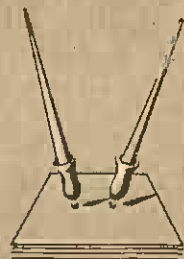




WHITE

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Office Employees International Union



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NOVEMBER, 1958

17

Servicing of Membership Shown in Series of Successful Arbitrations

Another Local Affiliates with OEIU



Former directly affiliated Local Union 1806, whose membership comprises girls employed in trade union offices in Connecticut recently voted, unanimously, to affiliate with OEIU. Conference Organizer Bud Manning is shown above presenting Local 376 charter to President Ruth Repos in a ceremony which took place in Waterbury, Conn. Ruth is employed by U. A. W. Local 626 in Bristol, Conn. Others, left to right, are: Margaret Paolucci, employed by U. A. W. Local 1251, Waterbury, Conn.; Rozelle Karas, employed by U. A. W. Local 1078 in Waterbury; Florence Penczkowski, I. U. E. Local 260, Bristol, Conn.; Lois Wusterbarth, employed by U. A. W. Local 987, Meriden, Conn.; Local 376 Secretary-Treasurer Gladys Vassallo who is employed by U. A. W. Local 1655 in Waterbury; Barbara Wright who works in the office of U. A. W. Local 987 in Meriden, Conn., and Mary Belcinski, who is employed in the office of the Connecticut State Labor Council, AFL-CIO, in Hamden, Conn.

Local 153 Signs Another Shipping Industry Contract

Another success in the shipping industry has been scored with the signing of a union shop at the Ward-Garcia Corporation.

The contract guarantees a minimum of \$65 a week to all the clerical employees. All Local 153 members are to receive a 5 per cent increase retroactive to March 10, 1958, and 6 per cent on December 1, 1958. Those employees who did not earn \$65 per week prior to organization by Local 153 will be raised to the \$65 a week minimum and will also receive the 5 per cent increase on their salary as of March 10, 1958, as well as the 6 per cent on December 1, 1958.

The company, as a result of the

contract, will contribute \$20 a month into a welfare fund for the employees. The fund is to provide Group Life Insurance, Accidental Death and Dismemberment Insurance, Weekly Accident and Sickness Insurance, Hospitalization Insurance and Comprehensive Medical Benefits for the members and Hospitalization Insurance and Comprehensive Medical Benefits for their dependents. An actuarial study will determine whether additional benefits will be available to our members as a result of the \$20 per month contribution.

Local 153 members will be entitled to up to 65 days sick leave a

(Continued on page 3)

Signing With Ward-Garcia



At signing of the Ward-Garcia Corporation contract with Local 153, New York City. Local 153's Secretary-Treasurer Ben J. Cohan is seated second from left.

A RECENT series of arbitration awards affecting members in the states of New York, Wisconsin and Pennsylvania, shows how the Office Employees International Union is effectively servicing its membership in a wide variety of cases. The principal issue in the cases was improper layoffs. Several thousands of dollars were awarded to members in these states through the arbitrators' decisions. The cases are as follows:

PENNSYLVANIA

A number of members of Local 352, employed by the Joy Manufacturing Company in its four plants in Franklin, Pa., were successful in winning an arbitration case heard before arbitrator Harry T. Dworkin of Cleveland, Ohio.

The case resulted from a group of the employees being laid off because of a strike by the International Association of Machinists who represent the production workers at Joy. The strike of the International Association of Machinists began on April 15, 1958 and lasted for 37 days. During the strike there was a complete suspension of all production, shipping and receiving activities at the plants.

On April 23 a large group of the office employees were laid off and told that Article XIII of the OEIU contract would not apply to this situation.

Article XIII reads as follows:

"(d) Employees who are laid off by the company as a result of a reduction in force shall receive two weeks pay provided, however, that this shall not apply to such layoff which is a result of fire, flood, utility failure or other similar circumstances beyond the control of the Company."

The Union Committee, assisted by J. M. Sleeth of the International Staff, immediately filed a general grievance in behalf of all employees who would be part of this dispute.

The company denied the grievance on the basis that the situation did not involve a reduction in force, but rather was a temporary layoff due to the strike of the production workers and the resultant lack of work. This was deemed a circumstance beyond the control of the company and therefore the office workers did not qualify for layoff pay.

