1970

Study of the 1967 Anaconda Copper strike and its impact on the economy of Great Falls Montana

Joel Eric Guthals

The University of Montana
A STUDY OF THE 1967 ANACONDA COPPER STRIKE
AND ITS IMPACT ON THE ECONOMY OF
GREAT FALLS, MONTANA

By

Joel E. Guthals

B.S., University of California, 1967

Presented in partial fulfillment of the requirements
for the degree of

Master of Business Administration

UNIVERSITY OF MONTANA

1970

Approved by:

Ralph J. Winston
Chairman, Board of Examiners

Dean, Graduate School

Jan 21, 1970
ACKNOWLEDGEMENTS

I am very grateful to Professor Ralph J. Winston, my advisor and Chairman of my Examining Committee. Without his assistance in the preparatory stages of this study and his many long hours of help in editing and revising the text, this Professional Paper might never have been completed.

I deeply appreciate the help given me by Professor Robert I. Hislop; Mrs. Maxine C. Johnson, Assistant Director of the University of Montana Bureau of Business and Economic Research; Mr. Robert Shelton, Executive Vice President of the Great Falls Area Chamber of Commerce; Mrs. Virginia Gilmore, A.F.I.T. Librarian; my wife, Ann M. Guthals; my typist, Mrs. JoAnne St. Martin; and the many people in Great Falls who shared both their time and knowledge with me.

My very special thanks go to the Strategic Air Command of the United States Air Force for providing me with the opportunity to pursue the M.B.A. degree and to complete this paper. Without the support of the Air Force, this paper would not have been possible.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>ii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF ILLUSTRATIONS</td>
<td>v</td>
</tr>
<tr>
<td>Chapter</td>
<td></td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II. A HISTORY OF THE 1967 COPPER STRIKE...</td>
<td>8</td>
</tr>
<tr>
<td>III. A DESCRIPTION OF THE GREAT FALLS ECONOMY</td>
<td>29</td>
</tr>
<tr>
<td>IV. THE IMPACT OF THE STRIKE</td>
<td>39</td>
</tr>
<tr>
<td>V. CONCLUSIONS</td>
<td>58</td>
</tr>
<tr>
<td>APPENDICES</td>
<td>64</td>
</tr>
<tr>
<td>SOURCES CONSULTED</td>
<td>82</td>
</tr>
</tbody>
</table>

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wage Rates Paid to Anaconda Workers in Montana</td>
<td>25</td>
</tr>
<tr>
<td>Before and After the 1967 Copper Strike</td>
<td></td>
</tr>
<tr>
<td>2. Great Falls SMSA: Civilian Work Force</td>
<td>31</td>
</tr>
<tr>
<td>3. Personal Income By Major Sources and Earnings</td>
<td>32</td>
</tr>
<tr>
<td>By Broad Industrial Sector for Great Falls</td>
<td></td>
</tr>
<tr>
<td>SMSA (1966)</td>
<td></td>
</tr>
<tr>
<td>4. Private Demand Deposits in Commercial Banks</td>
<td>48</td>
</tr>
<tr>
<td>Before, During, and After the 1967 Copper Strike</td>
<td></td>
</tr>
<tr>
<td>5. Building Permits Issued in the City of Great Falls, Montana</td>
<td>53</td>
</tr>
<tr>
<td>Before, During, and After the 1967 Copper Strike</td>
<td></td>
</tr>
</tbody>
</table>
LIST OF ILLUSTRATIONS

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>Comparison of Savings in the U. S. and in Great Falls, Montana, During the 1967 Copper Strike</td>
</tr>
<tr>
<td>II.</td>
<td>Comparison of Total Bank Debits in the U. S. and in Great Falls, Montana, During the 1967 Copper Strike</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

The Public Interest In Strikes

There are few current events that can stir the public attention as highly as a strike. Observers note at least two interesting psychological reasons for this emotional involvement:

First, "...most of us have repressed hostilities, which, we are afraid, may erupt if we are off guard. Thus, we are intensely stimulated by outbreaks of aggression in the environment."\(^1\) Strikes, like wars, are obvious indications of aggression. And, as in warfare, there are sides with which we can identify.

Second, the history of strikes unfortunately has been marked with outbreaks of violence. For a culture which many claim is fascinated by violence, the strike provides a focus of attention.\(^2\) In recent years, open physical conflict in industrial disputes has been rare, but the threat is usually apparent. To many this threat is attractive.

---


\(^2\)Ibid., p. 102.
Leaving the realm of emotion, it may be observed that there are many reasons for more rational public concern:

First, the strike indicates that there has been a serious breakdown in the processes of collective bargaining. The strike is a warning that managers and the workers they hire, two of the most important groups in our industrial society, have been unable to resolve their differences peacefully. Both the determination of the causes of industrial strife, and the possible prevention of its occurrence warrants our concern.

Second, as members of the economic community, it should be noted that a strike may inflict large losses upon our society. A worker may lose several thousand dollars in pay which he may never recover. His savings may be depleted. The employer may lose millions of dollars in fixed costs, such as rental and maintenance expenses, while production facilities remain idle. He may lose sales to competitors, customer confidence, and the public trust. Consumers may suffer from higher prices and short supplies as a result of the disruption of the normal lines of commerce. Secondary costs, such as welfare payments, employment insurance, and the loss of wages and production to the economy may be high. Often, none of the parties involved in a strike scores an economic victory.

While emotional interests were not absent, this researcher was motivated to write this professional paper by the factors discussed in the above two paragraphs.
Purpose and Scope

Statistics on labor disputes in the nation indicate that strike frequency, worker participation in industrial disputes, and man-hours lost as a percentage of total man-hours worked are declining. Interestingly, strike duration has not declined. Many writers explain this phenomenon by pointing to the increasing number of long and bitter strikes occurring in U.S. major industries.

The 1967 copper strike provides an excellent opportunity to examine the causes and effects of a major strike. The dispute, which began in July, 1967, lasted for eight and one-half months, ten times longer than the average work stoppage that year. More than 50,000 men went on strike to shut down the nation's important nonferrous metals industry. The effects of the strike were readily evident in the small western cities in which most domestic copper is produced, and in which the local smelter is the heart of the economic existence. By studying the issues and impact of the copper strike, it is possible to see the causes of a long dispute, and to determine the effects such a strike can have on an economy which is dependent upon the income, employment and taxes generated by an industry closed by a work stoppage.

In the following pages, this paper will study the details of the


4 Ibid.
1967 copper strike. The discussion of the strike's issues will be primarily limited to the negotiations which took place between the United Steelworkers of America, the Union which represented the industry's workers, and the Anaconda Company, one of the nation's largest copper producers. The strike's impact will be analyzed by observing the economic changes that occurred in Great Falls, Montana, where one of Anaconda's copper production facilities is located.

This writer believes that the research presented is of value not only as an empirical study of labor relations problems, but also as a guide to Montana communities, if a future strike occurs.

Research Objectives, Methods, and Problems

From the strike's first day, interest was high concerning the walkout's causes and the effects on the state and local economies involved. Many articles were written about the strike and its impact, but when the men went back to work, no summary of the events surrounding the dispute was prepared. Very little information was given to the public about the final negotiations and the strike's sudden settlement.

The first objectives of this research are to determine the course that the negotiations followed, the problems encountered by the parties, and the details of the final agreement. This information was sought from articles written about the strike and from the men
who were actually involved in the bargaining. Several personal interviews and more than fifty periodicals were utilized in this phase of the research.

The second part of the study, which is concerned with determining what effects the strike had on the Great Falls economy, was challenged by several factors. First, Montana has no sales tax and thus has no detailed records concerning retail trade in the State. Next, many of the statistics that were available did not appear valid due to inconsistent sampling and reporting criteria. Most available data covered yearly rather than monthly changes. Therefore, research was supplemented by interviewing local merchants to augment and add validity to the available information. Few businessmen were at liberty to provide detailed information on the changes that their firms experienced during the period. Their remarks, however, were extremely valuable in interpreting the available statistics.

By utilizing primary and secondary sources, the answers to the following questions were sought as indicators of the economic activity in Great Falls after the strike began:

1. What happened to the men who went on strike? How much did they lose? How did they live during the period? Were there any secondary unemployment effects?

2. Did the city's major economic sectors--finance, construction, and trade--record any changes that were due to the strike?
3. Did the strike have any significant effects on the state and local governments?

In most of the sections that follow, the effects of the strike are analyzed by observing the changes in economic activity that occurred in the Great Falls Standard Metropolitan Statistical Area (SMSA), which consists of the City of Great Falls and the remainder of Cascade County. Because Great Falls accounts for at least 75 per cent of all economic activity in the county, the SMSA figures are considered to be representative of the city's economic behavior. When the scope of the information discussed includes statewide activity or activity only within the city limits, this factor is mentioned. In all cases, the sources of information used are discussed to give the reader the basis for the conclusions and recommendations that are made in Chapter V.

Summary of Presentation

This paper examines first the issues of the dispute and the events which influenced the bargaining sessions before and during the strike period. Details of the negotiations, which were carried on at both local and national levels, indicate that for many months very little good faith bargaining occurred and that an agreement was reached only after strong Federal pressure was applied.

In Chapters III and IV, the activity in the Great Falls economy
before, during and after the strike is examined. This analysis indicates that the economy was insulated from severe effects by its diversity and by the relatively small percentage of the total labor force represented by the striking workers, but that noticeable changes in the economy's major sectors occurred. The strike's overall effect seems to have been a general decline in economic activity for the community.

The conclusions begin with a summarization of the findings and then raise the question of a possible failure of the parties to meet their responsibilities to the public. Because attitudes appear unchanged since the strike, recommendations based on the research are offered to the local communities to help counteract the effects of a possible future copper walkout. Such a future may be inevitable unless the dialogue between management and labor improves.
CHAPTER II

A HISTORY OF THE
1967 ANACONDA COPPER STRIKE

Initial Negotiations

On July 15, 1967, 1,575 men walked off their jobs at the Anaconda Copper Reduction Works in Great Falls, Montana. They did not return to work until March 30, 1968, eight months later. During these 280 days, they participated with 48,000 other copper workers throughout the country in the longest and most extensive copper strike in the nation's history. In the Spring of 1967, when negotiations began, few people anticipated the trouble that was to follow.

Because the copper industry had a history of labor disputes, including a six month strike against Anaconda in 1959, preparations for the bargaining began three months before the contracts were due to expire. A one-hundred man committee was selected to represent all of the 33 local unions involved in nonferrous metal production and fabrication in the State of Montana. This committee met in Salt Lake City, Utah, with similar committees from other states to prepare a
list of demands and conditions. In June, 1967, these demands were formally presented to Anaconda management during bargaining sessions held at the Company's district office in Butte, Montana. After the meeting, the following announcement was released to the news media: "Representatives for both sides report talks have been amiable and the attitude for a successful agreement is favorable." 1

At the same time, similar bargaining sessions were held in other parts of the country. The results of these meetings were forwarded to New York City. There, a joint committee of the United Steelworkers of America and the International Union of Mine, Mill, and Smelter Workers met to formulate in detail the workers' demands. This joint committee represented 17 international unions and 70 locals, including organizations of molders, electricians, machinists, bricklayers, operating engineers, pipe fitters, and teamsters. The committee presented its demands to industrial relations representatives of Anaconda, American Smelting and Refining, Inc., Kennecott Copper Co., Inc., Phelps-Dodge, Inc., and several smaller companies in the nonferrous metals industry. Over 40,000 workers with contracts expiring on June 30, 1967, from plants accounting for 85 per cent of all copper, lead, zinc, and silver productions in the United States were represented.

