WHITE COLLAR

Office and Professional Employees International Union, AFL-CIO and CLC

No. 270 September, 1968

Organizing starts on Wall Street . . . And pays off at CONOCO

President John R. Kret of Local 205, United Financial Employees is interviewed by radio station WINS as campaign to organize the 28,000 clerical workers on Wall Street gets under way. Some 50 volunteers from the OPEIU local launched the drive in August, and first results are promising. Hundreds of membership applications had been received when this issue went to press.

OPEIU Vice-President Frank E. Morton signs first contract bringing 8% wage gain to computer operators at Continental Oil Company. To right are W. M. McGee, manager, computer department; R. L. Ferguson, assistant manager, and W. J. Woellert, Ponca City Personnel Director. Standing are OPEIU Representative Jack Langford; Lyda C. Walker, Sam J. Vanderpool, Jr., Wayne L. Pedigo and C. Dave McKenzie, members of the unit negotiating committee. See story on Page 3.

Report from the President

Why Wall Street workers need the OPEIU

by Howard Coughlin

The confusion now existing in Wall Street brokerage offices reflects conditions that beg for a union. The 28,000 harried clerical workers are working 50 to 60-hour weeks. They work weekends. Often paperwork pressures make them skip lunches and suppers. And they are grossly underpaid—a fact temporarily obscured by pay envelopes bloated with compulsory overtime.

In a message to these office workers, I said that they must unionize now if they are ever to stabilize employment conditions and make Wall Street work a satisfying career. Not only are they grossly underpaid, but they lack job security. They have no pension plans. They are facing growing automation with no job safeguards, and they lack any kind of grievance procedure. All their grievances can be corrected only through collective bargaining.

A recent story in *Newsday*—the nation's third largest newspaper—based on my message, brought this comment from a Wall Street broker. Irving Mandell, partner in charge of H. Hentz & Co.'s backroom operations, admits "we get some complaints about overtime from workers and at times they get cranky. But I think the complaints they might get from their wives are pretty much answered with the fatter envelopes that buy color TV sets, new cars and the like."

In reply, a Hentz & Co. worker says: "He must be kidding or he is confusing us with the front-office people. If a backroom worker can afford a car at all it has to be a secondhand jalopy. It's pure baloney. And, I might add, we don't even have time for a boloney sandwich in Wall Street these days. Our base pay is ridiculous and everybody on the Street knows it."

Although an Administrative Management Society wage survey shows that the "average white-collar base pay outside Wall Street is now $95 a week," Wall Street's base pay for an unskilled office worker is only $75-$80. The Association of Stock Exchange Firms trumpets that Wall Street backroom wages average $103 weekly. This is still below the average factory wage.

A "credibility gap" exists since *Newsday* found brokers who readily admitted that they "offered only $75 to new workers." That's the reason the *New York Times* carries 100 columns of help wanted ads weekly with few takers at the proferred wages. Wall Street personnel turnover is now said to be 40% annually because of the low wage scales offered.

The street pays less

Surprisingly, the brokers' association concedes that Wall Street firms are paying less than New York City median salaries to receptionists, file clerks, secretaries and executive secretaries. *Newsday* found a clue to this in the reply of a young mini-skirted brunette brokerage worker who said: "I don't like unions—they're for people in factories." She didn't realize that her employers have their union—the "association."

Factory workers scoff at the brunette's hollow pretensions to "status." The average June, 1968, pay of the factory worker in the New York-New Jersey area was $119.59, says the U.S. Bureau of Labor Statistics. The difference between $75 and $119.50 is about $44 a week, or $2,318.68 a year. Thus, the female factory worker is a mink coat ahead of the perky brunette.

The *Newsday* article observes that low Wall Street pay reflects the absence of unionism among brokerage house workers, surpassed only in this respect "by perhaps migratory farm hands and southern textile workers." The innocent brunette is an unwitting victim of Wall Street's well-oiled propaganda machine feeding the workers with "rise-to-the-top" and "status" nonsense that doesn't pay for the groceries.

Leon T. Kendall, president of the Association of Stock Exchange Firms, claims, according to *Newsday*, that there are "traditional advantages to working down in Wall Street," explaining that, "There has been a tradition that a clerk can go all the way up to the partner level or become a governor of the New York Stock Exchange, and there are plenty of examples of this."

He didn't mention that the odds are 10,000 to 1 against either event ever happening. But it's all part of the seductive Wall Street myth.

A dialogue is joined

As an angry college-educated backroom man said: "This Kendall stuff is the bunk. But Napoleon used it successfully, too, with the legend that every private carries a marshal's baton in his knapsack. The odds are a million-to-one. As for myself, I don't buy these odds. I want my bread-and-butter NOW! I'm slaving like the proverbial dog in Wall Street for far less money than a factory hand gets because he's unionized. These workers enjoy REAL STATUS—we DON'T!"

