

## LABOR CONTRACT NEGOTIATING IN GOVERNMENT

21 January 1964

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## NOTICE

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Rear Admiral Robert Lee Moore, Jr., USN, Chief of Industrial Relations, Department of the Navy, was born in Sykesville, Maryland, on 15 March 1908. He attended Baltimore Polytechnic Institute before his appointment to the Naval Academy from which he graduated in 1930. Later he completed the course in Naval Engineering (Design) at the Naval Postgraduate School and the University of California and the course in Advance Engineering at Massachusetts Institute of Technology. As a junior officer, he had engineering, gunnery, and communications duties on board the cruiser TRENTON and the battleship PENNSYLVANIA. He served as Engineer on the USS S-23 and as Gunnery and Communication Officer of the USS BARRACUDA from 1933 to 1936. After graduation from the University of California in 1939, he joined the USS DALE as Engineer, and at the outbreak of World War II in December 1941 was serving as her Executive Officer. As such, he participated in operations off Bougainville and in the Salamaua-Lae raid. In April 1942, Admiral Moore reported to the Bureau of Ships, where he served throughout the remainder of the war and was awarded the Legion of Merit. From September 1946 to June 1949 he served as Design Superintendent at the Portsmouth Naval Shipyard, and the next month returned to the Bureau of Ships as Head of Interior Communications and Fire Control Branch where he served for one year. After graduate work in Nuclear Physics, he again returned to the Bureau of Ships in 1951 to serve with the Engineering and Research Groups of the Nuclear Power Division, then from September 1952 until February 1956 was Supervisor of Shipbuilding and Naval Inspector of Ordnance at Groton, Connecticut, where he supervised the construction and testing of USS NAUTILUS and USS SEAWOLF. In February 1956, he became Shipyard Commander of the Portsmouth Naval Shipyard and in April 1959 was ordered to duty as Deputy Chief of the Bureau of Ships. He assumed the duties of Chief of Industrial Relations in June 1963. This is his first lecture at the Industrial College.

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ADMIRAL ROSE: Gentlemen: Not very often do we have a talk directed to something where you all may actually have to do something about it, because you are sitting on one side of the table and somebody else is sitting on the other side of the table, and you have got to come up with the right answers.

In general we hope in the whole year that you can come up with better answers sitting on either side of the table, but this one is more pertinent and direct.

In May of 1962 the President issued Executive Order No. 11988 called "Employee-Management Relations." This order established a new policy within the Government with respect to active participation by employee organizations in the formulation and implementation of personnel policies affecting the well-being of Federal employees. This is why it affects you.

It gave employee organizations the right to be recognized as bargaining agents and effectively introduced collective bargaining into the Federal establishment.

Military installations commanders are now faced with the problems of negotiating labor agreements with their employee organizations. The Navy has had considerable experience in these negotiations during the past year and one-half.

It is therefore appropriate that our speaker this morning is the Chief of Industrial Relations of the Department of the Navy, Rear Admiral Robert L. Moore, Jr. Admiral Moore will discuss these new management problems and their impact on Federal installations.

Admiral Moore, it is a pleasure to welcome you here, sir.

ADMIRAL MOORE: Admiral Rose, General Stoughton, gentlemen: I note from your schedule during the month of January

that you have already had a number of speakers talking to you on the subject of labor and labor-management relationships.

This is a complicated subject and I am sure that many of the things that I may talk about this morning you may have heard before. I think some redundancy is probably in order when you get beyond 45 years of age, because we seem to retain very little unless somebody talks to us about it over and over again.

There is a great deal that I want to talk to you about this morning, and you will find out from the timing that there is much to be said. Because I want to cover this ground, and because I have not been working in it all my life, although I have a pretty good feel for it, I must apologize for not speaking extemporaneously to you. I will follow the prepared text here, and either it will be transcribed or if that be not the case I can make the material available to you. You may find out that reading it over after the fact in more detail may make it more significant to you than listening to a speech of about 45 minutes' duration where you are hearing one word after the other.

So, with that introduction, let me then proceed with the material here at hand.

Gentlemen, the subject that has been assigned to me for discussion is "Labor Contract Negotiation in the Government." In order to have an understanding of the present relationships between the Government and employee groups, it is necessary to take a short look at the way these formalized dealings evolved.

The history of the American labor movement is both interesting and informative, and it actually stretches back much further than most of us are aware of. Although we think of the labor movement as having existed in this country for a century or so, few of us are aware that in 1648, in Boston, the Massachusetts Bay Colony granted a charter to a company of Boston shoemakers. This was only 28 years after the first landings at Plymouth. The shoemakers, as they shaped their lasts, must have had more time to think about union activities than other crafts. We note that the first local union set up for collective bargaining was formed by the Philadelphia cordwainers in 1792. Shortly thereafter cordovan workers in Philadelphia formed a club and presented their employers with a list of proposed pay increases for various shoemaking operations. These demands came at a particularly bad time for the

employers, since competition from other shoemaking cities was increasing significantly. The employers promptly turned to the courts. A grand jury brought in a true bill charging the cordwainers in effect with a criminal conspiracy to increase prices and with preventing others for working for less. Thus, as early as 1806 the right of employees to act in concert to raise their wages and protect union security was in question. The cordwainers lost their case.

During this period of union development in the private industry, employees in government activities, such as navy yards, began to organize along craft lines. As early as the 1830's certain craftsmen, including carpenters, blacksmiths, and wood calkers organized local craft groups. Government craft unions conducted themselves in much the same manner as their counterparts in private industry. Government installations occasionally were the scene of strikes, such as in the Navy Yards at Philadelphia, Norfolk, and Washington, D. C. As late as 1912 the Watertown Arsenal was the scene of a strike by government craft employees. From 1861 to 1906 the Government Printing Office was a closed shop in which only union members could obtain permanent employment. In 1906 President Roosevelt ordered that the open shop be put into effect in that Agency. In the 1830's and 1840's efforts of the craft unions were directly primarily toward shortening the workday to 10 hours, and then, after that was granted, to 8 hours.

Initial success was dependent largely on the nearby prevailing practices in private industry, although the first 8-hour day for certain workers went into effect in government installations.