After ten days of formal bargaining and several months of informal meetings, negotiators could agree on only one issue—that they had reached an impasse. At local sessions with business agents and plant managers and at the national sessions in New York, it was evident that a strike was imminent. On the evening of June 30, the Union Coordinating Committee of the Nonferrous Industry Conference and the AFL-CIO Industrial Union Department met to coordinate the walkout. The demands and a July 14 strike deadline were submitted to the membership for approval.

On July 13, union meetings were held throughout Montana to decide the final plans for the strike. Federal Mediation and Conciliation Service representatives attended the meetings "...due to a possible impact of a major copper strike on interstate commerce, the national economy, and the defense effort." Union members ratified the demands and voted to strike.

On Saturday morning, July 15, after an orderly shutdown of Anaconda's multi-million dollar facilities, 1,300 steelworkers and 275 tradesmen in Great Falls and 5,000 other copper workers in the State of Montana began their longest "weekend." That afternoon the great stacks which rise from the Montana plains and pierce the Big Sky in Butte, Helena, Anaconda and Great Falls stopped smoking—the strike began.


Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
Issues at the Bargaining Table

Formal Demands and Offers

Union demands had been formulated at two levels. The Non-ferrous Industry Conference, representing all of the 17 international unions in the Industry, concerned itself primarily with the economic issues. The joint committee of local unions dealt with issues peculiar to the individual plants.

In March, 1967, the Union had formalized its motivations. The following statement was extracted from the joint proposal:

Many considerations have influenced the Union's members and its leaders in the preparation of their statement of bargaining goals. These considerations include: the loss of purchasing power of our members [cost of living had increased by 6.4 percent during the previous contract period], the economic needs of our members [copper wages were below the $3.27 per hour standard set by the AFL-CIO], the needs of the nation's economy, the productivity and profitability of the companies [productivity was up around 3.5 percent, profits had grown by 36.1 percent], the market prospects of the industry [copper demand was outstripping supply], and the general levels of major recent economic settlements by other unions. Income security for our members and improvements of local working conditions are high on our list of priorities.3 (Items in brackets taken from later pages in the proposal.)

The union demands based on these considerations were explicit and comprehensive. The workers demanded the following thirteen items:

1. A cost of living escalator clause based on the Consumer Price Index.

2. A substantial wage increase [about 50 cents an hour] and industry-wide uniformity.

3. Improvements in pension programs, with a minimum pension of $6 per month per year of service.

4. Master agreements for the industry and common contract termination dates.

5. Job and income security benefits including supplemental unemployment benefits for workers laid off, severance benefits, retirement, death and disability benefits, and employment security based on seniority.

6. Improvements in group insurance programs.

7. Longer vacations including extended vacations once each five years.

8. Observance of nine paid holidays.

9. An increase in shift differentials.

10. A limitation of the work week to six days.

11. A provision for safety inspections by a union safety committee with authority to stop work in unsafe areas.

12. Overtime pay for Saturday and Sunday work at 1½ times regular pay and 2 times regular pay, respectively.

13. A minimum of eight hours' pay for workers called in and sent home, bereavement pay, and jury and witness pay. (Brackets mine.)

The local issues concentrated on four areas: (1) the standardization of wages among local unions for the same job; (2) the upgrading of jobs through a union-sponsored job evaluation plan;
(3) improvements in working conditions in specific manufacturing operations; and (4) the standardization of grievance procedures to allow for more expedient implementation of the contract. Each company was presented with a set of demands that applied to its operations. (The complete list of demands presented to the Anaconda Company is included as Appendix I.)

In its initial offer to the unions, Anaconda and the other companies chose to deal with the issues of wages and incentives. Anaconda offered a 28.5 cents per hour pay raise to be realized over a three-year period. The Company proposed a one-half cent per hour incremental increase in each of the first two years worked. Anaconda also offered to increase all job classifications for electricians and operating engineers by one pay grade. An incentive plan tying increased wages with increases in productivity was offered to steel-workers. The non-economic issues were to be settled in subsequent bargaining.

The Union charged that the Company had ignored the real issues in its offer, while the Company called Union demands unrealistic. It appears to this writer that, as the strike began, both sides were too blinded by emotion to evaluate and negotiate calmly.

5J. P. Mooney, United Steelworkers' Staff Representative, private interview, Great Falls, Montana, September, 1969.

The Issue of Coordinated Bargaining

From the beginning of the bargaining sessions, close observers noted that the two sides were widely divided over the Union's demand for industry-wide common termination dates for all future contracts, which concerned the Union's tactic of coordinating all bargaining at the national level under the direction of the United Steelworkers of America. Previously, contracts had been negotiated individually between each company and the local unions representing its employees.

On September 23, Anaconda clarified its objections to the bargaining procedures being used in a letter to its employees. The letter, which may have been ruled an unfair labor practice under Federal law because it bypassed the bargaining agent and appealed directly to the workers, was signed by Martin K. Hannifan, General Manager of the firm's Montana operations, and stated:

In our opinion this strike will be settled only when union leaders become realistic about the copper situation, the conditions in our own operation and the need to recognize that there is no master plan from Pittsburgh which will solve all of our problems and settle all of the issues. We must negotiate on the basis of the facts as they appear to Anaconda's properties. The sooner this message gets through, the sooner we will reach an agreement which fits our situation and gets other Anaconda employees back on the job with improved pension benefits and the highest pay rate in the industry. We thought you should know that the recent union tactics have brought us no closer to an agreement than we were ten weeks ago.7

From the Union's standpoint, coordinated bargaining was favored. Skilled negotiators could handle all bargaining, uniformity in contract wording was assured, and jurisdictional problems which had plagued past nonferrous negotiations could be eliminated. Thus, the unions involved in copper production agreed to allow the Steel-workers to direct the negotiations and wrote the same expiration date in the majority of contracts negotiated after 1960, making a nationwide strike possible.

Questions arose about the practicality and legality of the Union's tactic. Another form of bargaining, such as "whipsaw" negotiations which utilize a settlement reached with one company as a standard for bargaining with other companies, might have achieved the desired results without an industry-wide strike. However, due to past union weakness in nonferrous bargaining, the Union was adamant in its demand. The companies also refused to give in. In September, Kennecott filed a claim with the NLRB charging that the coordinated bargaining demand was an unfair labor practice.

The Union was forced to abandon its demand after a hearing officer supported Kennecott's claim. In the final settlement, each contract received a different termination date. The dates, spread over a nine month period in 1971, make a future nationwide strike unlikely. Unless the Union decides to fight the issue again, contracts will have to be negotiated as they were before the strike or by new tactics and bargaining procedures.
The Eight Month Strike

Split over the issues of wage rates, working conditions and joint bargaining, neither side was willing to bargain "amiably," as earlier observers had promised. On the local level, where job classifications and working conditions were to be discussed, and on the east coast, where wage rates and retirement programs were at issue, bargaining was strained. Attempting to ameliorate the differences, Federal mediators met separately with Union and management officials. By the beginning of the strike's second week, the mediators had succeeded in moving the negotiations to San Francisco, the Service's regional headquarters, where both sides agreed to resume talks on "neutral grounds." After two weeks of joint bargaining in California, no progress was noted.

In Montana, government officials began voicing their concern over the costs of the strike to the local economy. On July 27, the Montana State Unemployment Compensation Commission reported that jobless pay claims in Montana had increased by 1,037 in the second week following the strike. These claims resulted from the secondary unemployment of workers who were not members of the striking union.\(^8\)

Montana Governor Timothy Babcock asked for a quick end to the strike in the following official statement:

Great Falls, Butte, Anaconda, and East Helena cannot stand a prolonged strike such as the one which continued for six months during 1959 and 1960. If the strike continues five weeks, more than $1 million in wages will be lost. Hundreds of families in Montana cannot sustain such a terrible blow. The strike, if prolonged, can be a staggering loss to Montana and to the local economies at a time when other conditions are exceedingly bright.9

At the same time the Federal Mediation and Conciliation Service reported that it was having difficulty in getting the striking parties together at the bargaining table, even after the move to California. Neither the Conciliation Service's efforts nor Governor Babcock's pleas had any effect on resuming the negotiations.

In the strike's third week, a problem arose which no one had foreseen and which became another irritant to the bargaining and to public opinion. Copper ore, mixed with seepage water pumped from the Butte mines, began to pollute the Clark Fork River. It then spread to other waterways in western Montana. The seepage, usually treated in a filtering and reclamation plant, entered the river untreated and very toxic. Dead fish were observed floating downstream. There were no workers available to man the treatment facilities because of the strike. The pollution continued for two months. Then a Federal court injunction enjoined the reclamation plant and its personnel to resume operations.

As the strike entered its second month, new estimates of its costs to the region were made public. In a meeting of governors from

Arizona, New Mexico, Utah, Nevada, and Montana, the states in which most domestic copper is mined and smelted, it was disclosed that lost wages totaled $4.8 million a week. The Unemployment Compensation Commission noted that the Montana wage loss was $1,100,000 per week and state income tax revenues were down by $200,000 per month. Jobless pay claims in Montana for non-strikers laid off by the stoppage had reached $68,000 per week. Under Montana law, the strikers themselves were ineligible for unemployment benefits.

The second quarter earnings reports for Kennecott and Anaconda further aggravated negotiations by indicating that both companies had enjoyed record earnings for the first half of 1967. The governors then petitioned the President to act in stopping the strike. In his reply, President Johnson remarked that there was at that time no legal basis for implementing the national emergency strike injunction provisions of the Taft-Hartley Labor Relations Act since in his opinion the strike did not "imperil the national health or safety." The governors next asked that the President form a fact-finding committee to intervene in the negotiations. The Administration, however, decided against Federal involvement, hoping to foster more responsible bargaining among the parties.  


In the strike's third month, ten thousand additional men from other companies whose contracts expired in September joined the work stoppage. The U. S. Department of Labor began to take a more active interest in the negotiations. Labor Secretary Willard Wirtz called the representatives of management and the striking unions to Washington, D. C., for consultation. He was giving increased attention to invoking Taft-Hartley provisions to stop the strike. But the government was having a difficult time proving that a national emergency existed, despite pleadings from western governors that their states were becoming disaster areas.

Both the Department of Defense, which uses 10 per cent of the nation's copper production, and private industry had foreseen the possibility of a work stoppage and had built inventories to stockpile levels. The Federal government had 259,000 tons of copper on hand, three years' supply. The automobile industry had an almost equal amount available. Total copper inventories in the United States were estimated to be 800,000 tons. 12

At the current domestic consumption rate of 190,000 tons per month, copper stockpiles held at least a four months' supply. In addition, 60,000 tons of scrap salvage and imports and 11,000 tons from non-striking smelters continued to enter the market each month. 13

12 "No National Emergency Seen Yet in Month Old Copper Strike," Great Falls Tribune, August 12, 1967, p. 5.

13 Ibid.
Should a copper emergency arise, the U. S. Department of Commerce made plans to augment supplies by issuing special licenses to non-striking mining operations for the shipment of ores and concentrates out of the country for refining. Thus, while 95 per cent of the nation's output of refining copper had been shut down by the strike, no immediate shortages occurred.

In Montana, officials were concerned about the lack of public interest in the strike and the absence of urgency in getting the stoppage settled. For several months, though, the nation had hardly noticed the copper strike. Copper supplies were not short. The 60,000 men who were unemployed by the strike were scattered in many states and amounted to only one-tenth of 1 per cent of the total labor force.

