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AUGUST 5, 1976

MEETING ON FRIDAY
AUGUST 6
DICK CHENEY'S OFFICE

FROM 3:00 P.M.
to 4:00 P.M.

Re CONVENTION

Dick -
Not stopped
~~///~~

Dick -
Not stopped
///

original given back
to Dick Cheney from
outbox 6:45 8/9

THE WHITE HOUSE

WASHINGTON

August 6, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN

SUBJECT: Coal Strike *fw*

GR 9
Issue of Mr. Labor
agreed at concurred
in by others

This memorandum reviews the background of the strike and is to inform you of the most recent developments in the strike situation.

Background

Local 1759 of the United Mine Workers, which represents miners at the Cedar Coal Company near Charleston, West Virginia, demanded that the firm create the position of "communications man." The incumbent would be positioned at the mouth of the mine and would be in touch with the miners underground. The company refused and the issue was taken to arbitration, which ruled for the union. The company then asked that the arbitrator clarify whether or not the company could assign other duties to the communicator, and the arbitrator said that this was permissible. The union, demanding that the position be full-time, struck in protest on June 22, by-passing the grievance procedures established by the contract.

Should
ABC

On July 13, Cedar Coal won a back-to-work injunction from Judge Dennis Knapp of the Federal District Court in Charleston, which was ignored despite the request of UMW President Arnold Miller that the strikers return to work. Four days later Judge Knapp imposed a \$50,000 fine to be increased by \$25,000 for each day the strike continued. On July 28, he ordered 213 members of the local into court to show cause why they should not be held in criminal contempt for failure to comply. In reaction, members of the local spread out across seven states and set up pickets; this shut down a large portion of the industry as miners traditionally will not cross picket lines even if there is only one picket and they are not directly involved in the dispute. Over the weekend, Judge Knapp offered to rescind the fine if

the union returned to work, but so far this has had little impact. The local voted Tuesday, 40-38, to remain on strike. Arnold Miller, on August 4, sent telegrams to UMW district presidents declaring that he "hereby instructed and directed that all members of the UMW engaged in these work stoppages return to work." Earlier, he had personally appeared before local 1759 and urged them to return to work, but his request was ignored. On August 3, the Bituminous Coal Operators Association, the bargaining arm of the coal industry, turned down requests by local 1759 to meet with the striking miners to discuss grievances saying that this would undermine the procedures agreed to in the contract.

Although large numbers of the rank and file are apparently sympathetic with the aims of the strike, it appears that the strike activity is being encouraged by a small group of 25-30 militants who have been active within the UMW for approximately five years. The activities of this group are centered in Appalachia, although they are apparently not natives of the region. They are predominantly young and first gained wide attention in the right-to-strike controversy last year. According to UMW leadership, the militants are utilizing more effective tactics in this situation by maintaining a lower profile and seeking to persuade other members of affected locals to continue to extend the strike.

A Presidential statement calling upon the miners to return to work and to rely on the negotiated procedures for settling grievances is attached at Tab A. It reaffirms your belief in the free collective bargaining process, and notes that the duly elected union leadership has called for an end to the strike, which is in violation of the collective bargaining agreement ratified by the miners themselves.

Secretary Usery has been in close contact with both the coal companies and the UMW leadership. It is his judgment that no settlement should be issued prior to Monday, August 9. There is a reasonable chance that by Monday a large number of the strikers will have returned to work.

Alan Greenspan, Jim Cannon and I concur with Secretary Usery's judgment and recommend that we reconsider the question of whether to issue a statement on Monday after evaluating developments over the weekend.

Decision

- Option 1 _____ Do not issue a statement at this time.
Reconsider the question of whether to
issue a statement on Monday after evalu-
ating developments over the weekend.
- Option 2 _____ Issue Presidential statement now.
- Option 3 _____ See me.

PRESIDENTIAL STATEMENT

A wildcat strike in the coal industry, which began as a local dispute in mid-June, has spread to seven states involving over 80,000 members of the United Mine Workers. To date, the work stoppage has cost over \$40 million in lost wages, and \$14 million in pension contributions, with growing effects on other businesses, the communities involved and the economy of the nation as a whole. This is particularly troublesome at a time when the United States is trying to increase coal production to reduce dependence on foreign oil. Despite a court order requiring the strikers to return to work and an order by President Arnold Miller of the UMW that the strike end, the walk-out continues.