Legislation was finally passed in 1868 establishing an 8-hour workday for government employees. A very strange but highly significant incident grew out of the passage of this 8-hour law. It was assumed by most government officials, and it appeared to be the intent of Congress, that the 8-hour law provided no reduction in wages. The Secretary of the Navy, among others, thought differently, and he promptly ordered the wages to be cut by 20 percent. This announcement by the Secretary caused a furor among the workers in Navy Yards. The Secretary's action perhaps did more to stimulate a feeling for the need for organized labor than any previous Navy management decision. Labor groups within and without the Government urged the President to overrule the Secretary of the Navy. It was necessary for Congress to pass a joint resolution restoring the 20 percent reduction in wages which the Secretary of the Navy had placed into effect. The resolution stated

simply that it was the intent of the Congress that wages not be reduced as the result of the shorter working hours.

In 1861 government union leaders persuaded Congress to enact the first of the prevailing wage statutes. This was modified the next year to permit greater flexibility. The law of 1862 stated that the hours of labor and the rates of wages of the employees in Navy Yards shall conform as nearly as is consistent with the public interest and with those of private establishments in the immediate vicinity of the respective yards, to be determined by the commandant of the Navy Yards subject to the approval of the Secretary of the Navy.

I might comment at this point that this law that dates back to 1862 is still in effect and still is the basis for the setting of wages of our blue-collared employees.

For some time the total union membership in the Government was not great. In 1888 the machinists organized on a national basis. The actual organization of this union took place in an engine pit in the Southern Railway Roundhouse at Leonard, Georgia. The group numbered some 20-odd employees of the Southern Railway Company. By 1892 the machinists had organized generally throughout the United States, and on 1 April of that year chartered local lodges in the Navy Yards at Norfolk, Washington, and New York.

Modern-day labor relations in the Navy can be traced to the charting of these three local lodges. It was during the next few years that several very significant precedents in our dealing with organized labor were set. Any student of present-day labor relations in the Navy knows that, if the labor union does not get satisfaction locally, it will appeal directly to the Secretary of the Navy. This pattern of dealing had its inception at the Washington Navy Yard, right adjacent to us. The commandant of that Yard in the 1890's was a rather strong-minded individual who did not countenance any interference with his management of the Yard. Shortly after the machinists were organized, they called upon the commandant with a rather long and impressive list of demands. These demands concerned themselves with improved wages and working conditions. The commandant refused to discuss these matters with the local lodge of machinists, and some of the oldtimers say that they were thrown out of his office. The machinists, however, were not to be denied. They eventually showed up in the Secretary's office with a list of demands somewhat longer than the original list submitted to

he commandant. The Secretary of the Navy apparently was impressed by this list and he communicated his thoughts in a matter to the commandant. The commandant did an immediate about-face and gave in to the machinists.

While the above incident established the precedent for seeking redress at the Secretary of the Navy's level, it also established a principle that is as true today as it was then, that you cannot give in to every demand of a labor union. There is no end to what they can ask for. Since the commandant did capitulate he soon found that his status was untenable and he requested that he be relieved of this command. This is a classic example of the fallacy of giving in to every labor demand in an effort to avoid controversy.

The number of unionized employees in various crafts in the entire Federal Government did not exceed 10,000 employees prior to World War I. During that war membership grew to about 25,000 Federal employees. In the 1920's and the early 1930's membership fell back to less than 10,000 employees. It was not until the late 1930's, when the blue-collar employment in the Federal Government began to expand significantly, that craft unionism expanded on an appreciable scale. During the Second World War, when blue-collar employment reached the high of about a million employees, craft union strength reached an estimated high of about a quarter of a million employees. Membership has fluctuated since that time, depending upon the level of employment.

Among the strongest and most numerous of the various unions in the Federal Government were the postal unions. In their early efforts to obtain improvement on pay and working conditions, the postal unions quickly learned that their greatest potential for success lay in cultivating close relationships with key members of Congress. In 1895 the Postmaster General, who vigorously opposed such relationships, issued the first of the so-called gag orders, decreeing that no postal employee could testify before Congress on working conditions. This prohibition was given more decisive and broader effect by President Theodore Roosevelt, who promulgated two Executive Orders, one in 1902 and the second in 1906. These orders prohibited any Federal employee or any organization of Federal employees from lobbying in Congress. President Taft in 1909 reaffirmed President Roosevelt's original decree. In doing so, however, he aroused the ire of Congress by specifying in addition that the Federal employees were not to respond to any request or information from either House of Congress except through or as

authorized by the agency head concerned. Congress's answer was to insert the Lloyd-LaFollette Act of 1912 as a rider in the Post Office Department's Appropriation Bill. This is the way Congress can always get to you. They can hit you through the money channel, and this is precisely what happened in this case.

This Act has remained the only Federal statute on union-management relationships in the Federal service prior to President Kennedy's Executive Order 10988. The Lloyd-LaFollette Act provided that membership in any organization having as its objective among other things the improvement of working conditions would not be grounds for removal. There was also a proviso that such organizations could not be affiliated with any outside organization imposing an obligation or duty to strike. The Act also conferred the right on civil service employees to petition members of Congress or any Committee thereof. This right is jealously guarded by members of Congress and by employee organizations.

The Lloyd-LaFollette Act also formed the basis on which the right to join or refrain from joining employees' organizations has rested for postal employees and by extension to all Federal employees.

A new era in Navy labor relations began with the change of Administrations in 1913. The late Josephus Daniels, a well-known Raleigh, North Carolina, publisher, was made Secretary of the Navy, and the late Franklin D. Roosevelt was named Assistant Secretary. Mr. Roosevelt had a very warm feeling for the working people, and he encouraged communication between management and the workers through unions. The Metal Trades Department of the AFL made the most of the new atmosphere by pressing for any and every advantage during Mr. Roosevelt's tenure. They were successful to a remarkable degree, and labor-management relations increased materially during the 8 years Mr. Roosevelt served as Assistant Secretary.

Before the end of World War I, the Metal Trades Department and Mr. Roosevelt had developed a close working relationship. An example of the important advantages during the Roosevelt-Daniels era came as a result of an incident which occurred in the late part of the Wilson Administration. The precedent established in this case has endured the passage of time and has become one of the basic principles of organized labor. This incident concerned a dispute in the Norfolk Navy Yard wherein a union representative

attempted to intervene in behalf of a union member who was proposed for discharge. The Industrial Manager indicated to the union representative that such intervention was not proper, since labor unions were supposed to concern themselves only with wages and working conditions.

When this matter was presented to Mr. Roosevelt he promptly advised the Industrial Manager at Norfolk that union representatives had the right to intervene in behalf of union members proposed for disciplinary action or for discharge. The Industrial Manager had been following the generally accepted views at that time the unions must concern themselves only with wages and working conditions.