In the western states, the strike's effects were more noticeable. In Montana alone, 1,200 families were issued public assistance due to the strike. Anaconda reported that it was losing $5.5 million per month from its Montana operations. The local unions appealed to the AFL-CIO general membership and to merchants for aid. The U. S. Department of Agriculture and the Montana State Department of Welfare cooperated in approving a plan to allow strike workers to purchase food stamps for half price. The Montana State Legislature, at the

---

request of the State Board of Equalization, reinstated a discretionary
two-mill property tax to help cover the deficit in tax receipts and to
help pay the welfare costs resulting from the strike.

In October, there was a flurry of bargaining activity sur-
rounding a Union counter-proposal. Negotiations quickly deteriorated,
and no agreement was reached.

By the dispute's one-hundredth day, the national news media
began to voice some concern. Magazine writers and television com-
mentators were openly puzzled and critical over the fruitlessness of
the negotiations and the seeming lack of Federal interest in stopping
the strike. Some writers estimated that by late December the inven-
tories of copper and other nonferrous metals would be depleted. An
emergency situation was foreseen when manufacturers would be forced
to pay "scarcity" prices for copper in foreign markets. But when
December came, no shortages occurred and copper prices remained
steady at 38 cents per pound. Inventories were higher than the ex-
perts had thought.

In the production of silver, an important by-product of copper
refining, a crisis was averted by closing government inventories to all
except manufacturers of critical defense goods. The mints substituted
other metals for silver in coinage to ease the shortage. In the manu-
facture of electronic equipment, aluminum and gold were used in place
of copper and silver.
Federal efforts to end the strike were further hampered by the parties' adamant opposition to government involvement in the bargaining. Interestingly, each side accused the other of prolonging the strike with the hope of forcing the settlement into arbitration. The Union claimed the companies were "bludgeoning" the government into settling the strike and then permitting a copper price increase. The companies charged that the Union was trying to create a national emergency to force a settlement for higher wages than ordinarily would be won at the bargaining table.

Amid these arguments, a thawing was observed in the bargaining. After eight months of "the dialogue of the deaf," the negotiators suddenly began listening again. At the local bargaining sessions, officials announced that some elements of disagreement had been resolved. A few days later, on March 27, 1968, the top level negotiators solved the difficult pay and pension problems. The settlement was sent from the bargaining sessions in Washington, D.C., to the local unions for ratification. On March 28, the Anaconda employees in Montana voted overwhelmingly to accept the agreement--the strike was over.

**Final Negotiations and Settlement**

Behind the mysterious thaw in the March negotiations was the

---


16 Ibid.
growing pressure in Washington, D. C., for a forced settlement of the strike. Industry observers noted that copper supplies were finally running out. Importation was being slowed by a longshoremen boycott of foreign copper shipments. On March 4, 1968, President Johnson appointed a three man committee to intervene in the bargaining. The committee was composed of the Secretaries of Labor and Commerce and the Director of the Federal Mediation and Conciliation Service. A decision was made to attempt to obtain an immediate settlement.

In separate meetings with Union and management officials, the negotiators were warned that the government would use the Taft-Hartley provisions to end the strike if a voluntary settlement was not reached quickly. The President set aside offices in the Executive Office Building for the negotiators' use. After eighteen days of around-the-clock sessions, the negotiators agreed to bring the men back to work. The settlement considered only the economic issues. Following government officials' advice, the Union withdrew its demand for future coordinated bargaining. Later sessions were scheduled between each company and the unions that represented its employees to settle final details of the final contracts and non-economic matters, such as seniority rules, safety regulations, and job classifications.

The settlement sought uniformity in wage rates and pension provisions throughout the country. It was the task of the local

sessions, however, to establish the final contract wording. The Anaconda agreement called for a 50 cent per hour wage increase to be paid in increments over the following three years. The first year increase was set at 19 cents per hour plus a one-half cent per hour raise for certain job classifications to equalize grade rate differences. Increases in the second and third years were set at 14 and 17 cents per hour, respectively. A tabulation of the wage rates agreed upon between Anaconda and the Montana unions is presented in Table 1, on the following page.

Workers enjoyed a substantial improvement in pension and disability benefits. Retirement pay was increased from $2.50 to $5.00 per month for each year of service. A $100 per month minimum disability pension was established. Previously, Anaconda paid a $100 maximum to disabled workers. Retirement and disability pension provisions were made retroactive to July 1, 1967. Men who retired before that date were given a 50 per cent increase in pension benefits. Before the strike, Anaconda pensioners received between $16 and $100 per month plus social security benefits. After the strike, many retired workers received twice the amount they had been getting before the strike.

Information on the final settlement was taken from a working draft of the Contract between Anaconda and the United Steelworkers of America. This Contract was provided by the United Steelworkers of America, Local 16-A, Great Falls, Montana, September, 1969.
TABLE 1

WAGE RATES PAID TO ANACONDA WORKERS IN MONTANA
BEFORE AND AFTER THE 1967 COPPER STRIKE\(^a\)

<table>
<thead>
<tr>
<th>Job Grade</th>
<th>Before Strike</th>
<th>First Day Following Settlement</th>
<th>One Year After Settlement</th>
<th>Two Years After Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &amp; 2</td>
<td>$2.57</td>
<td>$2.74</td>
<td>$2.8800</td>
<td>$3.0500</td>
</tr>
<tr>
<td>3</td>
<td>2.64</td>
<td>2.81</td>
<td>2.9525</td>
<td>3.1250</td>
</tr>
<tr>
<td>4</td>
<td>2.71</td>
<td>2.88</td>
<td>3.0250</td>
<td>3.2000</td>
</tr>
<tr>
<td>5</td>
<td>2.78</td>
<td>2.95</td>
<td>3.0975</td>
<td>3.2750</td>
</tr>
<tr>
<td>6</td>
<td>2.85</td>
<td>3.02</td>
<td>3.1700</td>
<td>3.3500</td>
</tr>
<tr>
<td>7</td>
<td>2.92</td>
<td>3.09</td>
<td>3.2425</td>
<td>3.4250</td>
</tr>
<tr>
<td>8</td>
<td>2.99</td>
<td>3.16</td>
<td>3.3150</td>
<td>3.5000</td>
</tr>
<tr>
<td>9</td>
<td>3.06</td>
<td>3.23</td>
<td>3.3875</td>
<td>3.5750</td>
</tr>
<tr>
<td>10</td>
<td>3.13</td>
<td>3.30</td>
<td>3.4600</td>
<td>3.6500</td>
</tr>
<tr>
<td>11</td>
<td>3.20</td>
<td>3.37</td>
<td>3.5325</td>
<td>3.7250</td>
</tr>
<tr>
<td>12</td>
<td>3.27</td>
<td>3.44</td>
<td>3.6050</td>
<td>3.8000</td>
</tr>
<tr>
<td>13</td>
<td>3.34</td>
<td>3.51</td>
<td>3.6775</td>
<td>3.8750</td>
</tr>
<tr>
<td>14</td>
<td>3.41</td>
<td>3.58</td>
<td>3.7500</td>
<td>3.9500</td>
</tr>
<tr>
<td>15</td>
<td>3.48</td>
<td>3.65</td>
<td>3.8225</td>
<td>4.0250</td>
</tr>
<tr>
<td>16</td>
<td>3.55</td>
<td>3.72</td>
<td>3.8950</td>
<td>4.1000</td>
</tr>
<tr>
<td>17</td>
<td>3.62</td>
<td>3.79</td>
<td>3.9675</td>
<td>4.1750</td>
</tr>
</tbody>
</table>


\(^a\)Covers production workers only.
Health insurance contributions increased by $14 per month for each employee. Premiums were raised to meet rising medical costs and to improve coverage. Lump sum retirement, death, or disability pay was set at $867 times average hourly earnings at employment termination. This provision required Anaconda to pay severance benefits for the first time.

The total increase in wages and fringe benefits averaged $1.05 per hour per employee. On an annual basis, this means that each worker received a raise of about $2,000. Less than one-third of this amount was take-home pay. The remainder went to insurance premiums, pension funds, and income taxes. During the eight month strike, the average worker lost $4,100 in disposable income. It will take him over four years to recoup this loss.19

Details of the Anaconda employment contract in Montana have taken more than one and one-half years to settle. Continual revision of terminology has been responsible for the delay. According to Union officers, the contract's absence has caused the postponement of many grievance proceedings and the delay of at least 25 severance payments.20

Provisions for safety improvements under Union supervision


20Delano Lords, Business-agent, United Steelworkers of America, Local 16-A, private interview, Great Falls, Montana, September, 1969.
were not included in the final contract. Since April 1, 1968, when the men returned to work, there have been three threatened walkouts and one sit-down strike over working conditions at the Great Falls plant.

J. P. Mooney, United Steelworkers staff representative, made this assessment of the strike: "We gained a little in pensions and wages but these are being eroded by a rising cost of living. We are losing in the fight for better working conditions. We probably ended up by breaking even."  

The losses that the companies suffered are difficult to estimate. For Anaconda, net profits on all operations were down by a total of $40 million for the two corporate fiscal years in which the strike occurred. The costs of the new wage and benefit package and the recovery of strike losses are reflected in rising copper prices, which reached 52 cents per pound in September, 1969. This is a 14 cent per pound increase over July, 1967 prices.

When the final accounting for the strike is complete, it will probably indicate that neither the companies nor the workers scored any substantial victories. The Union gained by improving pension benefits and wages. The companies were successful in blocking future nationwide bargaining. The remainder of the contract called for

---


improvements that were standard for most labor agreements negotiated in 1968. Due to the strike's bitterness, relations between the Union and Anaconda have become increasingly strained. Neither party has expressed any real satisfaction over the negotiations' results. They seemed happy about only one outcome--that the longest strike in copper industry history was over.

Besides the workers and the Company, citizens and merchants are an important part of the final accounting to determine the cost of the strike. In order to assess these costs, the following two chapters describe the Great Falls economy and the strike's impact upon it.
CHAPTER III

A DESCRIPTION OF THE
GREAT FALLS ECONOMY

The Economic Base

General Characteristics

The City of Great Falls is located in north-central Montana at the junction of the Sun and Missouri Rivers. It is a large transportation and trading center for Cascade County and other counties in north and central Montana, a rich agricultural area specializing primarily in the growing of wheat and other grain crops.

The Great Falls metropolitan area, which includes residences and businesses throughout Cascade County, is served by two railroads and twelve truck lines. Three scheduled air lines and two bus lines also provide transportation to the city. The city is close to three major recreational areas, Glacier and Yellowstone National Parks and the King's Hill Ski Area, and is a frequent stop for tourists and travelers in the northwestern United States.

1 General information for this section and population estimates provided by the Great Falls Area Chamber of Commerce.
The region around Great Falls is semiarid, but the city's proximity to the Missouri River and its tributaries permits an abundant water supply. Several dams have been constructed along the Missouri to provide Great Falls with a plentiful supply of low cost hydroelectric power and a nickname--the Electric City.

Copper refining and flour milling are the city's primary manufacturing activities. Both industries rely on the availability of water, electrical power, and transportation. These three factors have been important in the city's industrial development.

Private employment in the Great Falls metropolitan area comes from three major sources: the manufacturing, wholesale and retail trade, and service industries. For several years, the city's economy has been supplemented by the military and civilian payrolls provided by Malmstrom Air Force Base, located two miles east of the city limits. Great Falls is the seat of government for Cascade County and is a regional headquarters for many state and Federal agencies. The government sector, including Malmstrom Air Force Base, is the largest source of income for the Great Falls economy.

With the census of 1960, Great Falls, coextensive with Cascade County, became a Standard Metropolitan Statistical Area (SMSA) for U. S. Bureau of Census purposes. In 1967, the population of the city and suburban areas was estimated to be 75,159, 95 per cent of the 79,500 persons residing in Cascade County.
Employment and Personal Income

From statistics compiled by the U. S. Bureau of Labor Statistics, it is possible to estimate that the total civilian work force in the Great Falls SMSA in June, 1967, was 31,300. In Table 2, the number employed by each major industry is listed.