The dispute was submitted to arbitration and the Union was represented by Mr. Joseph E. Finley, General Counsel for the OEIU; J. M. Sleeth, International Representative; Elmer S. Mason, president of Local 352, and members of the negotiating committee: Dorothy E. Staltenburg, James V. Logue and Raymond S. Karns.

Mr. Finley stated the Union's position that a reasonable construction of the language did not permit the inclusion of layoffs due to strike as an exception to the granting of layoff pay and that had the parties intended to except layoffs due to strikes they would have expressly inserted this exception in the language of the contract.

Furthermore, a situation resulting from a strike is not a circumstance "beyond the company's con-

trol," since the company could have readily met the demands of the IAM and thereby effected a settlement of the strike and a termination of the work stoppage.

Although the arbitrator in his ruling agreed with the company that the strike was beyond the company's control he also concluded that the strike was not a similar circumstance as provided for in the contract and therefore the contract obligated the company to pay the layoff pay.

The exact figure on the amount of money to be paid to the members of Local 352 is not yet available but is believed to be in excess of \$14,000.

It is believed that this is the largest award ever received by an OEIU unit.

In a case involving improper layoff of a member of Local 14 in Philadelphia, the American Arbitration Association ruled in favor of the Union and the employee was entitled to reinstatement as a timekeeper at the U. S. Hoffman Machinery Corporation, at the earliest possible date, plus back pay from the date of the layoff. The back pay amounted to over \$1,100.

The company laid off Joseph Vosefski claiming that a junior employee be retained on the payroll because of "special skills and services" rendered by the employee with lesser seniority.

Through the processes of arbitration, the impartial arbitrator found that the situation of "special skills or services" did not apply in this instance and did not validate the company's laying off a senior em-

ployee and that the company had in fact violated the contract.

Participating in the hearings were Shop Stewards Persel A. Getts and Robert Gallagher, OEIU Attorney Joseph Finley and Edward P. Springman, Business Representative for Local 14.

WISCONSIN

Six office and clerical division employees at the Milwaukee works of the International Harvester Co. have been awarded more than \$4,000 in back wage payments as a result of an arbitration decision.

Rulings handed down by W. Willard Wirtz, arbiter, stemmed from grievances filed by Office Employees Local 9 following a layoff on March 25, 1957 of 81 members of the office and clerical unit.

Kenneth Clark, chairman of the Harvester bargaining committee, hailed the arbitration decision as a signal victory for the Office Employees union.

Called "Significant"

"It is significant in that it demonstrates the true value of union representation," said Clark. "Without a union to backbone the employees' grievances, these employees would not alone have been deprived of deserving pay, but the job classification of every office or clerical employee would have been jeopardized."

Following the 1957 layoffs, production control clerks were downgraded because the company took the record keeping function from the production clerks and assigned

(Continued on page 2)

Pennsylvania Negotiators



Seated are International Representative Jim Sleeth; Scott Mason, president, OEIU Local 352; Joseph Finley, OEIU attorney. Standing are members of the Negotiating Committee: Ray Karas, Sabina Brown, Doty Soltenburg, and Jim Logue.

WHITE COLLAR

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OFFICE EMPLOYES INTERNATIONAL UNION
Affiliated with the AFL-CIO

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Election Eve

As "White Collar" goes to press, just prior to elections in the United States, we witness some peculiar statements by politicians interested in political advantage.

The following is an illustrative of these peculiarities:

President Eisenhower, whose Administration opposed the Kennedy-Ives Labor Reform Bill only a few short weeks ago because it also regulated management to a degree, spoke out against labor and asked that it be fumigated.

Secretary of Labor Mitchell, who is opposed to "right-to-work" laws, sent a telegram to William Knowland, endorsing the Senator's campaign for Governor of California. Knowland is the leading light in the campaign for the "right-to-work" amendment in California. Senator William Knowland, in his campaign for the Governor's chair in California, pretends that the average working man and woman in that State favors the compulsory open shop despite the fact that he knows that union members in California voted overwhelmingly (98 per cent) for the union shop in elections conducted under the Taft-Hartley Act.

Senator Barry Goldwater, running for re-election in the State of Arizona, where union membership is less than 50,000, pretends that labor bosses will take over if his Democratic opponent, Governor McFarland, is elected. The fact that the small labor minority group in that State did not take over under McFarland as Governor and in his previous term as Senator under President Truman does not prevent Goldwater from continuing these ridiculous threats.