With the end of World War I, large-scale reductions in force took place in all Navy Yards and other naval activities. It became increasingly difficult for the unions to maintain their membership and many of them surrendered their local charters as a result of the reductions in force. In September 1921 the Navy Department first adopted what was then called the Shop Committee Program. This program was designed to provide a means of communication with employees on a shop-wide basis without regard to their other affiliations. The founders of the Shop Committee Program had seen the advantages of active communication as a result of their dealings with the Metal Trades Department in World War I, and the Shop Committee Program is believed to be a direct result of the advantages accruing to management and employees during that period.

The Shop Committee was not designed as a device through which employees could seek redress for grievances but was intended only to provide an additional means of communication between management and employees.

Organized labor had opposed the Navy Shop Program from the very beginning. They stated that it was nothing more than a company union and it was adopted at a time when unions were weak and ineffective in the Navy Yards. They further charged that the program was designed to prevent the rebuilding of the union movement. However, the Navy believed otherwise, and the Shop Committee system has continued.

During World War II it was decided by the Navy Department not to lend any encouragement to the further growth of Shop Committee Systems as a price for harmony with organized labor.

However, following World War II, and coincidental with the development of the Navy's first personnel instructions, the Shop Committee was, despite the continued objection of organized labor, given a prominent place in our scheme of things.

By 1954 the Shop Committee Program was widespread except for Navy Yards, where its support among employees was somewhat spotty. After a survey of approximately 50 activities of all types and sizes, it was decided that the name should be changed to Employees Council, which is what most of us recognize now.

There were two basic reasons for this change in main: First, because there were comparatively few of them functioning in shops, and, secondly, because the name "Shop Committee" had acquired a very poor reputation with the employees. Organized labor renewed its attack on the Employee Council System and continues to do so even to the present time.

It is apparent, as this brief review indicates, that organized labor had firmly established itself as a permanent institution in our society both in the Federal Government and in private industry. All levels of government, from the President down, recognized and appreciated the role of organized labor in our economy. However, the government wing of organized labor had long felt that the Government, as an employer, did not afford its own employees proper recognition. This feeling was further fanned by the passage of the Wagner Act in 1935 which was labor's Magna Carta for all workers in the private segment of industry. Government employees felt strongly that they needed and were entitled to a greater voice in matters of personnel policy and working conditions.

The First Hoover Commission recognized this fact and spoke in its report concerning the disparity of treatment between government and private employees. This growing feeling about a lack of recognition started a push for legislation as early as 1949. Bills to accomplish official recognition of government unions were introduced by Congressman Rhodes of Pennsylvania and Senator Johnson of South Carolina. The early proposed legislation and its many successors in substance provided--and I think these are interesting and very meaningful, and you should pay attention and close attention to the four points that I am going to mention, which are typical of this kind of legislation:

1. Officers of national employee organizations representing employees of any agency should be able to present grievances on behalf of members without restraint.

2. An administrative officer shall confer with representatives of employee organizations in matters of policy affecting working conditions, transfers, promotions, and so forth. Departmental regulations should recognize the right of such representatives to carry on any lawful activity without interference. ("Any lawful activity" is important, and I will talk about that in a second.)

3. Disputes from unresolved grievances or from disagreements as to working conditions should be referred to an impartial board of arbitration. This board would be composed of one representative of the agency, one representative of the employee organization, with the Secretary of Labor acting as the Chairman. The findings of the board would be final and conclusive.

4. The charges involving violation of these sections would be referred to the Civil Service Commission. The head of an agency could cause the removal--the head of an agency being DOD, OSD, Secretary of the Navy, and so forth--or suspension of any administrative officer--Chief Bu Ships, Commandant of a District, Commanding Officer of a Shipyard, and so forth--found to have violated the provisions of these sections.

Government officials who testified on the proposed bill contended that the Federal employees did not need the kind of protection provided by the Wagner Act to employees in the private industry. The major criticism leveled at this proposed legislation was that its granting to union officers the right to carry on any lawful activity constituted such a broad delegation of power to the unions that it could, if fully exploited, have the effect of paralyzing the Executive Branch of the Government.

In any dispute between a union officer and an administrative official concerning what constituted a lawful activity the views of the union were bound to prevail. Furthermore, under another section of the proposed statute the administrative officer who stuck to his guns was automatically assuming the risk of mandatory suspension, demotion, or removal in the event that his decision was subsequently reversed by the arbiters.

Few career government employees would feel that they could afford to take such risks, even though they were convinced that their decision was the correct one. As Assistant Secretary of Defense Francis said in the hearings on this legislation:

It is entirely possible that the Department of Defense could be continually engaged in arbitration proceedings and that management would be caught between the different policies of rival employee groups, and that the ultimate result would be to undermine management and create delays and confusion in the operation of the Department.

At one point the Chairman of the Civil Service Commission suggested that, under a strict, liberal interpretation of the bill, even a member of the President's Cabinet could be removed from his job if he made a ruling on a lawful activity which was unfavorable to the union cause and which was not concurred in by the majority of the arbitration board. This startling suggestion was not challenged by proponents of the bill.

At different points in time both a House and a Senate bill received favorable subcommittee action, but neither bill ever received full committee support. Consequently, neither bill ever came up on the floor of the House or of the Senate. As a result we have no way of knowing Congressional sentiment in this matter.

A change in Administration in early 1961 saw a new approach to labor relations in the Federal Government. It will be recalled that during the campaign of 1960 Mr. Kennedy made some commitments to Federal labor unions regarding recognition. It was to be expected that the leaders of the union movement in government would call upon a new Administration to deliver on its commitments. H. R. 6 was introduced into the new Congress early in 1961. The bill was again sponsored by Congressman Rhodes of Pennsylvania. H. R. 6 was similar to previous legislation on the subject and just as controversial. The bill was completely unacceptable to the Executive Branch in the form presented. It was the prevailing view that if something must be done, an Executive Order was preferable to legislation, for obvious reasons.

When H. R. 6 was submitted to the various agencies for comment, the Office of the Assistant Secretary of Defense for Manpower was designated to prepare a DOD position on the bill. My office participated in a committee which was appointed to prepare a report

on H. R. 6 and to make such other recommendations as the committee deemed appropriate. Recognizing that actual circumstances called for an alternative to legislation, a draft Executive Order was prepared.

The proposed order contained only a set of principles which were to be implemented by detailed instructions by the various departments and agencies.