TABLE 2

GREAT FALLS SMSA: CIVILIAN WORK FORCE
(June, 1967)

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>Number (In Thousands)</th>
<th>Per Cent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Work Force</td>
<td>31.3</td>
<td>---</td>
</tr>
<tr>
<td>Unemployment</td>
<td>1.9</td>
<td>---</td>
</tr>
<tr>
<td>Total Employment</td>
<td>29.4</td>
<td>100</td>
</tr>
<tr>
<td>Nonagricultural Wage &amp; Salary Employment</td>
<td>24.4</td>
<td>83</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.6</td>
<td>12</td>
</tr>
<tr>
<td>Nonmanufacturing</td>
<td>20.8</td>
<td>71</td>
</tr>
<tr>
<td>Contract Construction</td>
<td>2.1</td>
<td>7</td>
</tr>
<tr>
<td>Trans &amp; Public Utilities</td>
<td>2.3</td>
<td>8</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>6.1</td>
<td>21</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>1.4</td>
<td>5</td>
</tr>
<tr>
<td>Services</td>
<td>3.9</td>
<td>13</td>
</tr>
<tr>
<td>Government</td>
<td>5.0</td>
<td>17</td>
</tr>
<tr>
<td>Other Nonagricultural Employment</td>
<td>3.3</td>
<td>11</td>
</tr>
<tr>
<td>Agricultural Employment</td>
<td>1.7</td>
<td>6</td>
</tr>
</tbody>
</table>

In terms of total number employed, the trade, service, and government sectors are the economy's largest industries. The manufacturing, transportation, and construction industries are next in importance as employers. The 3,300 persons listed in "Other Nonagricultural Employment" includes self-employed persons, unpaid family workers, and domestic workers in private households.

By examining the distribution of income paid by each industry in the Great Falls SMSA, as shown in Table 3, a more accurate indication of each sector's relative importance to the economy may be acquired.

<p>| TABLE 3 |
| PERSONAL INCOME BY MAJOR SOURCES AND EARNINGS BY BROAD INDUSTRIAL SECTOR FOR GREAT FALLS SMSA (1966) |</p>
<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (In Thousands)</th>
<th>Per Cent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Personal Income</td>
<td>$238,307</td>
<td>100</td>
</tr>
<tr>
<td>Total Wages &amp; Salaries</td>
<td>162,763</td>
<td>67</td>
</tr>
<tr>
<td>Total Other Labor Income</td>
<td>7,312</td>
<td>3</td>
</tr>
<tr>
<td>Proprietors' Income</td>
<td>25,702</td>
<td>9</td>
</tr>
<tr>
<td>Property Income</td>
<td>34,476</td>
<td>14</td>
</tr>
<tr>
<td>Total Transfer Payments</td>
<td>15,731</td>
<td>7</td>
</tr>
<tr>
<td>Less Total Personal Contributions to Social Insurance</td>
<td>-7,677</td>
<td>-3</td>
</tr>
<tr>
<td>Total Earnings</td>
<td>195,777</td>
<td>100</td>
</tr>
<tr>
<td>Farm Earnings</td>
<td>8,259</td>
<td>4</td>
</tr>
<tr>
<td>Nonfarm Earnings</td>
<td>187,518</td>
<td>96</td>
</tr>
<tr>
<td>Government Earnings</td>
<td>49,407</td>
<td>25</td>
</tr>
<tr>
<td>Total Federal</td>
<td>37,593</td>
<td>19</td>
</tr>
<tr>
<td>Federal Civilian</td>
<td>9,854</td>
<td>5</td>
</tr>
<tr>
<td>Military</td>
<td>27,739</td>
<td>14</td>
</tr>
<tr>
<td>State and Local</td>
<td>11,814</td>
<td>6</td>
</tr>
<tr>
<td>Source</td>
<td>Amount (In Thousands)</td>
<td>Per Cent of Total</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Private Nonfarm Earnings</td>
<td>$138,111</td>
<td>71</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>24,651</td>
<td>12</td>
</tr>
<tr>
<td>Mining</td>
<td>151</td>
<td>0</td>
</tr>
<tr>
<td>Contract Construction</td>
<td>26,008</td>
<td>14</td>
</tr>
<tr>
<td>Trans., Communications,</td>
<td>17,100</td>
<td>9</td>
</tr>
<tr>
<td>and Public Utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>34,040</td>
<td>18</td>
</tr>
<tr>
<td>Finance, Insurance, and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>10,416</td>
<td>5</td>
</tr>
<tr>
<td>Services</td>
<td>25,408</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>337</td>
<td>0</td>
</tr>
</tbody>
</table>


Total personal income in the Great Falls SMSA in 1966 was estimated to be $238 million. Of this amount, $196 million came from current participation in the labor force; that is, from wages and salaries, proprietors' income, and other labor income. Private nonfarm business accounted for 71 per cent of these total earnings, farming activity for 4 per cent, and government for 25 per cent. Manufacturing—including the Anaconda operation—provided 12 per cent of total earnings in Cascade County in 1966.
Sectors of the Economy

The city of Great Falls is a major trading center for Cascade County and much of north-central Montana. Both the retail and wholesale trade groups have been very active. In 1967, Cascade County had 667 retail trade establishments with total sales of more than $149 million. Of this amount, the city of Great Falls accounted for $141 million from 548 retail establishments.\(^2\) Food stores, automobile dealerships, and general merchandisers were the largest contributors to this total. Hardware, lumber, and farm machinery sales were also important. The city houses wholesale offices for more than one-hundred national concerns. Both the wholesale and retail sectors have shown strong growth over the past decade.

Service and recreation industries are important to the Great Falls economy. In 1967, Cascade County had 157 eating and drinking establishments and 54 hotels and motels. These two groups had sales of about $14 million. There were 93 service stations in the area with total sales of almost $13 million.\(^3\) Miscellaneous services included personal services, theaters, automobile repair centers, and business services.


The Great Falls financial community is composed of four nationally chartered banks, two state banks, and two Federal savings and loan associations. The total deposits of these institutions in 1967 were approximately $200 million. Bank clearings averaged $35 million per month during that year. Bank deposits have grown at a 7 per cent annual rate since 1960. In addition to its employment effects, the Great Falls financial sector has contributed to the local economy by the recent construction of several new banking facilities in downtown and suburban areas.

The largest single contributor to the local economy is Malmstrom Air Force Base, headquarters of the 341st Strategic Missile Wing. In 1967, there were about 6,000 military personnel and 11,000 dependents assigned to the Base. Military and civilian payrolls that year were $35 million. Although it is difficult to determine how much of this amount enters the local economy, some estimates are possible. Applying the state's 1967 per capita retail expenditures of $1,627 to the Base population, and subtracting Base Exchange and Commissary sales of $7 million, a total of $20.6 million in retail sales results. This figure was 13 per cent of the total

---

4 Great Falls Area Chamber of Commerce, looseleaf computation of balances for six banks and two savings and loan associations, Great Falls, Montana, November, 1969.

5 Estimated by dividing 1967 state retail sales ($1,137 million) by 1967 population estimate of 699,000; 1967 Census of Business and U. S. Bureau of the Census.
Retail trade in the metropolitan area. The Base also buys $13 million worth of goods and services each year from local businesses. Base personnel spend a considerable amount on amusement activities, and several hundred families live off base and provide rental income to property owners. In all, about $40 million entered the Great Falls economy in 1967 from Malmstrom Air Force Base. This amount has been steadily increasing over the years and has had an important role in stabilizing and spurring the economic activity in the city.\(^6\)

Manufacturing is a fifth important component of the economy. Of the 3,600 men employed by manufacturing concerns in the county in 1967, Anaconda, heading the primary and fabricated metals industry, employed 1,900 men—53 per cent of the manufacturing labor force. The food products industry, composed of several mills, bakeries, dairies, and bottling works, was second in number employed with 800 workers. Printing and publishing formed the economy's third largest group with about 600 men on the payrolls. According to the latest Census of Manufactures (1963), there were five manufacturing establishments in the city with more than 100 employees each. More than half of the city's manufacturers were small operations with fewer than twenty workers each.\(^7\) In recent years, manufacturing has

---

\(^6\)Information on Malmstrom Air Force Base supplied by Base Information Office, July, 1969.

declined in relative importance to the Great Falls economy. This decline has been attributed to improvements in technology in the larger firms, which reduced payrolls, and to a high mortality rate for the smaller companies. Despite this decline, the manufacturing sector supplied over $24 million in earnings to the economy in 1967.\footnote{Table 3, page 32.}

**Anaconda's Role in the Economy\footnote{General information provided by William J. Roberts, Manager, Great Falls Anaconda Plant, private interview, Great Falls, Montana, November, 1969.}**

Between 1,800 and 2,000 production workers are employed at Anaconda's Great Falls plant. They compose over one-half of the city's manufacturing work force and about 7 per cent of the area's total civilian employment.\footnote{Table 2, page 31.} Some 1,300 of the plant's workers are employed as metal fabricators and are paid on an hourly basis. Another 275 men are hourly trade workers, such as boilermakers, and steamfitters. The remaining employees are salaried. Depending upon production levels, payrolls at the plant average between $800,000 and $1,000,000 per month—about 5 per cent of the total wages paid in the city.\footnote{Table 3, page 32.}

In aggregate terms, the Anaconda Company provides more
than $20 million per year to the local economy in wages, purchases, and contributions. The plant is the largest private consumer of electrical power and natural gas in the metropolitan area. The plant, located immediately across the Missouri River from Great Falls, is a significant economic determinant.

The changes that occurred in the economy when this important economic contributor was closed during the eight month copper strike are discussed in the following chapter.
CHAPTER IV

THE IMPACT OF THE STRIKE

Effects on the Workers

During the 280 day work stoppage, the Montana State Unemployment Compensation Commission estimates that each striker lost approximately $4,100 in take-home pay,¹ about $120 per week. As a result of this loss during the eight month period, manufacturing wages fell by some $10 million in Great Falls, 5 per cent of the area's income.² The subsequent pay raise after the strike to the Anaconda workers and an increase in manufacturing payrolls in other companies helped reduce the loss for all of fiscal 1968 in Great Falls to $8 million.

In addition to the wage loss that each worker suffered, whatever fringe benefits the company had contributed in his name were lost also. The most important contributions discontinued were medical, hospitalization, and pension benefits. Because most workers were


unable to afford private medical care, a serious burden was placed on county and union resources to aid the strikers and their dependents through the period.

But, securing food, shelter, and clothing for themselves and their families was the major problem that the strikers faced. The men turned to several sources to obtain these necessities.

The first source available was the Union strike fund, which paid each man between $10 and $30 per week, depending upon his need and number of dependents. These payments were made both in cash and in the form of food credits at local markets to ensure that at least a minimum amount of food could be purchased. As winter came, the Union made gas and electricity payments directly to the utility companies involved for members who so requested. For the winter holidays, each striking family was given turkeys and hams to make up in part for the absence of the traditional presents and decorations. In total, the Union provided more than $400,000 in strike benefits to the Great Falls membership during the eight month period.

In addition to the Union benefits, social welfare was available for some of the strikers. About ninety families in Great Falls applied for and received state benefits totaling $43,000. In October, 1967,

---

3 J. P. Mooney, United Steelworkers' Staff Representative, private interview, Great Falls, Montana, September, 1969.

4 Ibid.


Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
three months after the strike began, the one-half price food stamp program initiated by the U. S. Department of Agriculture and the Montana State Department of Public Welfare provided low cost food for 1,200 families in Great Falls. Under Montana law, the strikers were ineligible for unemployment benefits.