NAM Is Consistent

Charles R. Sligh, Jr., executive vice president of the National Association of Manufacturers, in campaigning in California, stated that the defeat of William Knowland would be a big setback to conservative forces everywhere. The NAM, Sligh said, admits privately that it helped kill the Kennedy-Ives Labor Reform Bill. In defending this position, he said, in effect, that the measure would require employers to report anything over \$5,000 that they spend to influence union elections. His big complaint, however, is that the Kennedy-Ives bill should have been killed and the NAM did its full share in the killing because it did not contain an anti-union shop clause. It is apparent, therefore, that the NAM was not interested in any type of labor-management reform, but rather consistently continues its opposition to the union shop. It would rather destroy labor than reform labor-management relations.

Meany on Politics

As usual at election time, reactionary politicians representing the right wing of big business, mouth the usual statements that organized labor intends to form a labor party and take over the government of the United States. This goal has been refuted time and time again. On October 8, AFL-CIO President Meany reiterated the position of organized labor. He said: "We hack candidates of both parties on their records. Labor is not in politics as a political party. Labor is supposed to want to run the country and seize control of a political party. That is just a lot of bunk." The AFL-CIO has never indicated that it wishes to form a political party. In fact its position is consistently the opposite. Right wing politicians in looking for votes continue, however, to raise this issue. The AFL-CIO has been put in the position of denying this goal ever since the AFL was founded in 1881.

Lincoln, Ill.—Local 167 recently negotiated a one-year agreement with Stetson China calling for a \$2.50 per week increase, two additional paid holidays and increased vacations.

In addition, three employees were awarded merit increases of \$2 per week retroactive to May, 1958.

The negotiating team consisted of Ann Tague, Ruth Wilson and Lois Hayes, who were assisted by Northcentral Conference Organizer Gene Dwyer.

Milwaukee, Wis.—In an election recently held, the office and clerical employees of Motor Cargo's Mil-

waukee terminal voted for Local 9. Contract negotiations for this important trucking group have been completed and some of the key provisions of the three-year agreement are as follows:

General wage increase of 13c per hour this year; 6c and 7c hourly increases in the next two years.

Union shop and dues check-off.

Improved vacation schedule.

Inclusion of sick leave, cumulative to 15 days.

Job posting and promotions from within.

The company is to pay the cost of health and welfare coverage.

Series of Successful Arbitrations Effected

(Continued from page 1)

it to so-called "record clerks" on the second shift.

In this instance the arbiter ruled that the company does have the right under the existing contract to reorganize job assignments, but upheld the union complaint that these workers were performing duties which were a prime function and basic element of the production control clerk and are thus entitled to equal compensation.

"Employees Entitled"

Said Arbiter Wirtz: "The grievant employees are entitled to be placed in the production control clerk classification, with payment at the salary grade 7 rate, retroactive to the date of their assignment to the work which is the subject of this dispute and which is described in the accompanying opinion."

Grievance three was introduced on behalf of a production control clerk who was downgraded and subsequently laid off when the March 1957 reorganization took place. The union contended, and was upheld by the arbitration ruling, that shop supervisors were performing the expediting function of the production control clerks following the cutback. The decision also called for reinstatement of the employe affected by the contract violation and payment and compensation for lost wages.

In its fourth grievance, the union contended that the functions performed by former principal production control clerks was taken over by various managerial employes. While the arbiter ruled against the union in his decision he noted that certain specific charges which were brought out at the hearings by the union would have warranted being upheld if they had been presented as specific grievances.

Fifth Grievance

The union, in its fifth grievance, contended that managerial personnel were performing the functions of expediting tooling and fixtures. The union said this was bargaining unit work which had formerly been done by members of the office unit.

This contention has been upheld by the arbitrator.

In compliance with the arbitration, the Harvester management

has made settlement thus far with payments of \$4,214.78 to six company workers. The largest single payment was for \$1,800.82.

Clark, the bargaining committee chairman, presented the case. He was assisted by Harold Beck, union business manager and A. J. Goldberg, union attorney.

Beck, in commenting on the rulings, estimated the union had spent more than \$3,000 in backing up its dispute with Harvester. The results of these arbitrations justifies the expenses and time consumed, he added.

Members of the Harvester bargaining committee, besides Clark, include Larry Kuhn, Emil Mesich, Norb Miller and Tony Wells.