Ultimately, the report on H. R. 6 and the suggested Executive Order became the official DOD position in this matter. The late President did not issue an Executive Order immediately, but instead issued a Memorandum to Departments and Agencies in which he established a task force to make a complete study of employee-management relations in the Federal service. The President also nunciated a new policy in his memorandum prohibiting discrimination in all Federal employee organizations. In addition, official recognition of dual locals, white and Negro, of the same national union was banned. The alternative was to merge the dual locals or have recognition withdrawn. Since there had been a long tradition in certain areas of the country for national unions to charter both white and Negro locals to avoid the race issue, all agencies had to immediately survey their own situations to determine the extent to which dual locals had been chartered by national unions.

The Navy was no exception, and a survey disclosed a dozen or more cases of dual locals. All were cleared up except one, and it was necessary in that case to withdraw recognition.

Meanwhile, the President's task force was busy organizing its study on employee-management relations. Among other things, all agencies were required to complete questionnaires which were designed to elicit information on the current status of their employment and management relations programs.

Somewhat later the task force conducted public hearings in six major cities. Upon completion of the public hearings, six staff reports were prepared which formed the basis for the report which was made to the President on 30 November 1961. The President approved the report submitted by the task force, and on 17 January 1962 Executive Order No. 10988 was issued. It is this Order which completely revolutionized the Federal Government's approach to employment-management relations. The Order's preamble, which contains the broad policy and philosophy of the new program, is

short and concise. It states simply that greater participation by employees in the development and implementation of personnel policies and programs which affect them will bring about improved relationships and improved efficiency. In addition the preamble states that, in a program such as is provided for in the Order, there must be a clear statement of the rights of the respective parties, meaning, of course, management and employees. The rights of the parties, which are too numerous to mention here, are spelled out in some detail in Sections 1 and 7 of the Order.

For the first time, agencies of the Federal Government are required under certain circumstances to negotiate labor agreements with employee organizations. This is a new experience for most government officials and for government employee organizations. Since recognition under this Order is the single, most important aspect of the new program, I will explain briefly how and when groups may obtain recognition.

Employee organizations may obtain either of three types of recognition, depending on their membership and support in an installation. These several types of recognition are informal, formal, and exclusive.

Informal recognition may be granted to any qualified employee organization without regard to its membership or the status of other groups in an installation. Management is not required to seek the views of informally organized employee organizations, but must respond to their inquiries and their complaints.

Formal recognition is granted on the basis of 10 percent membership in a unit which is established for representative purposes. Management is required under this form of recognition to solicit the views of formally organized groups on any matters which affect employees of the unit. Management must also keep such groups advised of impending important management decisions, new policies, work programs, and so forth. This type of recognition more nearly conforms to the historical Navy policy in employment-management relations than either of the other types.

Exclusive recognition--and here again we are getting into the new facets of this thing, because it is only in the case of exclusive recognition that management is required to negotiate a contract with the organization--is based upon majority support by the employees in a unit which is established for representative purposes.

Majority support may be established by several means:

1. Majority membership in the petitioning employee organization.
2. A combination of 10 percent membership and authorization cards which constitute majority support, or, finally, by an election. Elections are always optional with command, and if there is any question this is of course the most direct and the most obvious way of deciding whether you have a majority or not.

This form of recognition establishes entitlement to negotiate labor agreement with management, and this is the only form of recognition that does.

Some of the problems associated with implementing Executive Order 10988 were both complex and difficult to resolve because of some sincere differences of opinion between labor and management. The establishment of units for formal or exclusive recognition purposes was expected to be the most difficult part of the Order to administer. Our expectations were entirely correct in this matter.

The Executive Order states that a unit may be based upon a plant, installation, major department thereof, craft, functional, or other basis in which there is a clearly identifiable community of interests among the employees concerned. Here again let me stop a minute to say that there is a great deal of difference between an activity and a unit. The activity is the command, the Shipyard, for example. When I am talking about a unit I am talking about the splitting up of that activity into several groups based on community of interest. It can be set up along craft line, it can be along functional lines, or it can be almost anything, except that the Order said it should not be set up solely to accommodate the manner in which the employee group itself was organized. However, I am disposed to believe that in the arbitration cases that we have had at least it leans too often in this direction.

We found that a community of interest was largely what either management or labor wanted it to be, depending upon whose interests were being served at the moment. In the Navy, local management favored large units, whereas employee organizations favored units more in keeping with the manner in which they were organized. These two different points of view were virtually irreconcilable. The net result was a substantial number of arbitration cases. These

arbitrations were time-consuming and costly. Besides, they delayed full implementation of the Executive Order by several months. Of the 15 decisions rendered to date, only one arbiter has agreed with management in its determinations. So you can see that we were on the wrong track.

These decisions, however, left local management little choice with regard to what a unit should or should not include. Arbiters usually agree with an employee organization's petition, if refuge for such decision can be found in the Executive Order itself, or if precedence established by the National Labor Relations Board can be found.

Here again, precedence established by the National Labor Relations Board is applicable to the private segment of industry and in interpreting the Wagner Act and the Taft-Hartley Law and others. The Executive Order made it clear that we were not following this precedent, and it is really hard for me and other people who are students of this Executive Order to read into it the fact that we were going to follow the precedent that had been established by NLRB for the private segment of industry. However, in a large number of cases, the arbiter did fall back on precedent that has been established in the private sector of industry.

Hopefully, the body of precedent contained in the Navy's cases can save other departments and agencies both time and money in avoiding similar arbitrations.

I should like now to discuss agreements in general and more specifically some of the agreements which have been negotiated by Navy commands to give you some idea of the progress we have made in implementing the Executive Order.

As a starting point it is appropriate to stress the fact that agreements may not circumvent existing laws, orders, or regulations. It may be stated generally that a command may negotiate any or all of the discretions it has under the law, orders, and regulations. However, management must ever be alert against falling into the trap of negotiating away its right to manage in an efficient and an effective manner.

Another cardinal point to remember is that management is required to consider and to bargain in good faith on all union proposals. This does not mean that management has to agree or approve their requests.

Currently 35 negotiated agreements covering approximately 35,000 employees have been received in my office. Agreements for 63 additional Navy units that have been granted exclusive recognition with such diverse Navy and Marine Corps activities as shipyards, air stations, ordnance plants, military sea transport service, supply centers, naval stations, publication and printing service offices, and hospitals. The units represented by these agreements range in size from 17 employees to approximately 10,000 employees. Now, this seems an anomaly here. I might point out that in the case of pattern makers the NLRB has ruled in the private segment of industry and also in certain cases that we have had within the Navy that when more than two or three are gathered together and request a unit their request will be granted. This is precisely what has been done in the case of pattern makers, and we have some organizations where we have only a handful--five or six. However, because of the prestige nature of the pattern makers and their historical position in the private segment of industry, separate units for them have been established. This does not mean, however, that our activities have done it in the case of electricians, welders, and a whole host of others, although requests for units of these crafts may arise in the future.