The largest amount of financial aid to the strikers came in the form of self-help. Between 300 and 600 men sought interim jobs. Many strikers left the city and some did not return. Those men who had trades that were in high demand, such as plumbers and electricians, had less trouble finding work in either the city or other locations. Unfortunately, most of the strikers possessed skills which were highly specialized to the nonferrous metals industry. For these men, the task of finding employment during the strike was difficult. Many wives entered the labor market after it became apparent that the dispute would not be resolved quickly. During the period, the volume of job applications at the Great Falls Employment Service Office was very large. Job applications in Great Falls averaged 1,787 registrants per month with only 676 monthly job openings available.

---


7 J. P. Mooney, private interview, September, 1969.

Due to the large number of persons seeking jobs and to non-
striking workers\(^9\) who were laid off because of the strike, some inter-
esting changes in Cascade County labor statistics were observed.

Unemployment for the July to April strike period averaged 5.52 per
cent,\(^{10}\) 21 per cent higher than the county average for the same period
one year before and 47 per cent higher than the national average during
the nine month period in 1967-1968.\(^{11}\) At the same time, the average
annual wage in Cascade County fell by $58 to $5,583 (fiscal year 1968)
while the state recorded a $175 increase.\(^{12}\) Many of the strikers and
dependents who were able to find employment took jobs in the service
and retail trade industries which showed increases in employment and
payrolls during the fiscal year. Fortunately, these industries had job
openings available due to the completion of several new stores and
shopping centers late in 1967. Had these employment opportunities
not existed, the strikers may have found their existence even more
strained than it was.

---

\(^9\)Some Anaconda employees had valid employment contracts
but would not cross picket-lines. An undetermined number of rail-
road employees were laid off due to lack of copper shipments.

\(^{10}\)U. S. Bureau of Labor Statistics and Montana State Unem-
ployment Compensation Commission, "Civilian Work Force, Cascade

\(^{11}\)Council of Economic Advisors, Economic Indicators, U. S.

\(^{12}\)Montana State Unemployment Compensation Commission,
The total amount strikers were able to recover is difficult to determine. Known sources of income--strike benefits and public assistance--provided less than $500,000. No approximation of income from other sources is possible. At best, whatever money the strikers were able to acquire could purchase only the essentials. This impact on the strikers and their families had further implications for the local economy and is described in the following sections.

Effects on the City's Major Economic Sectors

On Retail Trade

A review of retail trade estimates for Great Falls prepared by two independent market survey firms indicates that retail activity in the city was not seriously affected by the strike.\(^{13}\) Interviews with local merchants confirmed the validity of these rough estimates and pointed to some changes that were obscured by the overall figures. Observers thought the majority of retail growth occurred in department store and super market sales and not in all categories. U. S. Department of Commerce figures indicate that department store sales in the city increased by more than $5 million during the fiscal year.\(^{14}\)


The increase in supermarket sales was estimated to have been about the same. These two groups were thought to account for most of the gains recorded.

The growth in department store sales and food sales was traced to the opening of several discount stores and a large shopping center in the city which attracted business away from smaller retailers and outlying areas. In particular, the openings of the Holiday Village Shopping Center and a national discount department store in the last months of 1967 are thought to be primarily responsible for spurring retail trade. The growth of the department store and food store groups seems to have been at the expense of neighborhood groceries and small general merchandisers which were unable to meet the prices and services of the larger stores. A review of the city’s classified advertisements indicated an unusually large number of going-out-of-business sales and auctions of retailing enterprises. At the same time, the bankruptcy courts were very active.

The strike seemed to be one cause of these changes. Although retailers stated in interviews that they made no conscious efforts to attract business from the striking Anaconda workers, the larger stores with lower prices and better credit terms were clearly in an advantageous position to get whatever amount of business the strikers were providing. For marginal firms, this slight shift may have been critical. By the time the strike was over, the discount houses were
thought to have made great inroads into the workers' purchasing habits. During the strike, food purchasing by the strikers was done almost exclusively at the large stores that participated in the Union's food credit programs. Supermarkets were thus able to gain on their smaller competitors.

Wages paid to retail and wholesale trade workers in the county increased by some $780,000 to $23.8 million in fiscal 1968.\(^\text{15}\) This increase was 25 per cent below the growth in wages reported in the year before and was due primarily to an increase in employment from the new stores that were opened. Whether the strike depressed wages by limiting retail growth is difficult to determine. The data available and relationships involved are inexact.

Because the strike occurred during a period in which the retail sector was experiencing a large expansion of facilities, the strike's impact on trade was offset and minimized. But the changes that occurred in the retail trade sector seem to have been amplified by the strike to a greater extent than would have occurred if industrial harmony had prevailed.

On the Financial Sector

An examination of banking records indicates that some significant changes in financial activity occurred during the eight month

period. The data reported in this section includes the total monthly balances of three large financial institutions in Great Falls that allowed their records to be studied by this writer. The total deposits of these firms, one state bank, one national bank, and one Federally chartered savings and loan association, account for about one-half of the metropolitan area's total deposits. In addition to the data collected from the audited reports of these three sources, the Great Falls Area Chamber of Commerce and the University of Montana Bureau of Business and Economic Research were able to provide statistics on various phases of banking activity for all banks in the Great Falls SMSA.

During initial interviews, most bankers contacted did not believe that the strike had affected them at all. Some thought that the work stoppage may have had some general effects on the economy. After a closer inspection of their records, however, three definite trends could be identified: (1) private demand deposits and savings balances decreased during the period and did not return to normal levels until several months after the men returned to work; (2) special arrangements were made to carry strikers, who were unable to meet installment payments, through the work stoppage; and (3) there was a general downturn in financial activity during the strike.

The banking sector's most noticeable changes occurred in personal savings account balances. In the three institutions surveyed, savings fell by $3 million during the strike. (See Figure I, page 47.)
This decrease in private savings began two months before the strike with a shift of about $500,000 in private funds to certificates of deposit, and continued to fall without any accompanying increase in certificate accounts. Savings did not return to normal levels until July, 1968, two months after the strike ended. During the same period, savings in the U. S. increased by approximately 10 per cent.

FIGURE I

COMPARISON OF SAVINGS IN THE U. S.
AND IN GREAT FALLS, MONTANA
DURING THE 1967 COPPER STRIKE
(Unadjusted for Seasonal Variations)

As shown in Table 4, private demand deposits in the two commercial banks surveyed were at first unaffected. However, from December, 1967 through April, 1968, they were smaller than during the corresponding months a year earlier.

### TABLE 4

**PRIVATE DEMAND DEPOSITS IN COMMERCIAL BANKS BEFORE, DURING, AND AFTER THE 1967 COPPER STRIKE**

(Unadjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>16,995</td>
<td>16,850</td>
<td>16,770</td>
</tr>
<tr>
<td>July</td>
<td>16,776</td>
<td>16,550</td>
<td>17,130</td>
</tr>
<tr>
<td>August</td>
<td>16,750</td>
<td>16,660</td>
<td>17,106</td>
</tr>
<tr>
<td>September</td>
<td>17,324</td>
<td>17,918</td>
<td>18,100</td>
</tr>
<tr>
<td>October</td>
<td>18,271</td>
<td>18,240</td>
<td>18,450</td>
</tr>
<tr>
<td>November</td>
<td>18,616</td>
<td>17,700</td>
<td>17,900</td>
</tr>
<tr>
<td>December</td>
<td>17,850</td>
<td>17,400</td>
<td>-</td>
</tr>
<tr>
<td>January</td>
<td>17,880</td>
<td>17,000</td>
<td>-</td>
</tr>
<tr>
<td>February</td>
<td>17,330</td>
<td>16,781</td>
<td>-</td>
</tr>
<tr>
<td>March</td>
<td>17,000</td>
<td>16,900</td>
<td>-</td>
</tr>
<tr>
<td>April</td>
<td>17,400</td>
<td>16,940</td>
<td>-</td>
</tr>
</tbody>
</table>


Mixed activity was observed in the behavior of total bank debits (seasonally adjusted) for all of the banks in the Great Falls SMSA. Bank debits which are a summation of all checks written against demand deposit accounts of individuals, businesses, and government agencies indicate that financial activity in the city was...
quite erratic and seemingly increased very little over the strike period. At the same time, bank debits in the United States were increasing steadily, on a seasonally adjusted basis. (See Figure II.)

FIGURE II

COMPARISON OF TOTAL BANK DEBITS IN THE U. S. AND IN GREAT FALLS, MONTANA DURING THE 1967 COPPER STRIKE (Adjusted for Seasonal Variations)

In the three institutions contacted, a total of 32 home loan agreements held by strikers were renegotiated. Banking officials recalled that several automobile and personal loans were also extended. Generally, the agreements provided for a suspension of payments and interest charges until after the strike was over. In some cases, the banks also advanced money for paying property taxes for strikers to prevent delinquencies. The valuation of the 32 mortgages was $327,600, three per cent of total delinquencies for the period. Some $10,000 in accrued interest was deferred. No foreclosures or repossessions of property from strikers was reported by any of the firms contacted. However, several loan officers said that second cars and recreation equipment were voluntarily sold by strikers to meet expenses and time payments.

The general downturn in financial activity can be seen in several additional indicators. Automobile loans were only slightly higher than in previous years. Personal loans decreased by a small amount, possibly reflecting the refusal of lending companies to write new loans to striking workers. The most marked decline was noted in home improvement loans, which fell by $10,000 per month and did not recover until six months after the strike had ended. Loan officers regarded this as a cyclical fluctuation primarily unrelated to the strike. In other categories, there were no evident patterns. Commercial dealer paper in the two banks surveyed decreased by
$300,000 during the period, due primarily to portfolio adjustments. Total commercial accounts remained constant throughout the strike. Home financing was down slightly but fluctuated too wildly for any valid conclusions to be made from its behavior. (For tables on financial activity, see Appendix II.)

The strike seemed to have a tempering effect on the Great Falls financial sector. As savings fell, banks were unable to extend as much credit as they had before the strike. While the total decrease in liquid bank reserves may not have been great, it was responsible for an increased conservatism in loan management. Hence, unsecured paper accounts fell while secured accounts, such as automobile chattels, increased. The effect of this slight tightening of credit is difficult to determine, but it may be partly found in the behavior of commercial loan balances, which did not increase as expected during the eight months. It must be noted that the period was one of credit expansion and increasing savings balances in the nation and was not marked by any significant changes in interest charges. Thus, in the absence of the strike, the banks probably would have enjoyed better performance than they experienced.

The concern that banking officials showed for the strikers is heartening. In no case were the men threatened or harassed. Any striker who approached the banks concerning his inability to meet installment payments was given special arrangements to enable him
to avoid default. For several months, the financial sector carried a considerable amount of credit on faith. In the strikers' favor, this faith was rewarded by prompt payment when work resumed. To this day, there have been no foreclosures associated with any of the men who were on strike.

On the Construction Industry

The most dramatic economic change recorded during the strike occurred in the city's construction industry. After several years of good performance, the sector experienced a significant decline. Construction wages in the county fell by $2.5 million during the fiscal year, a decrease of 17 per cent. Building permits in the city were down by $2.1 million during the period of the strike. (See Table 5, page 53.) At the time of this writing (November, 1969), monthly data separating this figure into private and commercial construction was not available. However, yearly data indicates that private residential construction in Great Falls fell by about $200,000 during fiscal year 1968, a 10 per cent decline, and that commercial construction fell about three times this amount, due in part to three large building permits which were issued in March and April, 1967.