NEW YORK

Organizer Bud Manning announces two recent arbitration victories in hearings held in Boston, Mass., on behalf of Local 180. The cases were heard before a tri-partite panel which included Vice President Leo Wallace as the union panelist.

The first of the two cases involved the refusal of the Aluminum Company of America (ALCOA) to compensate a Local 180 employe after they had reinstated her to a classification from which she had been removed. The union contended that the company had admitted an error when it signified a willingness to return the aggrieved employe to her former position. The company denied that the reinstatement of the employe was an admission of liability for back pay. They further claimed that the union's agreement for back pay was defective because the written grievance did not specifically claim for pay.

A majority of the panel ruled that the relief sought by the union was inherent in the complaint and that the failure to specify the claim for back pay could not bar the remedy best suited to the righting of a wrong. The ruling was, accordingly, that the aggrieved Local 180 employe should receive retroactive pay.

The second of the two cases involved an employe who, although regarded as a salaried clerical employe, was deprived of a day's pay

on two individual days because the location in which he worked, which was a Cable Mill area, was not producing on the days in question. The company contended that although the aggrieved employe was indeed a salaried worker they had no obligation to continue to pay him when no work was available because of a production and maintenance shut down. The union contended that the company had an obligation to continue his salary under those circumstances. Alternatively, the union argued that the company had the obligation to procure work for the aggrieved employe rather than to deny him pay while other less senior employes continued to be employed.

A majority of the panel upheld the union position that the company had the obligation to find other work for the involved employe. In its finding they asserted that where employes are on salary "every effort will be made to minimize or avoid short periods of unemployment not occasioned by a bona fide reduction in force by finding other work . . . to do. It was directed that the aggrieved employe be compensated for earnings lost on the two days in question."

Organizer Manning, who presented the cases for Local 180, was high in his praise for the efforts of Leo Wallace as one of the three panelists and attributes a large measure of the success to Vice President Wallace's participation.

Many Gains Scored in New Freight Agreement

Local 29, Oakland, Calif., has won precedent-making gains in their settlement with Consolidated Freightways and associated companies.

Annual increases for a three-year period range from 5c to 20c per hour and the minima and maxima of the labor grades are raised by a like amount.

A new pension plan, the first in the Bay Area freight field for clerical employes, will be incorporated effective May 1, 1959.

Also included in this agreement are three weeks' vacation after three years of service, effective January 1, 1959, plus an increase in the company's health and welfare plan contribution of \$4 per month to total \$13.50 monthly, covering both employe and dependents.

The first sick leave clause for this company, six days per year, includes time off for dental work and optometry as well as strictly medical care.

A job evaluation analysis program and a cost of living clause were also included.

The committee that negotiated the contract included Shori Lijima and O. T. Lindsey, working with Business Representative and Vice President John Kinnick.

Oakland, Calif.—Benner Newman, manufacturers of sheet metal, have signed a two-year agreement with Local 29. A \$15 per month increase on November 1, 1958 and a \$15 per month increase, effective November 1, 1959, plus a wage reopening on September 1, 1960 were included in the agreement. Other major improvements in the contract are the inclusion of three (3) weeks' vacation after five (5) years of service and welfare coverage for employes' dependents.

Attend Union Meetings



Three of the above Harvester plant workers need not be reminded that it pays to belong to a union. Fred Thomas, seated, left, receives his check for \$1,800.82; Herman Roessler, seated, right, his for \$1,404.16, and Bill McLaughlin, standing, center, his for \$841.13. Checks were compensation for work performed. Standing and looking on are, from left to right, Norbert Miller, committeeman; Harold E. Beck, business representative; McLaughlin; Emil Mesich and Lawrence Kuhn, both committeemen. Chairman of the committee, Kenneth Clark, was in the hospital at the time this picture was taken.

Brazilian Unionists Learn OEIU Ways

New Haven, Conn.—Local 329 recently acted as host to a group of Brazilian trade unionists who spent two weeks in New Haven as part of an itinerary which carried them to various parts of the United States. This trip to the United States was under the auspices and direction of the International Cooperation Administration in Washington, D. C.

Organizer Bud Manning and Local 329 Business Manager Ed Himes, through an interpreter, conducted a workshop for the Brazilians at the Hotel Taft in New Haven. During this work shop Organizer gave a brief outline of the founding and history of the OEIU with stress on our growth during our short existence. Business Manager Himes explained in detail the workings of the Local 329 contract

with the Knights of Columbus National Headquarters with particular emphasis on the grievance procedure. Following this a spirited question and answer period ensued with an interesting exchange of the mutual problems which beset white collar organizers whether they are in the United States or Brazil.