It has been an unequal and variegated group of employee organizations that have negotiated these agreements with the Navy and Marine Corps activities. They include the metal trades council, a grouping of trade and craft unions of the Metal Trades Department, AFL-CIO, the International Association of Machinists, the American Federation of Government Employees, the International Printing and Pressmen and Assistants of North America, the Amalgamated Lithographers of North America, the National Association of Government Employees, the National Marine Engineers Beneficial Association, and the National Maritime Union of America. The vast majority of these organizations are affiliated with AFL-CIO. The agreements that have been negotiated fall into three general categories. One group contains only the essential requirements of the Executive Order, such as a delineation of management's rights, and recognition of the fact that the employee organization is the exclusive representative of the employees. These are what might be termed skeleton agreements.

The second category of agreements contain the essential requirements mentioned above and add some meat to the skeleton by spelling out specific items. Items such as number of allowable shop stewards, union-management committees for the solution of

problems, the use of government facilities for union affairs, and so forth, are set forth.

The third and final category of agreement is considered to be the most complete in that it covers all of the general provisions plus a wide variety of specific items. These agreements are negotiated by the old-line craft or the maritime group, because they have more experience in this type of negotiations.

I will mention only a few items to give you some idea of the imagination and drive of the Navy's more sophisticated labor unions. This latter group of agreements cover such things as shop stewards' assignment limitations, use of government time for union business, use of government facilities, workweek, hours of work, overtime, cleanup, and many others.

The turnabout in our labor relations, which comes as a result of the Executive Order, has raised some very basic employee-relations questions in the Navy. It has been a traditional and time-honored position in the Navy that we look after our employees. This philosophy stems from our military training and the desire of the commanding officer to take care of his men. This philosophy in other days was fine, but it has a rapidly diminishing role in the present-day scheme of things. The advent of the Order has caused government employees to look beyond the built-in protection of a sound civil-service system to a new security under a negotiated labor contract. This may be a false sense of security, but the important thing is that many employees apparently desire it this way.

Despite the signing of the Executive Order, there are many Federal executives and managers who still believe unionism has no place in government because of its disruptive influences, and because of the complete range of guarantees provided employees by existing legislation and orders.

Be this as it may--and these remarks here the military can hoist aboard--the law is the law and we military men have no option other than to support it and carry it out to the best of our ability. This being so, why not put the energies of this political force to work for management? There are dozens of ways that management can profit from a healthy and responsible relationship with labor unions: This has been proven time and time again in the Navy. In my own experience, I have many times solicited the views of unions to solve a problem or to point the way to preventing a

potential problem. This is not at all unusual in our industrial setup. For example, unions are particularly effective in alerting employees to dangers of leave abuse, loafing, and other matters affecting the work program of the installation.

This kind of cooperative effort is in keeping with the philosophy of the Executive Order and in no way usurps the prerogatives of management.

I would be less than honest if my remarks suggested that we have no problems in our labor relations. We have had more than our share and we still have them. Beginning with the President's Memorandum of June 1961 we have experienced every conceivable kind of labor-relations problem, and I expect new ones in the future.

Although labor is pleased with the Executive Order, they are not satisfied with all of its provisions nor with the manner in which certain of its parts are being implemented by the various departments and agencies. Let me give you a few examples:

In the first round of representation elections, which were 20-odd in number, 10 stalemates were produced. In other words, where two or more unions were contending for exclusive representation for a unit, the vote did not provide a majority for any union, despite heavy voting. Thus, according to our rules, the several unions were accorded formal recognition--and this is the important thing--even though they might have received 49 percent of the vote. In fact two of them could secure 49 percent, and neither would have the majority required for exclusive recognition. Under our rules no runoff election was required. Hence, as I say, we ended up with two formals rather than any exclusive.

This produced a demand for runoff elections. Our decision was that the runoff elections were not permitted under the rules. The Navy Department's decision was appealed to the Secretary of Labor, and this appeal was denied. Under our election procedures we have what is referred to as a 60 percent rule. This rule merely establishes what is considered to be a representative vote in the unit of eligible employees. In short, in order to constitute a valid election either 60 percent of all eligibles must vote, or an employee organization must receive a majority of all eligible votes. This procedure has been under attack by organized labor since its adoption some 18 months ago.

Stalemates in negotiations have also produced many problems. Most disagreements in negotiations have hinged around the advisory arbitration of grievances which are provided for in Section 8 of the Order. This is an optional clause which may be included in a negotiated grievance procedure. Since some commands have agreed to the advisory arbitration of grievances, and since grievances are so important to unions, a commands' refusal to submit grievances to advisory arbitration nearly always produces a stalemate of some duration. This results in appeals to either the Secretary of the Navy's Office or to my office.

Mediation of disputes is another bone of contention. Our rules provide that the parties to an agreement may negotiate an advisory mediation clause to help resolve negotiable items upon which the parties cannot agree. This likewise can stalemate the negotiation process. However, since this is another optional item with commands, labor nearly always complains when this feature is not included in the contract.

These matters have generated much additional work for me and my staff. We are not at all cynical about our relationship with organized labor. On the contrary, we have determined to make the policy and the philosophy of the Order work to the mutual advantage of the Navy's managers and employees.

If the past is prologue we may reasonably expect in the future to see some interesting variations and additions to the foregoing negotiated agreements and their provisions.

Now let us look at the meaning and purpose of the Executive Order itself. In a sentence, its objective is to promote the efficient administration of government through the participation of employees in the formulation and implementation of personnel policies affecting them. This basic principle is exactly the same as that which has governed labor-management relations in the private sector of industry since the enactment of the Wagner Act of 1935.

I believe it is essential, however, that I point out the differences in the application of this principle in government vis-a-vis industry. Some of these differences are:

1. Labor has no right to strike in the Government.
2. Many other rights, such as pay and leave, are fixed by law and are not negotiable.

3. The public interest is always paramount in the Federal service.

4. The government system of promotion is the basis of Federal employee practices.

In addition to the items previously mentioned, labor has raised its voice to a relaxation of rule-making at the seat of government. This would permit commands--and I am talking about field commands--broader flexibility in negotiations and would unquestionably result in more power for the unions themselves.