---


17 City of Great Falls Building Inspector's Office, telephone interview, Great Falls, Montana, August, 1969.
TABLE 5

BUILDING PERMITS ISSUED IN THE CITY OF GREAT FALLS, MONTANA, BEFORE, DURING, AND AFTER THE 1967 COPPER STRIKE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Number</td>
</tr>
<tr>
<td>June</td>
<td>83</td>
<td>$334,721</td>
<td>85</td>
</tr>
<tr>
<td>July</td>
<td>78</td>
<td>229,149</td>
<td>64</td>
</tr>
<tr>
<td>August</td>
<td>84</td>
<td>883,615</td>
<td>97</td>
</tr>
<tr>
<td>Sept.</td>
<td>95</td>
<td>375,322</td>
<td>71</td>
</tr>
<tr>
<td>Oct.</td>
<td>56</td>
<td>1,223,950</td>
<td>120</td>
</tr>
<tr>
<td>Nov.</td>
<td>47</td>
<td>228,039</td>
<td>68</td>
</tr>
<tr>
<td>Dec.</td>
<td>22</td>
<td>144,432</td>
<td>27</td>
</tr>
<tr>
<td>Jan.</td>
<td>26</td>
<td>117,146</td>
<td>40</td>
</tr>
<tr>
<td>Feb.</td>
<td>32</td>
<td>154,562</td>
<td>58</td>
</tr>
<tr>
<td>March</td>
<td>41</td>
<td>2,183,170</td>
<td>52</td>
</tr>
<tr>
<td>April</td>
<td>70</td>
<td>1,500,118</td>
<td>82</td>
</tr>
<tr>
<td>May</td>
<td>68</td>
<td>253,549</td>
<td>77</td>
</tr>
</tbody>
</table>

TOTAL 702 $7,627,742 841 $4,563,742 - ---

Source: City of Great Falls Building Inspector's Office, Great Falls, Montana, August, 1969.

The decline in residential construction may be traced in part to the reluctance of developers to build during a period of questionable demand and corresponding conservative loan policies. Another factor that must be mentioned is the abundance of residential property that was on the market due to several large tracts which were opened in 1965 and 1966. Commercial construction may have been similarly affected. The outlook for trade was not optimistic, and surplus commercial property was available in both downtown and suburban areas.
Interestingly, the decrease in construction was a local phenomenon. During the same period, the state recorded a 17 per cent increase in construction wages,\(^{18}\) principally due to work on the Federally financed Libby Dam in northwestern Montana. The city was not suffering from a state-wide recession. Rather, both the strike and other local factors shared in depressing construction activity in the city during the eight month period.

**Effects on the State and Local Government**

Because of the rather dismal history of labor relations in the industry, and the state and local governments' dependence on copper industry expenditures, government officials view impending contract negotiations with apprehension. They have seen civic planning collapse as the economy suffers the effects of a copper work stoppage. The 1967 copper strike was no exception.

In total, Montana's economy lost $36.4 million in wages and taxes directly as a result of the strike. Workers idled by the strike lost $32,181,262 in wages. A secondary wage loss of $2,511,300 was experienced by those men who were not striking, but who were unable to work because of the strike. A total loss of $1,735,612 in taxes was reported by state agencies due to the strike. Income taxes lost

amounted to $909,520 and an additional $826,092 were lost in mineral production taxes. More than $800,000 in public welfare funds were paid to 1,126 families directly affected by the strike.\(^{19}\)

In tax categories that cannot be directly associated with the copper strike, effects were also noted. County tax collections throughout the state remained constant at $31.9 million. Total state taxes increased by less than 2 per cent to $145,459,773.\(^{20}\) These collections showed small gains despite strong activity in other sectors and the two-mill discretionary tax that was reinstated by the State Legislature in September of 1967 to counteract the effects of the strike.

In the city of Great Falls, a similar decrease in tax collections was noted. Total city receipts fell by $559,000 during the fiscal year, a 13 per cent drop. (See Appendix III.) Business permits and licenses and revenues from fines were all down significantly. Although the entire decline in receipts cannot be attributed to the strike, it is interesting that both Butte and Helena reported the same effect.\(^{21}\)

The decrease in revenues necessitated the curtailment of several projected activities. Notably, in Great Falls the paving of city streets, which is paid from the general fund, was postponed.

---


\(^{21}\) "Butte Economy Stagnates As Copper Strike Endures," Missoulian, Missoula, Montana, November 12, 1967, p. 4.
It should be noted that this decrease in tax receipts occurred at the same time that two large shopping centers were opening and bringing new economic activity to the city. Were it not for their construction, an even more dramatic effect on city revenues would have been evident.

While Cascade County tax collections were not below the previous years' receipts, the increases recorded were very small. Total property taxes collected for county use increased by less than 4 per cent to $14,201,480.\textsuperscript{22} This gain was attributed to an increase in assessments rather than to improvements. One of the more interesting county statistics shows that passenger car registrations grew by only 750, less than 1 per cent during the fiscal year. Since 1960, registrations had increased at an annual rate of more than 5 per cent.\textsuperscript{23}

Both city and county tax revenues during this period were augmented by non-recurring bond sales which helped to minimize the financial strain on local agencies.

In review, the strike seems to have had serious effects on the state and local governments. Montana and its communities are not wealthy. The declines and setbacks noted in government receipts were of major importance. Because civic projects had to be postponed due to diminished funds, secondary wage losses were amplified.

\textsuperscript{22}Montana State Equalization Board Report, \textit{op. cit.}

\textsuperscript{23}Cascade County Motor Vehicle Registrations Office, telephone interview, Great Falls, Montana, September, 1969.
Some observers predict that the impact of the strike on the government sector will be felt for many years since future taxation and expenditure plans may require adjustment. A review of official concern evidenced during the strike indicates that the state and local officials made every attempt to improve conditions. As previously noted, many appeals were made for Federal assistance and in several instances, local officials met with the parties to attempt a settlement of the strike. Outside of the Federal-State food stamp program that was enacted, their appeals were unheeded.
CHAPTER V

CONCLUSIONS

The Cost of the Strike

The 1967 copper strike was expensive both to the parties in the dispute and to the economies involved. In the State of Montana, some $32 million in wages were lost. Tax receipts fell by almost $2 million. The Anaconda Company experienced a $40 million decrease in net income from its operations during the dispute. Each striker lost more than $4,000 in disposable income in the eight month period.

In the city of Great Falls, a primary wage loss of $8 million resulted from the strike. Several of the local economy's component sectors experienced downward trends. The financial industry felt the strike's impact first with the depletion of savings balances shortly after the strike began. Construction activity began to decline thereafter. Commercial credit became more restrictive as bank reserves fell. By the end of the fiscal year, the city government observed a large decrease in its general operating revenues.

Economic diversity allowed the strike's effects to be absorbed by several sectors and to be counteracted by the activity of the
non-striking labor force. Public welfare assistance buoyed the economy. A general optimism concerning the strike's severity delayed some of the effects that were eventually noted by spreading changes in striker spending habits and related merchandising policies over several months. All of these factors served to dampen the strike's impact.

A final bill for the dispute is difficult to total. Economies are subject to many influences and the strike was only one of these. But the combination of so many economic barometers falling during the strike period, especially when other indicators in the nation were rising, leads to a general if not quantitative conclusion—that during the 1967 copper strike, the Great Falls economy suffered a recession of significant proportions.

A Question of Responsibilities

It is apparent that none of the parties in the copper strike scored an economic victory. The workers, the companies, and the public lost more than they will ever recover. Why was the strike called and why did it last so long? To answer these questions, there are several factors that must be mentioned.

The workers' dissatisfaction with wages and benefits was extreme. Without this attitude, the strike proposal would not have been approved. Concomitantly, the Company's belief that the Union
demands were unrealistic was very strong. But after several months had passed, it must have been apparent to the parties that neither side would ever regain its losses.

The parties' intractability indicates that many factors were causing bitterness. Indeed, the primary wage and working conditions issues could not be discussed until the problems concerning proper bargaining tactics were settled. The strike seemed to become a political battle testing the strength and mettle of the Union and the companies to continue. Traditional issues assumed secondary importance. Once Union and management representatives were forced by the Federal government to negotiate around the coordinated bargaining issue, a settlement was quickly reached.

It is often difficult to separate political issues from economic issues in union-management relations. But, when political considerations begin to cloud the economic issues, then the question arises as to whether something is seriously wrong with the bargaining attitudes. Successful collective bargaining has been compared to a card game. For the game to work, each player must at least sit at the table and play his hand. Because of the political nature of collective bargaining, some preliminary time must be allowed for caucus and occasional histrionics, but the parties must attend to business quickly. The cost of a long strike is simply too great to allow its indefinite continuation. When representatives refuse to meet and bargain, the public, through
pressure or law, must become involved in bringing the parties together at the bargaining table and in getting discussion started.

A labor dispute that drags on for months with no bargaining occurring warns that the stewardships of the unions, the management, and the government may have been violated. This writer raises two questions that are asked after most lengthy strikes: Did the parties fail in their responsibilities to the workers, the stockholders, and the general public by allowing the strike to continue for so long? Did the large collection of labor legislation, which has taken many years to assemble, fail to protect the public due to limitations in its effectiveness? The answers to these questions will be left for future researchers to determine.

**Recommendations for the Future**

Recent wildcat strikes at Anaconda's Great Falls plant indicate that there are many issues to be settled. Because labor relations are dynamic, problems and disputes are bound to occur. Unfortunately, industrial relations at Anaconda have been so strained that strikes seem to be expected whenever bargaining begins. Company statements and union policies show no change in attitudes that would mean an end to this tradition. Unless there is a change, future strikes equal in length to the 1967 dispute are possible.

The economies closely tied to copper production will be
affected by future strikes. Based on the research for this paper, the following suggestions are offered to these communities:

(1) Merchants should be mindful of decreases in sales that may occur. Inventory levels, product mix, and credit policies should be adjusted in anticipation of an impending strike. Alterations of expansion plans and cash flow projections may be required in response to lower sales and more restrictive commercial credit.

(2) Executives in the financial sector should begin evaluating loan applications the moment a strike is imminent. Loan portfolios and policies will require adjustment during a strike. To prevent any single institution from experiencing a large impact, it is advisable to diversify the customer base.

(3) If a long strike occurs, government revenues will be considerably decreased. Welfare planners should be cognizant of the demands that will be made on public assistance funds during a strike. A contingency fund should be considered before bargaining begins, to ease government financing during a strike and to provide employment as a bolster for the economy.

(4) The public must pressure through the news media and its representatives to foster better understanding between unions and management. The people must insist on good faith bargaining and the application of law when bargaining breaks down.

The primary responsibility for the future falls on union and
management representatives to seek better communications, develop realistic expectations, and to bargain in good faith. These men have been entrusted with the well-being of several thousand people and many million dollars. The public expects this trust to be exercised with great care.
APPENDIX I

DEMANDS PRESENTED TO THE ANACONDA COMPANY

BY THE LOCAL UNIONS IN MONTANA

The following proposed changes and new clauses are "local issues" involving two or more locals of the Steelworkers Union in Montana. These proposals are in addition to changes resulting from bargaining at a higher level.

