movement costs and efficiences are affected by the size of motor trucks permitted, for example, in the central business district, the area with which congestion and resultant higher transportation costs are most frequently associated. The assumption is that one should be able to achieve operating economies for a given movement by use of larger equipment, all other things being equal. The assumption is that fewer, though larger, trucks might help to ease congestion on the city streets.

I shall not attempt to determine whether larger equipment per se adds to or relieves congestion. But if larger equipment would yield operating economies in urban goods movement, are there any labor practices that would inhibit the use of such larger equipment?

In local cartage operations, under the various supplements to the National Master Freight Agreement, differential wage rates geared to size of vehicle are found in only

6 of the 18 supplements: Western Conference; Western Pennsylvania (where the sole wage rate distinction is between trucks of whatever size and double bottoms); New Jersey-New York metropolitan area (10 cents an hour differential between straight truck and tractor trailer); Northern New England (in Maine, but not in Vermont, 4 cents an hour differential between straight truck and tractor trailer); Chicago Local Union No. 710 (10 cents per hour differential between straight truck and trailer); and San Francisco Bay area (13 cents an hour differential between vehicles weighing less than and those weighing more than 10,500 lb).

These wage rate differentials for vehicles of larger size or weight are negligible in absolute terms. They can certainly be justified in terms of productivity, and difficulty of handling the larger equipment.

Higher mileage rates in road operations, of course, are paid for the newer types of equipment. The critical issue is, have such differential rates (based on size and cargo) acted to restrain the use of new, larger equipment? The answer is clearly "no." The differentials have been low (1/8 or 1/4 cent per mile), and they have remained constant for years. As mileage rates have risen, the relative importance of the differentials for larger sized units has, of course, declined.

With the average trailer today, 40 ft as against only 25 ft 20 to 25 years ago, the differential for the largest tandem units is only 4 percent above the mileage rate for the smallest trucks.

Conclusions

The picture, then, as reflected in these 18 basic local cartage contracts covering the United States is one of considerable flexibility to trucking management in scheduling its work force in terms of scheduled work days, starting times, and night-work operations to meet shipper and customer needs. The Teamsters Union does not limit round-the-clock operations. The docks of all transcontinental carriers run 24 hours a day. Five or 6 shifts a day are scheduled in local delivery and transfer of freight in break-bulk terminals. Freight-handling operations take place during the night in motor carrier terminals.

If a conclusion can be made, it is that in some metropolitan areas Teamster labor practices have some impact on urban goods movement, but the impact tends to be minimal. Certainly, the high degree of flexibility in starting times, coupled with the prevalence of a flexible work week, and the relative absence and small size of night-shift premiums support such a conclusion.

In terms of both the prevalence and the size of wage rates geared to size of equipment, the basic Teamster local cartage agreements pose little problem to the use of larger equipment. This conclusion is equally valid in long-haul, over-the-road freight operations. The rapid expansion of improved highway freight-carrying equipment, such as larger semitrailers, double bottoms, "trains," and triples, indicates that the Teamsters have not resisted their introduction and use.

TEAMSTER POLICY ON TECHNOLOGICAL CHANGE

The Teamsters Union has been quite cooperative in the trucking industry's introduction of technological improvements, new techniques, or other changes in methods of operation to provide faster, more flexible, and more efficient service. This demonstrated by the following 2 brief examples:

1. The National Master Freight Agreement (Article 6, Sec. 4) provides that "Where new types of equipment and/or operations for which rates of pay are not established by this Agreement are put into use, rates governing such operations shall be subject to negotiations between the parties. In the event agreement cannot be reached within 60 days after date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition." Note that the employer is free to install or put new equipment into use, without prior consent or approval. The only issue is the rate of pay applicable to such new equipment or operation.

2. Local cartage agreements used to spell out several work classifications, and employees could not work outside their classifications. This has been modified so that an employee can now work at various jobs, provided he is paid at the highest rate for the work performed. This is particularly helpful to the small firm that does not have the volume to hire a full complement of employees by strict classification.

It is fair and accurate to state that the Teamsters Union has not hindered technological innovation in trucking. The evidence is clearly visible: Trucking units have increased in size, cube, and power. Docks and terminals feature the newest materials-handling equipment. Piggyback is accepted in the industry. We have cooperated with our employers in changes of operations.

Trucking industry spokesmen have publicly acknowledged that the Teamsters take "a realistic and commendable perspective of the values of transportation automation"; that the "leaders of the Teamsters recognize that... restrictive conditions and featherbeds are harmful to the industry... "; that the Union "is exercising the judgment of responsible unionism."

