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U.S. v. IEW Local 38
Cleveland, Ohio

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OMF:acc

DJ 170-57-5

#34-035-12

On April 17, 1968, we met with representatives of the defendants and the law clerk of Judge Green and once again discussed settlement. We are planning to meet again tomorrow, April 25, and I thought it would be useful to state for you what I think the defendants' best offer might be.

A. Contractors

1. The Union was prepared to establish a set of criteria that would be both the necessary and sufficient conditions for affiliation with the local. These conditions would be as follows:

a) A Payroll Bond. The amount was not agreed upon, but it will probably be about \$6,000.

b) City of Cleveland Electrical License. They also stated that if the contractor passed away, they would not impose this requirement on the successor until he had a reasonable opportunity to apply for a license.

cc: Records
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F. ss ✓

c) Workmen's compensation.

d) They would like some proof of credit. What they were probably talking about was obtaining letters from about three wholesale houses that would indicate that the contractor's past credit rating was good or that they were prepared to extend him credit in the future. We understand from the defendants that there should be no problem of obtaining such letters since the wholesale houses are generally interested in opening new accounts.

e) Proof of financial status. The defendants said that they were primarily interested in insuring that the contractor had enough liquid assets (i.e., cash) to cover at least one month's payroll. That would be about \$2500, although it would vary depending on the number of employees. They also stated that they would want to have some indication that this person had some net worth. I don't fully understand the basis of this requirement, and it is conceivable that we could negotiate it away.

2. The defendants were prepared to write a letter to all the Negro contractors and electricians in Cleveland advising them of these conditions and assuring them that there would be no discrimination on the basis of race in applying these conditions. I think we could supply them with a list of all the Negro license electricians in Cleveland without much difficulty, and we have in fact given them a list at least once before.

3. With respect to the employees of the Negro contractors, who are invariably Negroes, it was somewhat

difficult to get the Union to take a position on them. They did say, however, "That they would take care of them." I think this means for the Union that they would allow them to continue working for the contractors as long as ~~he~~ want them to. If there came a slack time and layoff was necessary, they would be able to be referred out under the referral system; probably under Category 3. We would probably want Union membership for these men and probably some higher status in the referral system.

B. Journeyman

We have taken the position in this litigation that the Union should open the door to journeymen membership to Negroes. We recognize their policy which has existed for the last ten years of only taking people through the apprenticeship program; but we insist upon journeyman status for Negroes who are too old for the apprenticeship program because of the discriminatory practices of the apprenticeship program in the past. This has always been a principal stumbling block for settlement. The most that we could expect from them is that they would offer membership to certain named Negroes who we claimed have been discriminated against, provided they have certain experience (four years) and passed journeyman, wireman tests. However, it is not even clear to me that they would make that offer. Their intransigence on this point in parts stems from the announcement of the law clerk in course of the negotiations that the Judge would probably never grant this relief after trial. To the Judge the relief of these Negroes should be through the referral system. The major goal is to provide economic opportunity for Negroes and that is provided by the referral system regardless of their membership in the Union.

C. The Apprenticeship Program

The one significant breakthrough at the last negotiation meeting was the willingness of the defendants to consider some system of allocation points in the apprenticeship program. They asked for a week to consider it and discuss the matter with the International, but I think they will come back with a commitment to so modify the International plan as to commit an allocation. They wish to have an allocation of 25% for the subjective factors and 75% for the objective factors, such as education and testing. They would probably also agree upon written ~~formulas~~^{formulas} for the subjective evaluation. I indicated that we might consider such an ~~evaluation~~^{allocation} of points if one of the evaluators was an independent person not connected with either the contractors or the Union.

D. The Referral System

With respect to the referral system, the defendants are now prepared to do three things:

- a) Operate the referral system as prescribed in the collective agreement (they seem to be doing that now);
- b) Give the examination required for group one and two status to all who desire it and are qualified to take it; and
- c) Drop the requirement for group one status that the individual have four years of experience under the collective agreement for those Negroes who we named as victims of discrimination.

They are not prepared to:

- a) ~~Eliminate~~ any experience requirement for Negroes for ^{positions} for group three or group four status;
- b) Modify the four years experience requirement for group one; and
- c) Drop the four years of collective bargaining agreement experience requirement for Negroes other than those who are specifically named.

E. Consent Decree

Apparently, the Union is not prepared to sign a consent decree because of the potential exercise of the contempt power. I think that they will be rather adamant in this position in that when I announced the position of the Department, the law clerk responded that he believes that this difference in the form of the settlement can be resolved by a telephone call by the Judge to Washington. However, it is still conceivable that they would consent to a consent decree if the Judge gave them enough assurance of the ^{un}one likelihood of using the contempt power.