1. Wages and Differential:

(a) New job clause to be inserted into Local 6002 Contract, and changed to include changes in the size and type of equipment, method of production, and changes in the incentive or bonus rates of system. (all 4 locals)

(b) Temporary Transfers: (1) Increase "4 hours" to "full shift" and (2) change paragraph (b) to provide that no employee will be paid less than his regular job rate during any work week. (all locals)

(c) No employee will be transferred more than once during any 8 hour shift. (all locals)

(d) All employees will be assigned to proper classification when weekly schedules are prepared and posted. (all locals)

(e) Under no circumstances will an employee's rate be reduced below his established job rate as a result of a transfer or curtailment through no fault of the employee. (all locals)


64
(e) Work schedules and off days to be posted in advance, no later than 11:00 A.M. on Thursday prior to the beginning of the work week. Off days of employees to be scheduled together. (locals 16 and 6002)

(f) Notice of rescheduling: Change proper section, so that "16 hours" will read "24 hours." (locals 16, 72, and 6002)

(g) Early Scheduling: There shall be no change in the designated starting time of shifts without prior agreement with the Union. In the event the Company wishes to have a man come to work early, he will be paid a call-out. He will also be allowed to work his regular shift and paid overtime. (locals 1, 16, and 72)

(h) Call Out Pay: Change "four (4) hours" to eight (8) hours." (all locals)

(i) Premium pay for work on a holiday, call-outs, or rescheduled or short changes in shifts will not be used to off-set either daily or weekly overtime. (all locals)

(j) Shift-end overtime shall be paid on the basis of 1 hour minimum; where such overtime goes into additional hours, the addition will be paid on basis of 1 full hour minimum. (all locals)

(k) Employees assigned to jobs which are not designated as "continuous operations" shall be scheduled to work Monday thru Friday of each week. (all locals)

(l) In the event an employee is transferred to a job that has a starting time later than the job for which he reported, he will be allowed to stay on duty until the end of the shift of the later job.

(m) Time Clocks: Adequate time clocks will be installed at all locations.

(n) Loss of Day: This section to be deleted from all contracts.

(o) An employee assigned to work any shift other than his regular scheduled shift will not be required to take another day off during the week in lieu thereof. (locals 16 and 72)

(p) Double time will be paid after 12 hours worked in any 24 hour period. (locals 1, 16, and 72)
4. **Leaving Union Jurisdiction:** Proper provisions of contracts changed to provide:

(a) In the event an employee accepts an assignment to a job outside the bargaining unit, a full time or part time supervisory job, or any other job, he shall be deemed to have left the jurisdiction and shall forfeit his seniority rights in the bargaining unit. This is not intended to affect an employee's seniority when he takes a transfer under the "Job Security" provisions of the Contract.

(b) In leaving the bargaining unit, an employee will retain all accumulated credits toward pensions, vacations, holiday pay, and other fringe benefits. Likewise, in the event he should return, these accumulated credits will be retained.

(c) There will be no break in hospital, medical and off job insurance coverage during periods of transfer from one unit to another. However, transfer to the new group will be handled as soon as possible.

(d) Present employees retaining either plant or department seniority must return to the bargaining unit within 30 days following contract settlement if they wish to protect such seniority.

5. **Leaves of Absence:**

(a) Change the name of the Union and include a job with the AFL-CIO.

(b) Change words "may be granted" to "will be granted."

(c) An employee on leave and holding a full time Union job now, and those who take a leave for such purpose in the future, will retain and accrue seniority and credits for purposes of vacations and pensions.

**NOTE:** Local #6002 Contract to include: "Unless they are unable to do so because of illness or disability due to an injury certified by a registered physician."
6. **Grievance Article:**

   (a) Section 9, Article 8, of Local #16 Contract and the same Clause in all four contracts to be eliminated.

   (b) Pay due an employee resulting from a grievance handled by the Union will be paid by check made payable to the employee and turned over to the Union for delivery. (all locals)

7. **Vacation Provisions:**

   (a) One Vacation Per Year: Change "four (4) week" to "two (2) week." (locals 16 and 6002)

   (b) **Men Laid Off:** An employee entitled to a vacation during the contract year and who is laid off or goes on strike prior to taking same shall have the option of taking part or all of his vacation for which he will be paid during the period of lay-off or strike.

   (c) **Full Time Union Jobs:** An employee who now has or takes a full time job with his local or the International Union and who returns to the employment of the Company as required under the leave of absence clause will be entitled to a prorated vacation at the end of that qualifying year.

   (d) **Men Going On Pension:**

      1. All vacation pay due an employee who has applied for pension will be paid on his last work day and designated as pay for services previously rendered. No employee will be required to take such vacation before going on pension.

      2. Employees going on pension, whether it be regular, early, or disability, will be paid a prorated vacation for the months credited to the vacation year, prior to taking pension.

      3. An employee taking a leave of absence to work for the Union full time will be paid a prorated vacation for the months worked at the end of the vacation year.
(e) **Lost Time to Count as Days Worked:**

1. Days lost in connection with contract negotiations with Company as a member of the General Negotiating Committee.

2. Days processing grievances as a member of the Grievance Committee.

3. Days serving as an accredited delegate to the Bi-Annual Convention of the International Union, the Nonferrous Conference, State AFL-CIO Convention, and District Conferences.

8. **Holiday Clause:**

   (a) Christmas Eve as one of the additional paid holidays.

   (b) **Need Not be Scheduled:** An employee need not be scheduled to work on the holiday to receive holiday pay.

   (c) **Two Shifts to Qualify:** The employee must work at least two (2) shifts in the work week in which the holiday occurs, except where his failure to work two (2) shifts is due to: illness, injury, death in the family, jury duty, lay-off, strike, or other legitimate causes, in which case he will receive holiday pay.

   (d) **Amount of Holiday Pay:** An employee eligible under these provisions shall receive eight (8) hours of pay at his straight time hourly earnings, including shift differential pay, contract, bonus, or incentive earnings.

   (e) **Pay for Work on Holidays:** Add: However, work on a holiday in excess of 8 hours per day, or 40 hours per week, the additional half time or whole time, whichever is appropriate, will be added to the holiday premium pay.

   (f) **Penalty for not Working:** Add: However, an employee's absence due to legitimate cause shall excuse him from failure to report and perform work, provided however, he notifies the Company before the beginning of the shift.

   (g) **Sunday Work in Lieu of Holiday:** Delete from all contracts.
(h) **Call-Out on Holiday:** In the event an employee who is not scheduled to work on a holiday is called out to work, he will get prescribed pay for work on a holiday, plus non-worked holiday pay.

(i) **Men Who Are Laid Off:** Delete: taken care of in (c) above.

9. **Overtime Meals:** *(Locals 1, 16, and 6002)*

1. If an employee works two (2) or more hours overtime at the beginning or end of a given shift, he will be entitled to an overtime meal on the job. He shall receive an additional meal once each four (4) hours thereafter. Employees will have a choice of available meals.

2. Men called out for emergency work between shifts will receive a meal on the job if the work is for 2 hours or more.

3. Men called to work on a non-scheduled shift, and men doubling over from night to day shift, will receive a meal within an hour after the beginning of the shift and a second meal at the usual lunch time.

4. For underground men: If an overtime job lasts 2 hours, but less than 3 hours, employee shall have the option of a meal on the job or a meal ticket of $4.00.

5. In the event an employee is deprived of a meal or a meal ticket, as the case may be due under this Article, the employee will be paid one (1) hour at time and one-half, plus $3.00 for the meal he did not receive.

6. The Company and the Union shall jointly arrange with one or more restaurants, the type of meal to be served and the method of serving same.

10. **Miscellaneous Items:**

1. The Company agrees to instigate a broad job training program necessary to provide qualified employees to fill the normal job vacancies. *(all locals)*
2. Rules which affect the hours of work, conditions of employment, and the safety and health of Union members must be agreed upon by the Union before becoming effective. The Union is prepared to discuss these matters. (all locals)

3. There shall be no reduction of lunch periods, rest breaks, travel or wash-up time presently in effect during the period of this agreement. Employees not now receiving a lunch period and wash-up time will be provided same, and in the same amount as other employees. (all locals)

4. Present clothing and clothing allowance, boots, bootees, shoes, goggles, gloves, and other items presently being provided will continue without change.

5. Protective devices, overalls or work pants, shirts or sweat shirts, jumpers or blanket lined jackets, heavy duty helmet linings, shoes, boots, or bootees, gloves, goggles, glasses, (including prescription), and other wearing apparel and any equipment necessary to protect the health and safety of the employees and so that they can properly perform their work, shall be provided by the Company at no cost to the men.

6. Personal clothing damaged or destroyed by acid, flue dust, fire, hot slag, matte, or hot metal, or other abnormal circumstances shall be replaced by the Company. (all locals)

7. When a man's hearing is impaired due to noise or working conditions, the Company will provide hearing aids free. (all locals)

8. Any person who is not covered by this Agreement is expressly forbidden from performing work coming under the jurisdiction of the Union. If violated, the Company shall pay the employee next in line for a call-out for a period of 24 hours at his regular rate of pay for that day and every day thereafter that such violation is continued.

9. For each week the Company delays compensation payments resulting from an Industrial Injury, the employee will be paid $50.00 in addition to any other compensation for which he is entitled.
11. **Facilities:**

(a) The Company agrees to provide Ambulance Service on a 24-hour basis, with qualified driver - member of the Union. (locals 16 and 6002)

(b) Physicians and Registered Nurse service will be provided on a 24-hour basis. (locals 16, 72, and 6002)

(c) Qualified First Aid Men with current Certification will be stationed on a 24-hour basis at all locations where men are working.

(d) Closed vehicles are to be used at all times for the transportation of men. (all locals)

(e) Adequate dry, or water closets, showers, wash basins, drinking fountains, lockers, toilet facilities, relief and eating areas, and change houses shall be provided at convenient locations and shall be maintained in a sanitary condition. (all locals)

(f) Adequate facilities for washing, drying, and protecting clothes will be provided.

**NOTE:** Jury Duty Pay and Bereavement Pay provisions to be inserted in each of the Contracts. Bereavement Pay Clause to be changed so as to provide 3 full working days off with pay.

12. **Job Security:**

(a) Laid-off employees under Steelworkers Union Contract jurisdiction at Anaconda, Butte, East Helena, and Great Falls, Montana, and Tooele, Utah, shall have priority for jobs at either of the other properties before any new men are hired. An employee transferred shall be placed at the bottom of the seniority list in the new location.

(b) An employee transferred shall retain all accumulated credits toward pensions, severance pay, vacations and holidays.
(c) In the event the Company moves or relocates, any part of a present facility or operation, the employees affected shall have the right to retain the jobs if they so desire.

(d) Employees assigned to work at a re-located facility shall be provided with: (1) free transportation to and from work; or (2) 12¢ per mile for transportation. This is to apply to present employees as well as those affected in the future.

(e) Any employee under the Steelworkers' jurisdiction at the above mentioned locations shall have priority for employment at the Company's new mine development located near Lincoln, Montana; provided however, the employee makes his desires known by a written application. The Application Form to be agreed upon by the Union and the Company.

13. Leaves of Absence:

(a) Employees elected or appointed to a part time or full time Union job with either his local or the International Union shall be given a leave of absence while engaged in such service. Employees elected or appointed to a full time public office in the City, the County, the State, the Federal Government, the local Federal Credit Union, or the State AFL-CIO shall be granted a leave of absence while engaged in such service.

(b) Leaves of absence for other reasons shall be granted by the Company, however, if any such leave is in excess of 90 days, it must be agreed to between the Company and the Union.

(c) Employees granted leaves under paragraphs (a) and (b) above must offer to return to work within 30 calendar days after they have completed service in the job, office, or period for which the leave was granted, otherwise their seniority will be terminated, unless they are unable to do so because of illness or disabling injury certified to by a registered physician.

(d) Upon such employee's return from leave, he shall be restored to employment without loss of seniority, or right of rehire, as though he had not been absent. He will be assigned to his former job or a job of similar type and classification, based on seniority, including any promotion he would have received had he not been absent.
(e) All leaves of absence shall be in triplicate written form, giving the period of such leaves and the reasons therefor; original to employee, duplicate for the Company, and triplicate for Union.