This strike undermines free collective bargaining and responsible labor management relations in this critical sector of the economy. The contract between the UMW and the mine operators provides a procedure for resolving grievances without outside interference, but this process was side-stepped by the strike. I strongly urge the striking members of the UMW to return to work and settle their differences through the procedures agreed to in the contract by management and the union and ratified by coal miners themselves.

THE WHITE HOUSE
WASHINGTON

Original of this returned in the outbox
(from Nell) 8/9/76 gave to Dick Cheney

Per Roger Porter Dick Cheney called
him on this and he in turn spoke to
Sec. Usery ---they decided not the
best time to issue a statement - do
nothing now. Roger explained that it is
a civil case and after the statement
issuance there would not be much the
President could actually do.

GBF 8/10/76

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WLS

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Although large numbers of the rank and file are apparently sympathetic with the aims of the strike, it appears that the strike activity is being encouraged by a small group of 25-30 militants who have been active within the UMW for approximately five years. The activities of this group are centered in Appalachia, although they are apparently not natives of the region. They are predominantly young and first gained wide attention in the right-to-strike controversy last year. According to UMW leadership, the militants are utilizing more effective tactics in this situation by maintaining a lower profile and seeking to persuade other members of affected locals to continue to extend the strike.

A Presidential statement calling upon the miners to return to work and to rely on the negotiated procedures for settling grievances is attached at Tab A. It reaffirms your belief in the free collective bargaining process, and notes that the duly elected union leadership has called for an end to the strike, which is in violation of the collective bargaining agreement ratified by the miners themselves.

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Trudy: Re below, Jim says it doesn't matter that the memo is up there, not to worry about it. I didn't tell Roger it was up because he was gone by time I found out

THE WHITE HOUSE
WASHINGTON

E.

7:55

Trudy,

On Usery memo on coal strike--Roger Porter called (7:05) said they just had a long session with Usery. Usery has asked to put a hold on his memo. They will probably come in tomorrow with a slightly different memo with a slightly different set of recommendations. The situation is very fluid.

I wasn't quite sure what the notation in the log book meant.

E.

8/5

THE PRESIDENT HAS SEEN....

THE WHITE HOUSE
WASHINGTON

August 5, 1976

MR PRESIDENT:

W. J. Usery's memorandum of Aug. 4
re: Coal Strike

Copies of Secretary Usery's report on the Coal Strike have been sent to senior staff members for their review. When Secretary Usery's recommendation is received later today, it will be staffed to your advisors for their recommendations before submitting to you for decision.

Jim Connor

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

AUG 1957

MEMORANDUM FOR THE PRESIDENT

FROM: W. J. USERY, JR. *WJU*

SUBJECT: Coal Strike

A wildcat strike in the coal industry which began as a local dispute in mid-June has spread to seven states idling roughly 75,000 members of the United Mine Workers. This memorandum reviews the background to the strike and presents several alternative approaches open to the Administration.

Background

Local 1759 of the United Mine Workers, which represents miners at the Cedar Coal Company near Charleston, West Virginia, demanded that the firm create the position of "communications man." The incumbent would be positioned at the mouth of the mine and be in touch with the underground. The company refused and the issue was taken to arbitration, which ruled for the union. The company then asked that the arbitrator clarify whether or not the company could assign other duties to the communicator, and the arbitrator said that this was permissible. The union, demanding that the position be full-time, struck in protest on June 22, by-passing the grievance procedures established by the contract.

On July 13, Cedar Coal won a back-to-work injunction from Judge Dennis Knapp of the Federal District Court in Charleston, which was ignored despite the request of UMW President Arnold Miller that the strikers return to work. Four days later Judge Knapp imposed a \$50,000 fine to be increased by \$25,000 for each day the strike continued. On July 28, he ordered 213 members of the local into court to show cause why they should not be held in criminal contempt for failure to comply. In reaction, members of the local spread out across seven states and set up pickets; this shut down a large portion of the industry as miners traditionally will not cross picket lines even if there is only one picket

and they are not directly involved in the dispute. Over the weekend, Judge Knapp offered to recind the fine if the union returned to work, but so far this has had little impact. The local voted yesterday, 40-38, to stay out. It is thought that the strike will end if Local 1759 returns to work. President Miller, on August 4, sent telegrams to UMW district presidents declaring that they were "hereby instructed and directed that all members of the UMW engaged in these work stoppages return to work." Earlier, he had personally appeared before local 1759 and urged them to return to work, but his request was ignored. On August 3, the Bituminous Coal Operators Association, the bargaining arm of the coal industry, turned down requests by Local 1759 to meet with the striking miners to discuss grievances saying that this would undermine the procedures agreed to in the contract.