Statements and replies by brokers and backroom workers now being aired bring issues into the open. The workers are aroused. They realize that they are being shortchanged without mercy and that only a powerful white-collar union movement in Wall Street, bringing the democratic collective bargaining process into play, can find reasonable solutions for their many and complex problems.

The Wall Street labor-management dialogue has finally got off to a flying start!

NOTE: The Wall Street organizing campaign is being conducted by our Local 205, United Financial Employees, bargaining unit for workers on the New York Stock Exchange, the American Stock Exchange and the New York Cotton Exchange. Write, call in person or phone (after 4 p.m.) Mondays to Fridays. Local 205's office is located at 114 Liberty Street, New York, N.Y., Telephone: 964-4163.

WHITE COLLAR

Official Organ of
OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION
affiliated with the AFL-CIO, CLC

HOWARD COUGHLIN *President*
J. HOWARD HICKS *Secretary-Treasurer*

Room 610, 265 West 14th St., New York, N.Y. 10011

POSTMASTERS, ATTENTION. Change of address Form 3579 should be addressed to Office and Professional Employees International Union, 1012 14th St., N.W., Washington, D. C. 20005. Published monthly at 810 Rhode Island Ave., N.E. Washington, D. C. 20018. Second class postage paid at Washington, D. C.

INTERNATIONAL LABOR PRESS AFL-CIO ASSOCIATION

Reproduction by the Labor Press of any or all material herein contained is not only permitted, but wholly desirable in the interest of workers' education.

Subscription Price $1 a Year

A banker frets about unions

We are much indebted to Bill Kircher, AFL-CIO Director of Organization and welcome guest speaker at our recent OPEIU Convention, for sending us a news report from Portland, Oregon, reflecting the impact of our bank organizing victories in Canada and the East Coast on bankers out West.

Any bank worker in the United States and Canada should be more inclined than ever to join the OPEIU after reading and digesting the remarks of a noted Chicago banker to the Oregon Bankers Association's annual convention. Are bankers feeling a bit nervous? Apparently. (See story, page four).

Banker Langenbach laments that "unionization apparently (is) coming closer and closer." He says that "We must get our houses in order," and that "I hope I don't see the unions come into the banks."

With unionism now breathing down their necks, it suddenly occurs to American bankers that, maybe, they haven't been treating their workers well. Bank profits are zooming as never before in history. Unfortunately, the same cannot be said for wages and other emoluments of the rank-and-file bank worker.

Langenbach concedes—without advertising the OPEIU—that it is making an effective approach to bank workers and that we "are enjoying better acceptance all the time." He also suggests that the increasingly youthful bank work force has fresh ideas about unions.

We would like to assure bankers that the OPEIU is not the ogre Langenbach seems to picture; it is one of the most responsible unions to be found anywhere. Anyhow, we liked his talk. It strengthens our conviction that more and more bank workers will realize their need to belong to the OPEIU for the sake of human dignity, better working conditions and greater job security in the "automation revolution" the Chicago banker saw so clearly on the horizon.

A happy forecast

What will America be like 30 years from now?

French writer J. J. Servan-Schreiber, author of the European best-seller "The American Challenge," believes that goals like those projected by the OPEIU for American and Canadian office workers will then have been achieved for everyone. He predicts:

"In thirty years America will be a post-industrial society with a per capita income of $7,500. There will be only four work days a week of seven hours a day. The year will comprise 39 work weeks and 13 weeks of vacation. With weekends and holidays this makes 147 work days a year and 218 free days. All this within a single generation!"

Tale of a taciturn teller

Why bank clerks urgently need to unionize is the implicit moral of a recent story in the Connecticut Labor Department's Monthly Bulletin.

It tells about a taciturn teller who was arbitrarily fired by a bank manager. Although employed for seven years, he was dismissed for "wilful misconduct" because he refused "to come out of his shell" after the manager ordered him to smile on the job.

The state's Unemployment Compensation Department ruled that the teller was eligible for unemployment benefits because his attitude stemmed, not from "misconduct," but from the fact that he was taciturn and reserved by nature. The bank then appealed the department ruling.

Rejecting the appeal, the State Unemployment Commissioner upheld the decision and the teller secured his unemployment benefits.

But on the main points—his right to his job, his right to be himself—he was the loser.

With a union, the story might have had a different outcome. It might even have made him smile.

Wage-profit gap widens

By almost any measure applied to the American economy today, the worker keeps falling behind in the race between corporate profits and wages, says AFL-CIO Research Staffer Ray MacDonald in the *American Federationist*. Running at a rate of $825 billion annually, the economy is weakened by an unbalanced distribution of profits and wages, and workers are feeling the pinch, he declares.

From 1960 to the January-March quarter of 1968, corporate profits rose 78.7%. After-tax profits grew even faster as they soared 95.5% over the same period. Corporate cash flow, or the amount of money available to a company for actual use, rose by some 84.7% to reach a yearly rate of $95.3 billion in the first quarter of 1968.