After the conclusion of the work shop the Brazilian labor delegation was escorted on a tour of the Knights of Columbus where they had an opportunity of observing the Local 329 members at work. At the K. of C. Headquarters they were greeted by Local 329 President Margaret Egan and management officials. The successful tour culminated in a "coffee break" and the Brazilian coffee devotees were enthusiastic in their praise of the quality of the machine dispensed beverage.

Social Security

(Continued from back page)

ing disability will now be eligible for benefits or, if under 50, for the freeze only. Previous applicants who were rejected because of insufficient employment should find out if they can now qualify.

Many retired workers or widows have sons or daughters aged 18 or more who have a long-term severe disability which afflicted them before 18. These children can now receive benefits without having to prove dependency on the parent.

People with long-standing disabilities now have three more years in which to apply for the freeze, and back payments for twelve months can be made.

Some people will be able to earn more without losing benefits because of the retirement test. It will still be true that one month's

check will not be due for every \$80 by which earnings exceed \$1200. However, a person will get a benefit check for any month in which he does not earn more than \$100 (instead of \$80 as at present.)

About 60,000 aged dependent parents will be eligible for benefits based on the work of a son or daughter who had died, even where a widow, widower or children also survive the son or daughter.

About 5,000 people will benefit from a variety of changes in the eligibility requirements for dependents and survivors benefits, especially adopted children and dependents who have married.

Among a number of minor changes in coverage, one most important for our members makes it easier for certain state and local government employees to obtain protection.

When the new Congress assembles, the AFL-CIO will again be seeking to remedy continuing gaps and inadequacies of the social security program. Our members, like other Americans, have a profound interest in security, especially in insurance payments available without a means test.

The nation's tremendous productive capacity permits ever-higher levels of living and good health care for older people as well as for those still employed. Families with young children must be properly protected against the crippling effects of poverty.

The 1958 social security amendments are good but not sufficient.

Newark, N. J.—The Philip Carey Manufacturing Company has signed a one-year agreement with OEIU, Local 32. The company granted an 8-cent per hour increase effective October 23, 1958.

Homestead Bakery In S. F. Organized

The largest single unit of wholesale bakeries in the San Francisco area has been organized through the joint efforts of the Local 3 office in San Francisco and John Kinnick, International Vice President.

Through a series of leaflet distributions, meetings and personal contacts, enough signed authorization cards were obtained to request a consent election at the Homestead Bakery.

Although the company did not immediately agree to a consent election, agreement was reached thereby eliminating the necessity of lengthy Board proceedings.

Negotiations for a contract are now underway and the campaign is continuing to organize the balance of the industry in that area.

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Canadian Corner

By LLOYD CHAPMAN
President, Canadian
Organization Conference



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Canadian Organizational Conference Holds Two-Day Meet

Recently the Canadian Organizational Conference held a two-day meeting at the Chateau Fontenac in Quebec City, Quebec. This proved to be a very successful as well as educational meeting.

After reports of activities of the various local unions and a report by Director of Organization Douglas on the activities of other Organizational Conferences, a work shop was held where all of the delegates participated in studying the problems facing the local unions in attendance at the meeting.

In addition to the activities of

the Conference, the host local made the trip a very pleasant one by providing a welcome party for the delegates on Thursday evening, a dance on Friday night and a sight-seeing trip for those delegates who were interested in the historic city of Quebec after the close of the session on Saturday.

Action was taken at the Conference to hold the next meeting of the Canadian Organizational Conference on June 15 in Montreal, preceding the biennial convention of the Office Employees International Union.

Working Conditions of Office Employees

The most significant developments concerning office workers revealed by the April 1958 working conditions survey, are the continued tendency towards a standard work week of less than 37½ hours, and an increase in both three and four week paid vacations provisions with reduced service requirements.

According to the survey of the Canadian *Labour Gazette* the proportion of office employees with a standard work week of less than 37½ hours increased to almost 26 per cent compared with 23 per cent and 21 per cent in 1957 and 1954 respectively. At the same time the extent of the five-day work week increased slightly.