NOTE: The Joint Committee proposes that all of the above items which are beneficial, appropriate and would improve their position, and which meet their approval, be applied to the Toole Smeltermen.
APPENDIX II

ADDITIONAL TABLES ON FINANCIAL ACTIVITY

TABLE A

PRIVATE SAVINGS BALANCES BEFORE, DURING, AND AFTER THE 1967 COPPER STRIKE
(Unadjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>9,908</td>
<td>9,255</td>
<td>8,709</td>
</tr>
<tr>
<td>July</td>
<td>9,500</td>
<td>8,938</td>
<td>8,881</td>
</tr>
<tr>
<td>August</td>
<td>9,300</td>
<td>8,870</td>
<td>8,892</td>
</tr>
<tr>
<td>September</td>
<td>9,150</td>
<td>8,865</td>
<td>9,909</td>
</tr>
<tr>
<td>October</td>
<td>9,300</td>
<td>8,940</td>
<td>9,058</td>
</tr>
<tr>
<td>November</td>
<td>9,285</td>
<td>8,890</td>
<td>9,099</td>
</tr>
<tr>
<td>December</td>
<td>9,371</td>
<td>8,903</td>
<td>-</td>
</tr>
<tr>
<td>January</td>
<td>9,038</td>
<td>8,820</td>
<td>-</td>
</tr>
<tr>
<td>February</td>
<td>8,990</td>
<td>8,760</td>
<td>-</td>
</tr>
<tr>
<td>March</td>
<td>8,950</td>
<td>8,800</td>
<td>-</td>
</tr>
<tr>
<td>April</td>
<td>8,931</td>
<td>8,790</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Survey of two commercial banks and one savings and loan association in Great Falls, Montana, July, 1969.
TABLE B

TOTAL PRIVATE DEPOSITS BEFORE, DURING AND AFTER THE 1967 COPPER STRIKE
(Unadjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>32,050</td>
<td>34,077</td>
<td>35,657</td>
</tr>
<tr>
<td>July</td>
<td>32,365</td>
<td>33,894</td>
<td>35,192</td>
</tr>
<tr>
<td>August</td>
<td>34,168</td>
<td>33,989</td>
<td>35,570</td>
</tr>
<tr>
<td>September</td>
<td>33,504</td>
<td>34,303</td>
<td>36,978</td>
</tr>
<tr>
<td>October</td>
<td>34,148</td>
<td>33,761</td>
<td>37,488</td>
</tr>
<tr>
<td>November</td>
<td>34,027</td>
<td>33,168</td>
<td>37,688</td>
</tr>
<tr>
<td>December</td>
<td>33,664</td>
<td>33,110</td>
<td>37,140</td>
</tr>
<tr>
<td>January</td>
<td>34,011</td>
<td>33,982</td>
<td>-</td>
</tr>
<tr>
<td>February</td>
<td>33,646</td>
<td>33,114</td>
<td>-</td>
</tr>
<tr>
<td>March</td>
<td>34,107</td>
<td>34,134</td>
<td>-</td>
</tr>
<tr>
<td>April</td>
<td>34,266</td>
<td>34,259</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Survey of two commercial banks and one savings and loan association in Great Falls, Montana, July, 1969.
TABLE C

TOTAL BANK DEBITs DURING THE 1967-1968 COPPER STRIKE PERIOD
(Adjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>ACTUAL DEBITS (Millions of Dollars)</th>
<th>INDEX(^a)</th>
<th>SEASONALLY ADJUSTED DEBITS (Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967 June</td>
<td>144</td>
<td>103</td>
<td>138</td>
</tr>
<tr>
<td>July</td>
<td>131</td>
<td>98</td>
<td>136</td>
</tr>
<tr>
<td>Aug.</td>
<td>142</td>
<td>98</td>
<td>144</td>
</tr>
<tr>
<td>Sept.</td>
<td>142</td>
<td>103</td>
<td>136</td>
</tr>
<tr>
<td>Oct.</td>
<td>162</td>
<td>115</td>
<td>140</td>
</tr>
<tr>
<td>Nov.</td>
<td>159</td>
<td>107</td>
<td>148</td>
</tr>
<tr>
<td>Dec.</td>
<td>140</td>
<td>108</td>
<td>130</td>
</tr>
<tr>
<td>1968 Jan.</td>
<td>157</td>
<td>100</td>
<td>157</td>
</tr>
<tr>
<td>Feb.</td>
<td>128</td>
<td>84</td>
<td>155</td>
</tr>
<tr>
<td>Mar.</td>
<td>132</td>
<td>90</td>
<td>146</td>
</tr>
<tr>
<td>Apr.</td>
<td>136</td>
<td>89</td>
<td>140</td>
</tr>
</tbody>
</table>


\(^a\)Ratio to Moving Average Method.
TABLE D

DIRECT AUTOMOBILE LOANS BEFORE, DURING, AND AFTER THE 1967 COPPER STRIKE
(Unadjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>573</td>
<td>635</td>
<td>692</td>
</tr>
<tr>
<td>July</td>
<td>571</td>
<td>672</td>
<td>700</td>
</tr>
<tr>
<td>August</td>
<td>568</td>
<td>617</td>
<td>693</td>
</tr>
<tr>
<td>September</td>
<td>571</td>
<td>614</td>
<td>730</td>
</tr>
<tr>
<td>October</td>
<td>564</td>
<td>650</td>
<td>721</td>
</tr>
<tr>
<td>November</td>
<td>554</td>
<td>636</td>
<td>722</td>
</tr>
<tr>
<td>December</td>
<td>531</td>
<td>637</td>
<td>704</td>
</tr>
<tr>
<td>January</td>
<td>521</td>
<td>633</td>
<td>---</td>
</tr>
<tr>
<td>February</td>
<td>522</td>
<td>615</td>
<td>---</td>
</tr>
<tr>
<td>March</td>
<td>521</td>
<td>602</td>
<td>---</td>
</tr>
<tr>
<td>April</td>
<td>528</td>
<td>623</td>
<td>---</td>
</tr>
</tbody>
</table>

### TABLE F

**HOME IMPROVEMENT LOANS BEFORE, DURING, AND AFTER THE 1967 COPPER STRIKE**
(Unadjusted for Seasonal Variations)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>268</td>
<td>250</td>
<td>238</td>
</tr>
<tr>
<td>July</td>
<td>266</td>
<td>253</td>
<td>243</td>
</tr>
<tr>
<td>August</td>
<td>266</td>
<td>259</td>
<td>252</td>
</tr>
<tr>
<td>September</td>
<td>273</td>
<td>263</td>
<td>244</td>
</tr>
<tr>
<td>October</td>
<td>270</td>
<td>254</td>
<td>256</td>
</tr>
<tr>
<td>November</td>
<td>263</td>
<td>252</td>
<td>254</td>
</tr>
<tr>
<td>December</td>
<td>258</td>
<td>253</td>
<td>---</td>
</tr>
<tr>
<td>January</td>
<td>252</td>
<td>249</td>
<td>---</td>
</tr>
<tr>
<td>February</td>
<td>255</td>
<td>248</td>
<td>---</td>
</tr>
<tr>
<td>March</td>
<td>253</td>
<td>250</td>
<td>---</td>
</tr>
<tr>
<td>April</td>
<td>254</td>
<td>247</td>
<td>---</td>
</tr>
</tbody>
</table>

# COMPARISON OF CITY RECEIPTS FOR TWO FISCAL YEARS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Taxes (Current)</td>
<td>$2,077,458.33</td>
<td>$2,326,142.17</td>
</tr>
<tr>
<td>Delinquent General Taxes</td>
<td>84,299.72</td>
<td>77,534.77</td>
</tr>
<tr>
<td>In Lieu of General Taxes</td>
<td>4,451.40</td>
<td>4,307.77</td>
</tr>
<tr>
<td>Permits</td>
<td>24,846.52</td>
<td>26,934.68</td>
</tr>
<tr>
<td>Licenses</td>
<td>52,272.40</td>
<td>51,651.33</td>
</tr>
<tr>
<td>Fines, Forfeitures, Penalties</td>
<td>218,074.52</td>
<td>194,134.07</td>
</tr>
<tr>
<td>Civic Center Rents</td>
<td>123,921.06</td>
<td>46,361.51</td>
</tr>
<tr>
<td>Garage Service--City</td>
<td>43,704.35</td>
<td>24,482.28</td>
</tr>
<tr>
<td>Parking Meter Receipts</td>
<td>87,599.48</td>
<td>82,754.83</td>
</tr>
<tr>
<td>Parking Lot Receipts</td>
<td>72,120.83</td>
<td>70,229.34</td>
</tr>
<tr>
<td>Refunds</td>
<td>52,370.97</td>
<td>52,309.30</td>
</tr>
<tr>
<td>Engineering Fees</td>
<td>144,628.73</td>
<td>67,986.54</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>27,000.00</td>
<td>83,540.00</td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>156,912.80</td>
<td>164,132.93</td>
</tr>
<tr>
<td>Offsets to Outlay</td>
<td>452.87</td>
<td>542.91</td>
</tr>
<tr>
<td>Sale of Land</td>
<td>150.00</td>
<td>7,879.48</td>
</tr>
<tr>
<td>Transfers from General Fund</td>
<td>221,743.21</td>
<td>115,437.50</td>
</tr>
<tr>
<td>Airport Rentals</td>
<td>84,253.06</td>
<td>208,271.25</td>
</tr>
<tr>
<td>Loans--State of Montana--Airport</td>
<td>240,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Gifts and Grants</td>
<td>153,496.08</td>
<td>113,768.10</td>
</tr>
<tr>
<td>Swimming Pool Receipts</td>
<td>1,496.43</td>
<td>18,092.43</td>
</tr>
<tr>
<td>Street Service</td>
<td>34,231.46</td>
<td>11,260.66</td>
</tr>
<tr>
<td>City Road Fund--County</td>
<td>74,904.15</td>
<td>81,163.05</td>
</tr>
<tr>
<td>Sale of Bonds--Library Construction</td>
<td>0.00</td>
<td>200,000.00</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>19,613.59</td>
<td>2,785.11</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$4,600,001.96</strong></td>
<td><strong>$4,031,702.01</strong></td>
</tr>
</tbody>
</table>

SOURCES CONSULTED

Books


Articles and Periodicals


"Big Issue in the Copper Strike: Bargaining by Company or Plant," U. S. News and World Report, February 12, 1968, p. 82.


1Great Falls Tribune articles in chronological order.


Great Falls Tribune, "Copper Firms, Union to Talk," July 22, 1967.


Great Falls Tribune, "Copper Shutdown Costing Montana $300,000 in Taxes Every 6-1/2 Weeks," August 3, 1967.


Great Falls Tribune, "Copper Strikes Move to Cabinet Level," September 6, 1967.

Great Falls Tribune, "Copper Talks Stalemate: Federal Mediation is a Failure," September 8, 1967.


Great Falls Tribune, "$200,000 in Public Welfare Funds Spent Because of Copper Strike," October 11, 1967.

Great Falls Tribune, "Food Stamp Rate Cut Okayed," October 12, 1967.


Great Falls Tribune, "U. S. to Feel Pinch of Copper Strike, November 6, 1967."


Government Publications


Other Sources


Lords, Delano, Business Agent, United Steelworkers of America, Local 16-A, private interview. Great Falls, Montana, September, 1969.

Mooney, J. P., Staff Representative, United Steelworkers of America, private interview. Great Falls, Montana, September, 1969.


Shelton, Robert, Executive Vice President, Great Falls Area Chamber of Commerce, private interviews, September, 1968, February, May, and August, 1969.