The Honorable John W. Macy, Jr., Chairman of the Civil Service Commission, stated in one of his early speeches on the Order that one of the Commission's objectives was to relax the rules at the Washington level. We can expect stepped-up union pressure in this area.

Organized labor wants a greater voice in the setting of blue-collar wages. Over and above the part that labor now plays in the wage-setting process at the Washington level, it desires full participation in local wage surveys. We currently permit commands to negotiate for union observers but we do not permit negotiations for data collectors or membership on local wage committees. Our objection to more participation at this juncture is that private industry, where we get our data, may refuse to furnish us with wage data if we permit unions to participate in the mechanics of local wage-setting. In point of fact, there are many companies right now who will not let government employees come in, and these government employees, of course, are representatives of either the Secretary of the Navy, the Secretary of the Army, or the Secretary of the Air Force. They will not let them come in if they have people who have a direct loyalty to labor organizations. This is the fine point that we make here.

I think it is a safe prediction that organized labor will continue to press for reforms in this area. At some time concessions are likely to be made.

In summary, we are making significant progress in carrying out the intent of the Executive Order. We have a long way to go before the new program on employment-management relations can be evaluated fully and determined to be a success or a failure. We must keep in mind the spirit and intent of the Order and place

primary reliance on the proper motivation of all employees, on the informal settlement of disputes, and on the therapeutic effect of honest discussion between labor and management.

I am personally confident that the objectives of the new program can be achieved if we remind ourselves that both sides have much to gain by cooperation and much to lose if we fail to do so.

Thank you very much.

CAPTAIN CASTELAZO: Admiral Moore is ready for your questions.

QUESTION: Admiral Moore, do government employees in their negotiations get assistance from civilian legal specialists, and if so, how do they stack up against Navy legal talent?

ADMIRAL MOORE: Well, that is a rather difficult thing. The composition of a negotiating team on our side of the house can be anything that management wants it to be and anything that the labor organization wants it to be. This can involve the head of the activity as being the chief negotiator on the side of management. It can be the local representative of the union who is the head man for the union side of the house, or it can be somebody from their organization that they bring in from outside.

I think the crux of this matter is that management tells the unions, "We don't tell you who can be on your negotiating staff, and you can't tell us who can be on our negotiating staff." I think it is an accepted policy, however. Certainly in the Navy we do not believe that an industrial-relations-personnelist type is the one who should be the principal negotiator for government. We think that he should be on the negotiating team as an advisor. We think one of the managerial line people should be the negotiator. That would be a production officer or a planning officer.

We feel, however, that it is desirable that there be--and I am giving a wider answer--a lawyer type available to make sure that language is put down in the legal fashion, in a fashion that cannot be construed in two or three ways.

However, I think the bulk of negotiations are done at a lower level rather than at the national level. Take the big contractors that General Motors would negotiate, they would have all their

best lawyers on hand to represent them. However, when you get down to a smaller activity, where day-in and day-out negotiations are done, it might develop that you just have local people and local management, and perhaps you would be bargaining in a little bit better faith and not on such a wide scale, and you might not have the need for the special discipline such as lawyers, and so forth, that you would have in bigtime negotiations that are taking place at the Walter Reuther level, and so on.

I think I went around Robin Hood's barn, but I hope that I got across to the whole group something of the composition of the two teams on either side of the house and the philosophy involved therein.

QUESTION: Admiral, what are some of the rules that the unions want you to decentralize down to the local command level? For example, it would not be Navy regulation, I presume.

ADMIRAL MOORE: The decentralization that I am talking about here is, again, whether you consider negotiating a contract at the Washington level or at the activity level. For example, within Navy, in principle, if I set all the rules and regulations that govern our activities in such a hide-bound fashion that they have no latitude in the field, the unions could properly say, "It's no use to negotiate at local levels. There is nothing to negotiate. We will take this matter to Admiral Moore who makes the rules and regulations for Navy and negotiate with him." The Order does not specify that. It says that negotiations will be done at the local level.

Now, we are covered by a great number of rules and regulations. Our NCPI, Navy Civilian Personnel Instructions, are a volume that is about this (demonstrating) high. This in turn is based on the Federal Personnel Manual which is a document about that (demonstrating) high that governs the entire Federal service.

Regardless of the fact that you spell out things from soup to nuts, you would be surprised how many things are really negotiable. Now, in negotiating at the local levels, they can do nothing that circumvents the law, but too often the law has many interpretations, and it would be my intent to let them negotiate all the things that are permissive under the law.

Now, as the contracts are negotiated and approved by local command, they must come to the headquarters here for final approval. My office, in the name of the Secretary of the Navy, looks those over to make sure that they are legal. If there is anything that has been put in that contract that circumvents a lawful order I will go back and tell them that their contract has to be changed.

There will be many things, however, in the contracts that come in, that I think are bad, and I will see where management has negotiated away its right to manage. These are more tenuous, and I cannot then go out and say, "You negotiated something that you shouldn't negotiate," because there is precious little in our scheme of things to negotiate, vis-a-vis what they have in industry now. You cannot strike in our outfit. You cannot set wages in our outfit. These are the principal things that labor unions want to negotiate about. One of the things left to them that is meaningful is the grievance item, on the hiring, firing, and discharging of people. Unions want to be able to protect these people and they want to get into the scheme of things. The promotion system, for example, on which they have a great say in the private segment of industry, is again locked in in the Federal service because of the very voluminous rules and regulations that are promulgated by the Civil Service Commission, as you know.

Again I am going a little bit broader into the things mentioned by you gentlemen, because I can then cover a wider ground of the significance of this Order. So, if I go a little bit beyond, bear with me on it.

QUESTION: Sir, in pulling employee associations in, are they involved in negotiations relative to labor production standards and maintenance standards, and, if so, is this a problem in the Navy?

ADMIRAL MOORE: They certainly like to do it on the outside. We have not become involved in the setting of standards, because really we have not gotten around to this as much as we would like. It was only a few years ago when we had riders on our appropriations that prevented any government activities from running time and motion studies, which are part and parcel of standards. So we really have not developed standards the way they have in the private segment of industry, and we have not been really confronted with this point much on our first round of negotiations.

I would point out also that, since all branches of the Government are going through this thing for only the first time, you can understand that the first round has been a feel-out sort of situation to get one of the three kinds of contracts that I talked with you about. The more sophisticated unions get a pretty broad one covering a lot of things, and we can expect that each and every time they come up for negotiation they are going to get into a broader area, and are going to be demanding more.