At first sight the proportion of employees qualifying for a two-week paid vacation after one year or less service would appear to have declined. However, it should be borne in mind that slight changes in proportions from year to year may be due to small changes in survey coverage and should, therefore, be interpreted in the light of developments or trends appearing over a number of years together.

The proportion of those office workers in establishments reporting a three-week paid vacation increased markedly from about 76 per cent in 1957 to some 82 per cent by 1958. This was also accompanied by a significant rise in the number qualifying for such vacations after less than 15 years' service: that is, from 17 per cent in 1957 to 25 per cent in 1958.

Similarly, there has been an in-

crease in the extent of a four-week paid vacation to over 20 per cent of the office workers surveyed, as against 16 per cent the previous year. As with plant employees, the predominant service requirement for a four-week vacation is 25 years.

The number of paid statutory holidays granted to office workers continued to increase. Employees in plants granting nine or more statutory holidays in 1958 increased to 27 per cent over 25 per cent in 1957.

The coverage under the various pension, insurance and group medical plans remained practically unchanged.

Strikes Averted

After strike authorizations had been granted, Local 29, Oakland, Calif., was able to settle, without strikes, the following contracts:

Simon Hardware—Wage increases, retroactive to July 1, of from \$15 to \$17 per month were obtained. Other gains include three weeks' vacation after five years' employment, instead of 10 years, and an improved health and welfare plan. The contract will run for two years with an opening on July 1, 1959, for negotiations of wage increases and one fringe benefit.

Central Scientific—Business Representative Hollingsworth was able to obtain wage increases of \$14.50, effective July 1, 1958, and \$13 a month, July 1, 1959, and July 1, 1960, in the three-year agreement. In addition, approximately one-third of the office force was reclassified upward.

Richmond, Calif.—Members of Local 243 who are employees of Macy's Department Store have received a 5-cent per hour wage increase effective January 1, 1959. Vacations have been improved allowing an employee with five (5) or more years of service to receive three (3) weeks' vacation with pay. Two major improvements in the contract were included. A liberal sick leave plan, with a maximum of 13 weeks' sick leave at full pay and 13 weeks at half pay, has been included for the first time. The importance of this clause is further stressed since it is believed that Macy's Department Store is the first department store to have a sick leave provision for its employees. The welfare clause was another large improvement. Benefits have been greatly improved for the employees and their dependents. The contract is effective as of January 1, 1959 and extends to February 1, 1961.

Meridian, Miss.—Contract negotiations have come to a conclusion at the Mississippi Power Company. Don Herbert, president of OEIU, Local 54, reports that a two-year agreement, with a wage reopening, has been signed with the company. The contract provides for a 5.6 per cent wage increase.



Pictured above are A. F. MacArthur, International Representative; Lloyd Chapman, president of the Canadian Organizational Conference; H. B. Douglas, director of organization; J. Howard Hicks, Secretary-Treasurer; Romeo Corheil, International Representative, and Secretary-Treasurer of the Conference Marcel Roy.



Delegates in session at the Canadian Organizational Conference, held in Chateau Frontenac in Quebec City.

BUY U. S.
SAVINGS BONDS

Volunteer Their Services at Education Conference



These members of OEIU Local 227, Cincinnati, Ohio, volunteered their time and energies to be receptionists at the Greater Cincinnati Education Conference which was held September 6, 1958, at the Sinton Hotel in Cincinnati. Pictured with International Representative Sanny Crawford (center) are Sylvia Swaine, Florence Smith, Eileen Podolsky, Ann Harrigan and Geneva Angustine. The program included speeches by trade union leaders and a panel discussion of labor's part in the community.

Our New Social Security

By Katherine Ellickson
Assistant Director,
AFL-CIO Social Security Dept.

A dramatic chapter was added to the history of social security in the last weeks of Congress. Higher payments are therefore available to millions of families, and this notable triumph of liberal forces promises more substantial gains in the years ahead.

National Insurance Program

The nine out of ten Americans covered by old-age, survivors and disability insurance now have considerable additional protection. Twelve million persons on the benefit rolls will receive an average 7 per cent increase in monthly payments. People with annual earnings above \$4200 a year will be entitled to benefits more closely related to those earnings. And victims of severe, long-term disability will suffer less income loss.

The financing of the program is strengthened to permit these and many other improvements too numerous even to be listed. Contributions of employes and employers will be increased by 1/4 per cent on earnings up to \$4800 a year, and the self-employed will pay 3/8 per cent more on net income.