These statements are supported by the findings of impartial scholars. Professor Harold Levinson of the University of Michigan, in his study of collective bargaining in the trucking industry, concluded: "The union has strongly supported the newer technology, sometimes in the face of strong resistance and resentment from local officials and rank and file members." Professor Levinson cites some illustrations. Discussing the introduction of labor-saving devices in terminals, he found that "very little in the way of restrictive practices were found among the companies surveyed. Rather, the local unions were generally receptive to such devices as conveyors and materials-handling equipment which reduced the arduousness of the freight handling tasks." He adds, "The Union has almost always taken the position that terminal consolidations are both necessary and desirable to protect the competitive position of the trucking industry, despite the resulting displacement of some terminal employees."

Professor William Gomberg of the University of Pennsylvania's Wharton School was commissioned by the Secretary of Commerce to study labor-management relations in the transportation industries. He commented as follows on the Teamsters' attitude: "By and large, the Teamsters Union has pursued an attractive economic policy that appeals to a manager's sense of rational economics." He added, "The trucking industry is unique in that it makes up the only group of employers [in the various transportation industries] who express little concern over work rules."

Several years ago, a management research firm, Industrial Relations Counselors, Inc., issued a report that stated as one of its major findings, "With some exceptions, the union's impact on operating matters has not been serious." The report further stated, "In one company after another the behavior of the Teamsters showed it to be a pragmatic union.... many companies give local union leaders credit for their ability to understand distribution economics and to be flexible in job demands, and for living up to their word.... Union representatives understand trucking economics and they are not inclined to force employers into poor decisions.... In the total picture of Teamster activity, work restrictions have not yet become a critical problem for management."

I hope that I do not create the impression of being an apologist for the Teamsters Union or the trucking industry. I have tried to present a factual picture, as reflected in our collective bargaining contracts, because they record the rules and regulations governing our drivers and dockmen in relation to urban goods movement.

The fact is that local trucks and trucking terminals often do operate round the clock. The fact is, too, that trucks add to urban traffic during daytime or peak hours. We all know the reason why. Carriers do not control shippers' or receivers' working hours, their dock facilities, city traffic congestion, or the increased urban sprawl. Commercial and industrial establishments have customary hours of doing business, during which they both receive and ship goods. They dictate when their goods are to be handled. Motor carriers must coordinate deliveries with the practices of those businesses they serve. Therefore, schedules of pickups and deliveries must be adjusted to coincide with the hours that the businesses served are open.

In many cities, freight drivers report that it is difficult to make deliveries after 3:00 p. m. because the customer is at that time preparing to make shipments from the same dock or facilities. Because this is the case, congestion and its accompanying goods transportation costs would be present even if there were no labor contracts, or if labor contracts granted management complete freedom to schedule drivers at any time of the day or night. Trucks would still have to compete, during that same normal working day, with all other vehicles (and persons) using the same streets and roads for commuting, shopping, sightseeing, and all other activities that bring vehicles into urban communities.

The receiver, by his decisions on requested times of delivery, may be the primary determinant of truck-congested streets. It may be worth exploring whether he is cognizant of the costs he is causing.

We believe it important that those responsible for urban transportation planning recognize that shifts and changes in present transport systems have labor and labor relations implications and consequences. We would, therefore, urge such planners to explore the labor issues involved. Every change affects someone's vested interest. A worker has a vested interest in his job. It is this interest that is at the root of the so-called "featherbedding" problem. By the same token, the International Brotherhood of Teamsters is aware that cities must be efficient places to live and to work and that this requires adequate facilities for the expeditious and economical movement of goods as well as the movement of people. We offer our support and cooperation.

INFORMAL DISCUSSION

James Nelson

These very interesting facts and information throw a lot of light on this problem, at least to this economist. It seems to indicate that labor practices in contracts do not seem to be a material factor in this congestion problem.

Weiss

Insofar as this union is concerned.

Nelson

You seem to place responsibility more on the shipper demand situation, the 5-day work week and the 8-hour day, and such other practices of society. This sort of indicates that we ought to work toward changing these things to get less congestion, lower pickup and delivery costs, and lower terminal operation costs and to make cities more livable. Can you particularize a bit? You must have thought of this rather deeply, I am sure. Can you specify the few things along that line that might get at this problem of excessive congestion and high costs?

Weiss

First, several caveats. Although I work for what is essentially a transportation union, I am not a transportation economist. I am a labor economist. My specialty is collective bargaining and labor relations, and I have not, unfortunately, thought deeply about this issue. I would be the last one, because I work for a union that often makes demands on management, to prescribe what other people should do. It is bad enough having to do it in my work relations.