Again, on the point of laws and regulations, I would make it clear that it is not my intent, as the boss man in putting out rules and regulations, to continue to make the rules more restrictive. I could in principle, in any matter that comes up in negotiations, where I see their difficulties and problems, immediately say, "This is a bad item to have in a contract, and therefore we will put in the Navy Civilian Personnel Instructions a law or regulation that gets this out of the negotiable area." If I do this I would have the labor organizations on my back, and, believe me, they are giving us enough concern now. They would then force you toward negotiating the contract at the Washington level rather than in the field, and the Executive Order says it will be done at the activity level, because it is believed that where there is more face-to-face contact there is more to be gained in the area of improving working conditions and working relationships. I think we can all understand this.

QUESTION: What is the policy with reference to the shop-steward concept that you have in the unions in our government structure?

ADMIRAL MOORE: Well, we are following the same general procedure with the setting up of shop stewards. If you are talking about the number of shop stewards, this runs the gamut from the sublime to the ridiculous, where you may have a shop steward for each 10 employees, or you might have a shop steward for 150.

A gentleman from American Motors who was in talking to us last week said that he has one shop steward for each supervisor. This is a reasonable sort of thing.

Throughout the Navy I suppose our average is on the order of 1 to 70, with numbers running from, say, 1 to 13 to the other extreme of 1 to 200, but averaging about this. The reason it cannot follow a fixed pattern is because you may have a small shop of only 15 employees and you must then perforce have representation for

that one group. On the other hand you may have a shop that is reasonably large, and then you can cut down on the number of stewards.

Again I am wandering a little bit. The labor leaders, when they are talking with you, will argue on this point. They would like to have shop stewards all over the place so that they can run your business. Too often they will box you in in their negotiations by saying,

O.K. We'll agree on one to 100 in these shops, but let us pick out two selected shops and let us then have shop stewards in the ratio of one to 15. Then, after a year's trial, we'll see whether we had fewer grievances and fewer difficulties at your shop where we had a high number of shop stewards, or whether it happened over in the other shop.

Well, of course, you are falling right into a trap there, because they will get the shop stewards together and say,

Look here. Over here where we have shop stewards running all over the place, we don't want a single, damn grievance to come up, and over in that other shop where the stewards are sparse, we want to make sure that we have a grievance and a problem coming up at least a dozen times a day.

Then at the end of the year's trial, the labor boys can come back and say, "What did we tell you? Over in that shop where we had a lot of stewards, they ran the business for you and everything was on the up and up."

This is only one of the points that one gets into in these negotiations.

QUESTION: Admiral, on all of our bases one of the biggest segments of the employees group are the people who work in the nonappropriated fund activities--the post exchange, special services, and so forth. Of course they are outside the civil service regulations and the protection. I wonder if they are going to be brought in under this or if they are under the Executive Order now.

ADMIRAL MOORE: I wonder about that, too. This is a problem that has caused us a great deal of headaches. We have discussed

this thing among the Army, Navy, Air Force, and OSD, many times. They are not under the Executive Order. They are not under the civil service rules and regulations. But it is quite clear in our own minds that it is intended that anything associated with the Government as closely as are our nonappropriated fund activities will in general comply. We have many activities of the nonappropriated-fund-activity type now that are following these same general patterns both in the area of the setting of wages and in the area of labor-management negotiations.

There are some areas where we are getting in hot water, too, where Congressmen will come in say, "Not only aren't you negotiating labor contracts but maybe your wages are set too low." The uniform answer back to the Congress is that the law does not provide for this; however, we are encouraging it and doing everything that we can to sponsor the same kind of treatment both within and without the nonappropriated-fund-activity area.

QUESTION: Admiral, would you explain the mechanics of how votes are conducted? Do you have observers when the employees are voting? Do the labor unions have observers? How are the votes conducted?

ADMIRAL MOORE: This is a relatively new thing, and, although I have been working with it a long time, I have not been out in the field to observe a voting process. However, the rules are quite clearly set forth as to how the elections will be run. There has been spell-out of this in detail, but I don't have the instructions on it here, now. They have to be conducted in a proper way with proper observers seeing that things are done properly. If they are not conducted correctly then it is a violation of the fair labor practices, and they can call for a rerun of the election.

Again, where the appeal is made, this would come up from the activity level on up to my level. In looking the situation over I would either sustain it or deny it. If I deny the appeal, then they still have the right to appeal to the Labor Department and request arbitration in the matter. When this decision is forthcoming, it will come out, and although it is not binding we usually follow it.

We have a case of this kind, I believe, down at the Air Station in Pensacola. There was a lot of maneuvering going on during the elections down there between the labor organizations themselves. The day before the election an ad was carried in the local paper

which reflected unfavorably on the labor union seeking to win the election. Management had nothing whatever to do with the ad. Because of the ad the labor union that lost out said it was an unfair election and therefore appealed it.

I have denied it. I said it looked to me like a fair election.

This comes up many, many times. Bear in mind one significant difference in this Order and the way we practice things in government vice the way they do things in private industry. In private industry management can actively go out and speak against organizing. They can tell their people all over that if they get involved in unionization it will do this to them, that to them, and the other thing, and that management thinks that it is no good. In the Government, under 10988, we cannot take sides. We have to play right down the middle of the line.

QUESTION: Admiral, you discussed at some length your dealings with the blue-collar workers union. I would like to hear about the white-collar workers. Are there any new unionized groups of white-collar workers arising?

ADMIRAL MOORE: That is a good question. Certainly, in the other branches of the Department of Defense on a percentage basis there is a greater percentage of white-collar workers than we have in the Navy itself. We are more highly industrialized. The Navy runs 61 percent industrial on the blue-collar side. Army and Air Force probably might run 61 percent on the white-collar side.

However, the Executive Order does provide for the unionizing of all employees, regardless of whether they are blue-collar or white-collar. Within Navy circles we have a number of old-line organizations that have historically unionized in the white-collar area. This is continuing.

We have had quite a large number of arbitration cases. When these cases came up to arbitration, the arbiter goes in and looks over the whole situation. He listens to the various protests and requests.

Basically, in our large activities, such as shipyards, the arbitrators recommend setting up units usually of the blue-collar type, white-collar type, and certain selected, fragmented groups, such as, for example, pattern-makers, who are historically recognized all over.

There is one provision of particular interest in the Executive Order, which was given to all of you for reading purposes. If you look that over carefully you will see that the professionals are not included in any unit, unless they vote themselves in.

I had to draw a sharp distinction between technical people and professional people. You have a large number of draftsmen, sub-professional types, and they are referred to as technicians. In the Navy and many other government agencies they have been organized by the AFTE. The distinction between professionals and technicians is rather clear-cut.