The additional revenues to the trust fund which are thus provided fully answer any questions as to the financial soundness of old-age and survivors insurance.

The social security actuary estimates that the OASI trust fund will

start growing again in 1960, after a slight decline to \$21 billion, and will continue rising substantially for many decades. Insofar as the new contribution rates prove more than adequate, benefits can be further liberalized without additional tax increases.

The Welfare Programs

The sections of the Social Security Act dealing with public assistance were also improved in many ways. The federal government is making more generous matching funds available to the states to encourage them to increase their assistance payments to the needy aged, the blind, dependent children and their caretakers, and the permanently and totally disabled.

The new federal grants are estimated to average \$3 a month more for the six million persons receiving aid. More liberal federal matching amounts are available for the low-income states than for those with high incomes so that levels of assistance may be more balanced throughout the nation.

A number of improvements were also made in the maternal and child welfare provisions of the Social Security Act. Five million dollars were added to the amounts authorized for annual appropriations for each of the three programs which foster state and local activities. The changes will help extend clinics for mothers, babies and crippled children, and strengthen

many other services that promote the normal and healthy development of the nation's children.

Toward Health Benefits

An important step was taken in connection with the proposal of the Forand bill that the cost of hospital, nursing home and surgical care should be paid for OASI beneficiaries. The House Ways and Means Committee has asked the Secretary of Health, Education and Welfare to report by February 1 on alternative ways of protecting beneficiaries against the cost of needed hospital and nursing home care.

Congressman Forand has indicated that he favors having a subcommittee of the Ways and Means Committee study the whole problem. So undoubtedly health benefits will continue to be a live issue in 1959.

The Story in Congress

Although the 1958 amendments include noteworthy improvements, they fall short of the immediate and long-range goals of the AFL-CIO as outlined in convention resolutions and Executive Council statements. However, since we obtained this much in the unfavorable situation existing this year, a more promising political setting should result in further progress toward well-rounded and adequate programs.

When the House started hearings in June, we were not sure any bill could be passed. The AFL-CIO had allies in seeking broad improvements, including the American Public Welfare Association, the National Farmers Union and the American Nurses Association, to name only a few.

Such support was encouraging, but was it enough? Marion Folsom, then Secretary of Health, Education and Welfare, told the House Ways and Means Committee that he was not "in favor of an across-the-board increase now." The Chambers of Commerce, the National Association of Manufacturers and the insurance companies were against any improvements. The American Medical Association argued against even social security coverage for doctors, opposed the health benefits and said nothing about increases in cash payments.

The Eisenhower Administration was also strongly opposed to increasing federal grants for public assistance. The threat of a veto was repeatedly wielded in the House and Senate deliberations. As a result the House Committee recommended a 7 per cent increase in OASDI benefits instead of the 10 per cent that many Democrats and some Republicans favored. When the House had overwhelmingly passed a bill, the Administration withdrew its opposition to the insurance provisions but continued to threaten a veto if the public as-

sistance grants were not reduced.

To avoid a veto, the Senate cut the increase in grants from \$288 million down to \$197 million. The cuts fell especially heavily on dependent children, who lost \$53 million. The needy aged, the blind and the disabled, however, will also be receiving smaller assistance payments as a result of the cuts.

Fear of a veto also defeated a proposed amendment on the Senate floor to make the OASDI benefit increase 10 per cent instead of 7 per cent. A majority of Democrats supported the higher figure, but most Republicans voted against it.

In signing the bill, President Eisenhower praised the OASDI benefit improvements which his Administration had opposed in the House, but again expressed concern about increasing the federal role in public assistance.

This story is important because it demonstrates the play of forces which shape social security legislation.

The Changes in OASDI

The 1958 amendments affect nearly all aspects of old-age, survivors and disability insurance. Some of the improvements go into effect automatically, but in many cases persons will have to apply for benefits to which they were not previously entitled.

The AFL-CIO is therefore making a special effort to get the word of the improvements to all our members and their friends. We are urging our affiliates to make use of new posters and leaflets which can be obtained from local social security offices. Anyone who thinks he may be eligible should read the leaflets or ask the social security office.

Higher Benefit Amounts

The 7 per cent increase in monthly benefits will be paid automatically, starting with checks received in early February. The new financing provisions become effective in January.