Let us be candid with each other. You and I love a 5-day work week, 8:00 a. m. to 5:00 p. m., and the people I represent love it, too. They know when they go to work for a trucking firm that it is essentially a 7-day, round-the-clock, 24-hour operation. To the fullest extent possible, they hope that, in the course of time as they acquire whiskers or seniority, they can bid on specific runs that have what they would call decent hours, so they can be with their families in the nighttime hours or on weekends.

Now the fellow who runs a little business or a little shop who has to have pickups and deliveries made wants the same amenities of life in terms of when he is going to work and what hours he is going to work. I would be the last one to say, "Hey, look brother, because of the social costs and the economic costs of urban congestion, be a nice guy and have your shop or your store or your plant or your warehouse or what have you open until 11:00 p. m. so that we can either deliver to you or make pickups at these late, out-of-congestion hours." I would be the last one to say to a high-fashion operation, "Sorry, we are not going to deliver to you until 12:00 midnight or 3:00 a. m. even though it means you lose a day of being able to display merchandise to appeal to fashion-conscious women."

I do not know what the answer is. Perhaps central terminals could be an answer, and we would cooperate in serving central terminals. All I am saying is that the finger tends to be pointed at the vehicle and that we should look at what dictates the time and the place that the vehicle is at the particular dock or on the street double-parking and creating congestion.

Let us also look at it from the reverse point of view. Of course, an attempt ought to be made to do something in the way of scheduling to keep as few trucks as possible on the streets during peak hours. But that is going to be of no avail if customer demands (whether receiver or shipper) require the trucker to be there at the time you do not want him to be there. It is as simple as that, and that is all I had in mind.

Charles E. Pixton

You have given us a pretty good rundown on how things stand in 1970. Can you compare what the shifts have been, say from the contracts negotiated in 1967, so we might see how these changes are occurring?

Weiss

The provisions that I summarized for you were taken from agreements current for 1967 to 1970. I could not do that for the 1970 through 1973 agreements because they are not all printed up yet.

Pixton

How about from 1964 to 1967?

Weiss

I would suggest that the quantities and the figures that I gave to you show little, if any, change. In other words, our cartage agreements tend generally to provide for a flexible work week and have tended in the past to have flexible starting times. There has been one shift over time that I ought to mention. A decade or so ago it was much more common to have the wage rate vary with the size of the vehicle. That has diminished. As I recall, there are 6 out of the 18 that have a differential wage rate. In years past there were more agreements that had higher wage rates depending on whether a larger vehicle was driven. This has since diminished. You will recall that in most of the illustrations the only distinction was a straight truck of whatever size and capacity and a tractor-trailer, or between a straight truck and a double-bottom tandem unit. The size of the differential is peanuts, really, in absolute terms or relative terms.

Teamsters have long had the reputation of being reasonable in terms of business dealings with their employers. I think these contracts definitely reflect it, and I am not trying to gild the lily. We are too much in the public eye.

Irving Hoch

You pointed out that New York, Chicago, and San Francisco were the 3 areas with fixed starting times. Does this mean that this is the first-shift starting time, or do you have a second or third shift, or does this mean that everybody starts at that time?

Weiss

It is essentially a first-shift starting time on the West Coast. In the New York-New Jersey area, and I am going by memory now, I think this is a single-shift operation so that if you schedule somebody outside these shift areas you run into premium payments.

Hoch

These seem to be the areas of most congestion in the United States. Although there are only 3 out of the 16 who have the starting time, those three happen to be the crucial ones.

Weiss

All I can do is shrug my shoulders and say this is it. I do not know, because this probably goes back to the myths of antiquity, why there are fixed starting times in these 3 particular communities.

John Clayton

It is possible that there are fixed starting times in these areas because there is a better chance of getting them there than in some other less congested area?

Weiss

There is an assumption explicit in your question: Some cities have congestion problems and others do not, depending on the area of the country in which they are located. I am not sure of that. Certainly in the Midwest there are many cities other than Chicago where there are congestion problems and where there is no limit at all on starting time.

Clayton

My point is that maybe your union is stronger in these areas than any other.

James R. Blaze

I am from Chicago, and the press media has given the impression that the recent Teamster negotiations completed in July were separate in Chicago from the National agreement. Are there other major, substantial differences in the national freight contracts with respect to Chicago Teamsters we should be aware of when analyzing local problems?

Weiss

No. If you were to compare the Chicago local cartage agreement with any other local cartage agreement that is part of the National Master Freight Agreement, the differences would be minor, except for the fact that in Chicago, as I mentioned, there is a fixed starting time. In Chicago also wage rates vary by size or capacity of vehicle.