But, in the area of professionals, consider a shipyard such as Portsmouth, where you have upwards of 500 professionals. The professionals at Portsmouth have not been included in any unit. They have to either vote themselves, if a technical unit is carved out, into being included in that unit, or in any other unit that you have around, or they could set up their own professional unit. However, when you get into setting up a unit for professionals, you have to look at the significance of this thing, because in effect we rule out active participation of supervisors and managerial types. Any and all people can belong to unions, but supervisors and managerial officials may not take a part in the voting processes that go on, nor can they actively participate in the affairs of that particular unit.

So in a unit of professional type, you would have to rule out everything from probably GS-16 on down to the journeyman level, as being supervisors. The journeyman level is approximately GS-11. All those people would be ruled out, and the professionals in principle would be from GS-11 down.

QUESTION: How do you rationalize your statement that you just made, Admiral, insofar as management is concerned? If a man is in management, he does not belong to a union. I do not understand how effective such management can be.

ADMIRAL MOORE: I am not quite sure that I understand your question. The rules make it quite clear that the managerial type of people, the personnelists, and maybe one other category, cannot be included in any labor union. This is prima facie, that a management official cannot be the head of a labor organization, because he then owes allegiance to the labor organization, and he owes allegiance to management. So you have to rule out the managerial types from being in these organizations.

Then, when you get into the definition of a managerial official, you get into a somewhat knottier situation. A managerial official has to be defined on the basis of the character of the unit or units that you have set up. If you were to have the activity as a whole-- a shipyard of 10,000 employees--as a unit, then the managerial officials in that activity would certainly be the commanding officer and the department heads, and that might be substantially it. On the other hand, if you were fragmented to the extent that you had the two or three that I talked to you about, in the pattern shop, the unit head then might be a leading man, and that man under the definition has to be a managerial type, and he could not actively participate in the affairs of the union.

So it is a sliding sort of situation. But, again, quite independent of the managerial type, supervisors themselves are ruled out, and we have put out some rather complicated instructions on when supervisors are included and when they are not included in organizations. This is something that constantly causes trouble with the union people, because they would like to see all the supervisors, the leading men, and what have you, included. However, we have come up with regulations that say that if any man does a substantial number of duties that verge on managerial sorts of things, he has to be automatically excluded. We could not have that kind of fellow making efficiency or fitness reports out, so anybody who does that is a supervisor and has almost the same status as a material type of official.

That is what is back of this.

QUESTION: Admiral, considering the problem of employee contract relationships with the Navy on water scales, what will be or is the responsibility of the Office of Industrial Relations with regard to such organizations in Navy establishments proposed for phasing out?

ADMIRAL MOORE: This gets to be a rather knotty problem. Some labor organizations, as they are negotiating labor contracts, will want to put a clause in the contract that will keep them in business in perpetuity until the contract runs out. Ordinarily a contract is for a period of a year from the time you sign it until it is contested by some other organizations, or you want to change it. They will try to put a clause in there that will say, "Regardless of what happens to this organization"--assuming you are shifted to a new location--"the contract is still binding." We say this has no significance and that they cannot put such a clause in there.

If you are talking in terms of an outfit that is about to be phased out, we will take the repair facility at San Diego as a good example. Let us assume that they have not yet negotiated their labor contract there now, and NRF is going to be phased out within the period of the next year. It would be almost the height of absurdity to get involved in a labor contract that might take six months to negotiate and would not be in effect very long. So in general, for that kind of situation, we counsel against getting involved in labor-management relationships, providing you can make it stick.

But again, in the Executive Order, many of these things are very hard to make stand up if labor wants to push really hard on them.

I do not know if I have answered your question on those two parts or not. Did you have something else in mind?

STUDENT: No, that is fine, on that part of it. Say that a year from now a shipyard is scheduled to be phased out. Does OIR have any responsibility for helping the labor people in trying to get a place to work?

ADMIRAL MOORE: You are getting out of the area of labor-management relationships. You are getting out into the placement program. That is an entirely new subject, and I could talk on that a half-hour. The answer specifically will be a shortie. I do not want too many of this kind because we are getting away from our subject.

The fact is that we have a joint program among Army, Navy, and Air Force for every major RIF that we have, which means firing in excess of 100 people, or for any transfer of function, where an activity is transferred from one area to another, or for a base closure. Within Navy the commandant of the several districts is made the coordinator with the Navy. Army and Air Force in that same area have similar coordinators. They have then, at each of those activities, the kinds of skills and the number of people in every Department of Defense activity throughout the entire area. As soon as you have a base closure, then, the activity that is closing has to refer the names of all the people who are being sacked to these central coordinating activities. All hiring in these areas is suspended throughout the entire area until placement can be taken care of for the employees who are being displaced.

This is the general scheme of things. As I say, I do not want to hit this too much, because it is another subject.

QUESTION: Sir, it appears to me that a union without the right to strike is rather sterile. Success more or less depends on the benevolence of management. Could you comment on what would happen if the Federal employees were given the right to strike?

ADMIRAL MOORE: That is a hypothetical question and I could not give you more than a hypothetical answer. I really do not think that I should devote my time and effort to do that, because your judgment on what would happen within government circles if they had the right to strike versus industry is as good as anybody's guess. But I would comment on the fact that if you think that the Executive Order is sterile and that there is nothing for us to do because we do not have the wage-setting process and the right to strike in those contracts, I just suggest that you come on over and be at my side in some of the negotiations I have with the labor types, or go out into the field where they are pulling hair and look at the specific things that they can argue and fight about.

There are many, many things under the rules and regulations that I told you you could not negotiate on. However, if you look at each of those carefully you will see that there is a lot of latitude and, believe me, there are enough negotiable things to talk about. At the New York Naval Shipyard, where they negotiated a contract, it took almost 6 months to settle all the things that they could talk about. It ended up in a document of 60 or 70 typewritten pages.

This is only a start. As time goes on they will make more and more inroads. They get into every area that would seem to impinge on your right to manage. They will talk about wanting representatives on the safety committee. They want in effect to run the safety committee. On every program of training that you have they will want to have committee members on that. You name it and they want to be in on it.

So do not get yourself deluded with the fact that because the striking situation is not there that this is an impotent thing. It is something that is going to keep you and me and a lot of us who are concerned with industrial management busy for a long time to come.

CAPTAIN CASTELAZO: Admiral Moore, on behalf of the Commandant and the rest of us here, thank you very much for an instructive morning.

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