The AFL-CIO, in addition to seeking at least a 10 per cent benefit increase, also favored counting earnings up to \$6000 a year for benefit and contribution purposes. The 7 per cent rise and the \$4800 ceiling really only restore relationships between benefits, earnings and prices that existed in 1954 when Congress had last changed relevant provisions.

But at least retired people will have an easier time meeting essential outlays, with an average of \$4.75 added to their monthly benefits. The minimum increase is \$3.

Widows with children under 18 are assured of similar increases in total family payments. The new family maximum becomes \$254 instead of \$200. However, amounts over \$200 are usually payable only when average monthly earnings of the deceased earner were over \$250.

The maximum primary insurance benefit at once becomes \$116 instead of \$108.50, reflecting the general 7 per cent increase in benefits. It will rise steadily to \$127 as earnings above \$4200 a

year are credited and help raise "average monthly earnings." Survivors benefits based entirely on earnings after 1958 can reach the new maximum in 1960.

Persons who must still average in earnings at lower figures will have to wait longer. By the year 1965, even if benefits are not further improved, the maximum for a retired or disabled worker will be \$124 or 98 per cent of \$127.

The benefits of dependents and survivors continue to be calculated as a certain percentage of the primary insurance amount—75 per cent for widows, 50 per cent for wives, etc. These percentages have not been changed.

The primary insurance amount is now determined by a table in the law instead of by a formula as in earlier years. This makes it easy for a person to find out just what his benefit will be, although persons trying to explain just how benefits are related to earnings will have a harder time than ever!

Examples of the new benefits are given in the table on this page.

Disability Amendments

By making significant improvements in disability insurance without controversy, Congress demonstrated its full acceptance of this part of the program. Its initiation two years earlier had been bitterly fought by the Eisenhower Administration, the insurance companies, business organizations and the American Medical Association. Disability benefits were adopted in 1956 by only a two-vote margin in the Senate, with all but seven Democrats in favor and all but six Republicans against.

This year the Senate Committee said that it "believes that disability benefits payable under the national social security system should be looked upon as providing the basic protection against loss of income due to disabling illness."

The 1958 improvements in the disability program need to be wide-

Examples of Monthly Payments After 1958

If average monthly earnings after 1950 are: ¹	\$50 or less	\$150	\$250	\$350	\$400
For RETIREMENT at 65 For DISABILITY at 50	\$33	\$73	\$95	\$116	\$127
For RETIRED WOMAN WORKER starting at age 62 ²	\$26	\$58	\$76	\$92	\$101
For WIDOW, or surviving child, or dependent widower, or parent	\$33	\$54	\$71	\$87	\$95
For RETIRED COUPLE, wife starting at age 62 ²	\$45	\$100	\$130	\$159	\$174
For RETIRED COUPLE, wife starting at age 65 or WIDOW and 1 child or 2 dependent PARENTS	\$49	\$109	\$142	\$174	\$190
For RETIRED COUPLE, and 1 child or WIDOW and 2 children	\$53	\$120	\$190	\$232	\$254
MAXIMUM FAMILY BENEFIT	\$53	\$120	\$202	\$254	\$254
SINGLE lump-sum death payment	\$90	\$219	\$255	\$255	\$255

¹ In figuring your average, you may omit up to five years of lowest earnings and any period your record was frozen because you were disabled.

² Average monthly earnings over \$350 will not be possible before the end of 1959.

³ A \$400 monthly average will generally not be possible for anyone who has reached the age of 27 before 1959. Payments based on this average cannot be made unless all credits used in figuring the benefit are earned after 1958.

⁴ Retirement payments to women are permanently reduced if started before age 65.

ly known because they help many persons not previously eligible either for benefits or for the disability freeze that preserves pension rights.

Dependents of persons receiving disability benefits may now receive monthly payments like those provided for the dependents of retired workers. Any such dependents who have not yet done so should apply at once, since they became eligible for such benefits in September.

Monthly payments will no longer be reduced because people are receiving workmen's compensation or other federal disability payments, such as veterans' benefits. People who have not applied for disability benefits because of the previous deduction should now do so.

The definition of disability has not been changed, and it is still being very strictly interpreted. But one difficult requirement has been repealed. It is no longer necessary to have worked six out of the last thirteen quarter-years before becoming disabled, although one must be fully insured and have at least twenty quarters of covered employment in the last forty.

The change means that many people slowly crippled by a grow-

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