Edward Margolin

You referred to other unions and other union relations. Is it proper for you to comment on other union activities dealing with the movement of urban freight?

Weiss

The principle of the trade union movement is unity. I am not trying to be facetious. I can only speak with knowledge of one union. Urban goods movement obviously involves other modes, and there are other unions involved. I have neither the time nor the capacity to study their labor practices. It would take a whole classroom of PhD students several years to run through and analyze their practices and procedures to come out with some summary that could be presented within a reasonable period of time. It seems to me that because you are with the ICC you have read sufficiently of the state of labor relations that exists, for example, between the railroad unions and railroad management. It would be presumptuous and not in a true union spirit for me to comment on it. The maritime union obviously plays a part in urban goods movement. That is a wholly different area of expertise about which I may have some impressions but would not presume to discuss with knowledge and certainty.

Margolin

You remember, I said it might be an improper question.

Weiss

As a matter of fact, as you know, depending on whether one is looking at the East Coast or the West Coast, one can get two divergent and opposing points of view in terms of labor relations practices and their impact on commodity movements. The practices and policies of the International Longshoremen's Association on the East Coast regarding containerization, for example, may differ significantly from those of the International Longshoremen's and Warehousemen's Union on the West Coast. I am sure you are aware of the automation agreement negotiated in the early 1960's between the Pacific Maritime Association and the ILWU. That is why I said a comprehensive overview is just impossible unless several years of study is devoted to it.

J. Douglas Carroll

Are the Canadian practices different?

Weiss

I have not had too much experience in working with our Canadian cohorts. I would be inclined to think not. I have had only one experience in the Canadian freight industry and that was just a few years ago in helping our locals negotiate an Ontario-wide freight agreement that included a cost-of-living clause and parity with U. S. rates. I have not looked at their agreements in any specific detail, but I think the general policy would tend to prevail. We know that this is a round-the-clock, 7-day operation.

Marvin L. Manheim

It seems to me that one kind of principle that is emerging in bits and pieces is the principle you enunciated that any technological innovation in transportation should have its return split in some way between management and labor. Can you see emerging a pattern, perhaps, whereby there might be a general productivity or profit-increase clause in the agreement that is more general than specific agreement on piggyback or any other issue on which there is a basic ground-rule laid down. For example, if an innovation is implemented and there is an increase in profit (there may be some other measure), then X percent of that should go to the union and the other percentage should go to management? Is it possible to formulate such a clause?

Weiss

I do not know of any and I do not anticipate it for this reason: Innovation does not necessarily come in dramatic, one-shot, instantaneous forms such as piggyback. It may be the accumulation of a whole series of moves that have adverse employment consequences for people in particular plants or establishments. Moreover, unless one is a super cost accountant, how does one ascertain or put a price tag on the savings flowing from a given type of innovation? I will not even use technological innovation, but generalize to any innovation. Moreover, a firm's profit can be determined by so many factors that have nothing to do with innovation or that may have nothing to do with managerial expertise and competition.

For example, suppose you are a garment manufacturer and you read in Women's Wear Daily that every woman in the United States is going to wear the midi. So you buy your goods and materials and you instruct your cutters to cut only midis and you have your seamstresses sew them up. You have an inventory of thousands or millions of dollars in midis, but American women say "Nuts, we are going to continue to wear minis and we are going to wear pants suits." Now, you could be forced to the wall because you have obligated resources to a product that is not going to sell. How under these circumstances are you going to get a union to agree to a fixed allocation "savings" flowing from a particular innovation or modification, whether it be tangible or intangible and whether it be a one shot or the result of many, many steps?

There is, however, developing in American industrial relations the concept that workers have a vested right in their jobs and that an employer, in order to gain flexibility in his operations of whatever type (and I am not now limiting this to transportation), in a sense has to either buy out any union restrictions or limitations or inhibitions in order to give himself maximum flexibility or dispense with part of his work force or do both. This is receiving more and more credence, it is being discussed more and more at industrial relations conferences, and it is reflected more and more in labor contracts. The ILWU Pacific Maritime Agreement, to which I referred earlier, recognized that principle explicitly in numerous aspects. It is a forward-looking step.

In a nutshell, to answer your question, there is developing, and we see concrete evidence of it, a doctrine of buying out workers' vested rights, whether it be in performing a specific job in a particular way or easing him out through severance pay or early retirement. The UAW contracts give a worker a pension of X dollars a month but, if under certain circumstances he loses his job because of conditions over which he has no control (for example, the closing down of a plant), the UAW pension plan provides an early retirement pension that is greater in amount than his normal retirement pension. This is explicit recognition of the vested interest and the buy-out principle.