The Stevens Settlement

By A. H. Raskin

Money power, that traditional weapon of the bosses, was a crucial element in giving organized labor what history may record as its most significant victory in cracking anti-union bastions in the South: ratification Sunday of the first union contract in the sprawling J.P. Stevens textile empire.

Pressure on giant banks and insurance companies and other Wall Street pillars, all aimed at isolating Stevens from the financial community, helped generate a momentum toward settlement that could not be achieved through the 1976-80 worldwide boycott of Stevens products or through more conventional uses of union muscle such as strikes and mass picketing.

"We took the strength of the company and made that its weakness" is the way the pressure campaign is described by its chief architect, Ray Rogers, a 36-year-old former Vista volunteer whose successful termination of the drive also ends his own job as a special mobilizer for the Amalgamated Clothing and Textile Workers Union. "We forced the power elite behind J.P. Stevens — its principal lenders and the companies with which it had interlocking directorates — to put the squeeze on it."

Though Stevens spokesmen insist that the sole effect of the drive was to stir animosities that impeded a settlement, that is not the way the outcome is read by a labor movement whose membership has been shrinking as a proportion of the work force for 25 years.

It is easy to argue that the immediate gains for the unionized Stevens workers at seven plants in Roanoke Rapids, N.C., merely bring their wages to parity with those already in effect for nonunion employees at other Stevens units, and to note that the company vows to fight hard to keep these other units, representing 90 percent of its total personnel, union-free. But there is as much warrant for accepting the estimate of Jack Sheinkman, the Amalgamated's secretary-treasurer, that his union's breakthrough will have something of the same carryover effect that attended the early contracts of the United Auto Workers in the 1930's. Those contracts provided only the sketchiest union recognition, yet they laid the foundation for a union that developed stop-and-go power over its mammoth opposite numbers in corporate ranks.

The executives of companies and institutions that were put through the wringer by the Amalgamated in its mounting of pressure against Stevens — a list that included Manufacturers Hanover Trust Company, Avon Products, the New York Life Insurance Company, the Seamen's Bank for Savings, Goldman Sachs & Company, the Sperry Corporation, and, as the campaign's central target in the windup phases, the Metropolitan Life Insurance Company — are uniformly bitter at being dragged into a dispute that was not of their making. They regard it as a crude abuse of union muscle.

But Mr. Sheinkman defends the technique as "a proper exercise of power, an innovative tactic that uses whatever economic leverage a union can muster to make corporations behave in a decent and responsible manner, whether in observance of the labor laws or in such social matters as investment in South Africa." He sees such pressure as indispensable in reorienting labor's approaches to an economy dominated by ever-larger concentrations of conglomerate corporate power.

Labor's successful shaking of the money tree against the company designated as No. 1 enemy is bound to spur its willingness to experiment in one still almost untested field. The A.F.L.-C.I.O. executive council decided last August to push for a more-assertive union voice in investment of $500 billion in employee pension reserves. The great bulk of these funds, by far the largest capital pool in America, now puts control over investment policy exclusively in management hands. The projected shift will ignite bitter labor-management battles through the 1980's.

Perhaps the most ironic footnote to the strange upshot of the Stevens campaign as a victory for union money power is the extent to which relationships forged in New York City's fiscal crisis proved influential in opening the gateway to a labor advance that may profoundly affect the industrial future of the Sun Belt — the promised land for corporate refugees from union heartlands in the Northeast and Midwest.

Richard Shinn, chairman of Metropolitan Life, E. Virgil Conway, chairman of the Seamen's Bank for Savings, and Harry Van Arsdale, president of the Central Trades and Labor Council here, all deeply involved in the intricate negotiations that helped rescue this city from bankruptcy, found themselves thrust into key roles as intermediaries in the talks that brought Stevens and the Amalgamated to their current state of armed truce, if not of enduring peace. That may be the happiest augury for the emergence of a new spirit in an industry as troubled as is this city.

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