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Arbitration--Disposition of No-Strike Damage Claims

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ABSTRACTS

Arbitration—Disposition of No-Strike Damage Claims

Dissatisfied over company discipline of fellow workers, employees of the company struck, closing the plant for several days. At the time of the strike a collective bargaining agreement containing a no-strike clause was in effect between the company and the employees' union. The company promptly presented a grievance seeking damages and arbitration of its claims. The company based its demand for arbitration on a no-sue clause in the agreement which provided for arbitration of any grievance arising under the terms of the agreement. The union refused to arbitrate, contending that the arbitration clause referred only to those grievances of the employees and did not provide a procedure for the settling of the company grievances. The company then brought suit under section 301 of the management relations act to compel arbitration. The district court granted summary judgment for the company directing arbitration. *Held*, affirmed. In construing contracts between a company and a union, doubts as to arbitration must be resolved in favor of arbitration. Broad provisions for the arbitration of any grievance arising between the parties, unrestricted by an exclusionary clause, are sufficient to impose upon the parties the duty to arbitrate the company's claim for strike damages. *H. K. Porter Co. v. Local 37, United Steelworkers*, 400 F.2d 691 (4th Cir. 1968).

The court held as controlling precedent *Drake Bakeries v. Local 50, American Bakery & Confectionery Workers*, 370 U.S. 254 (1962), where it was held that arbitration was the proper forum for the disposition of no-strike damage claims, absent specific evidence to the contrary. For an exhaustive study of the Supreme Court's holdings in this area see Schubert, *Arbitration and Damage Claims for the Violation of the No Strike Clause*, 16 LAB. L.J. 751 (1965).

**Insurance—Effect of Failure to Return Premium—
Declination Clause**

Defendant insurance company's agent took an application from plaintiff's husband for life insurance for which the first month's premium was paid. The plaintiff's husband was given a receipt acknowledging payment which contained the following declination clause: the "company shall have 60 days from date of application to consider and act upon application. Failure of the company to offer a policy within such 60 days shall be deemed a declination."