Although large numbers of the rank and file are apparently sympathetic with the aims of the strike, it appears that the strike activity is being encouraged by a small group of 40-50 militants who have been active within the UMW for approximately five years. The activities of this group are centered in Appalachia, although they are apparently not natives of the region. They are predominantly young and first gained wide attention in the right-to-strike controversy last year. According to UMW leadership, the militants are utilizing more effective tactics in this situation by maintaining a lower profile and seeking to persuade other members of affected locals to continue and extend the strike.

OPTIONS

1. Do nothing.

- Pro:
1. A grievance procedure exists, but it has not been effectively utilized by union members or employers. The Federal Mediation and Conciliation Service has been working over the last year to educate local union members and mine operators on how to use the procedure, and some progress has been made. Thus, constructive action already is being taken to alleviate the underlying cause of this wildcat strike.
 2. Outside intervention by the courts has only exacerbated the conflict; it was a local strike until Judge Knapp imposed the fine. Further government intervention may produce no better results than the current FMCS activities while increasing tensions.

- Con:
1. Lack of action could lead to criticism.
 2. Much coal production is being lost, which has already had a serious effect on the railroads that transport the coal and will soon impact on the steel industry. However, this lost production may be easy to recoup.

2. Instruct the Secretary of Labor to appoint a high level panel to study the problem and make recommendations.

- Pro:
1. There is precedent for using a voluntary panel; in the past, appointment of such a panel has been used by responsible union leadership as an argument to get the rank and file to go back to work.
 2. This would demonstrate the Administration's concern, while keeping Presidential distance.
 3. Could help develop long-term solutions to the problems behind the dispute. It would go beyond the limited activities of the FMCS.

Con: 1. Governmental intervention may simply increase tensions without improving on the current FMCS activities.

2. Strike may solve itself by the time the Panel was recruited.

3. Appoint a Blue Ribbon Panel Yourself.

Pro: 1. Would demonstrate positive action by the President.

2. May create long-term solution.

Con: 1. May increase tensions.

2. The Panel's concerns would relate to long-term problems and if the short-term strike activity continued Presidential action might appear ineffective.

3. Strike may solve itself before the Panel can be appointed.

Recommendation

I have been working with management and labor organizations in trying to bring about a solution. Meetings are being held this afternoon and this evening and there is some indication that a break in the impasse may be near. I will make a recommendation to you tomorrow based on the progress made in these meetings.

August 5, 1976

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U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

AUG 4 1976

MEMORANDUM FOR THE PRESIDENT

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A wildcat strike in the coal industry which began as a local dispute in mid-June has spread to seven states idling roughly 75,000 members of the United Mine Workers. This memorandum reviews the background to the strike and presents several alternative approaches open to the Administration.

Background

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Although large numbers of the rank and file are apparently sympathetic with the aims of the strike, it appears that the strike activity is being encouraged by a small group of 40-50 militants who have been active within the UMW for approximately five years. The activities of this group are centered in Appalachia, although they are apparently not natives of the region. They are predominantly young and first gained wide attention in the right-to-strike controversy last year. According to UMW leadership, the militants are utilizing more effective tactics in this situation by maintaining a lower profile and seeking to persuade other members of affected locals to continue and extend the strike.

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- Con:
1. Lack of action could lead to criticism.
 2. Much coal production is being lost, which has already had a serious effect on the railroads that transport the coal and will soon impact on the steel industry. However, this lost production may be easy to recoup.

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 5, 1976

Time:

FOR ACTION: (SEE BELOW)

cc (for information):

Phil Buchen
Jim Cannon
Bill Seidman

Jim Lynn
Jack Marsh
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date:

Time:

SUBJECT:

W. J. Usery's memo 8/4/76 re:
Coal Strike

ACTION REQUESTED:

FOR INFORMATION NOW WHEN SECRETARY USERY'S
RECOMMENDATION RECEIVED WILL BE SENT YOU

For Necessary Action

For Your Recommendations

FOR
COMMENTS
AND

Prepare Agenda and Brief

Draft Reply

RECOMMENDATIONS

For Your Comments

Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

AUG 4 1976

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