What about the stockholders? Dividends over the same period rose by 73.1% and this does not include the capital gains to be reaped when the stocks are again sold. Stockholder income from the sale of stocks is taxed at a top capital gains rate of only 25%.

Just how good for business was the first quarter of 1968? MacDonald finds that a New York business economist quoted in Business Week had this to say: 'Corporate profits are running better than we expected and we expected a damn good gain."

In sharp contrast, the gains of workers in the private sector of the economy have been only meager. In the first 1968 quarter, the average weekly after-tax earnings for a non-supervisory worker with three dependents was $92.38 or a gain of 26.6% since 1960. However, this does not tell the whole story, the article points out.

Hit Peak in 1965

After allowances have been made for increases in the Consumer Price Index, the worker was better off by only 9.6% in terms of buying power than he was in 1960. While weekly buying power of non-supervisory workers increased in 1965, it started a downtrend in early 1966 which has not yet halted.

Consumer prices increased slowly in the early 1960s, while unit labor costs of manufactured goods actually declined by 1.6% in the 1960-65 period. At the same time, wholesale prices of manufactured goods increased by 1.7% and consumer prices rose 6.6% as measured by the Consumer Price Index.

During the last three years, attempts by workers to increase their buying power have been largely washed away by more rapid price increases. The major gains in income have continued to go to profits, dividends, interest payments and executive salaries.

In totaling the 1960-67 period figures, corporations had $421.6 billion in cash flow after payment of dividends. Cash flow, comprised of after-tax profits plus depreciation, represents the total amount of money which is available to a firm to spend, after all its costs and taxes are paid.

The article then points out that today the national economy must grow at a real rate of 4 to 4½% annually merely to prevent a rise in unemployment. The $421.6 billion cash flow noted above was offset by investment in new plant and equipment to the tune of $365.8 billion over the same 1960-67 period. Thus there was a surplus, or an amount of money available in excess of $55.8 billion.

How Surplus Was Used

Much of this surplus was used by corporations to purchase some of their own outstanding common stock (primarily for executive stock options), to buy other companies and to invest in plants outside the United States, adding to the nation's balance-of-payments problems.

During the 1960s, the article continues, it is clear that a growing imbalance has taken place as profits and business cash flow have been moving up faster than the after-tax weekly earnings of non-supervisory workers in the private economy. This imbalance must be corrected, it adds.

The lagging improvement of wages has been unfair to workers and it has increased the income gap between different groups in our society. In addition, it undermines the necessary expansion in consumer markets. Unless sales increase along with industry's ability to produce, goods will pile up in warehouses and loading docks.

Such a chain of consequences can eventually bring a downturn in the economy, cutbacks in production schedules and layoffs. Consumer markets account for the sale of about two-thirds of national production. The major source of consumer income is the wages and salaries of production workers and white-collar employees.

"A better balance in the national economy must be achieved between wages and salaries on the one hand and business profits, cash flow and dividends on the other," the article concludes.

The family dollar drain

Inflation and increasing federal income and Social Security taxes continue to drain the dollar of its purchasing power, according to a National Industrial Conference Board study.

It finds that a family man with two children who earned $5,000 in 1939 had $4,941 to spend after taxes. Today, his counterpart must earn $14,282 to match his 1939 purchasing power. Inflation has taken $7,258 and taxes another $2,083.

Other comparisons: an annual income of $29,629 in 1968 is equivalent in purchasing power to $10,000 in 1939; $84,641 today to $25,000 in 1939, and $182,813 today to $50,000 in 1939.

UNION HONORS EMPLOYER: Marion Sachtjen, Local 39 shop steward at CUNA Mutual and CUMIS Insurance Societies in Madison, Wis., presents an honorary union card to Charles F. Eikel, Jr., president of the societies. The award was made in recognition of the "excellent corporate progress that can be achieved through establishment of a sound and healthy collective bargaining agreement." Looking on (left to right) are unit charter members O. H. Edgerton, T. B. Benson and R. T. Peterson, now CUNA Mutual executives. Eikel has completed 30 years of service with the international credit union organizations.

Two more units organized

The OPEIU has organized a steamship line in New Orleans, and a hospital in Detroit.

International Representative Jack Langford reports that 19 office employees of the Gulf Puerto Rico Line in New Orelans unanimously designated Local 403 as bargaining agent. Management recognized the new unit after a card check by the state's Commissioner of Labor at his office.

Mabel Holleran, Business Representative for Local 42, reports that office workers at Memorial Hospital in Detroit picked the union in an NLRB election.

Renewals in Brief

Gale Products

What is described as the "best agreement in 20 years" has been negotiated by Local 221 covering more than 150 office workers at Gale Products, lawn mower division of Outboard Marine Corporation in Galesburg, Illinois.

The three-year pact provides for a $24 per month across-the-board wage boost in each of the three years, plus more liberal vacations and other fringe benefits. Altogether, the package amounts to about $1,000 for each member.

The Local 221 negotiating committee comprised Stanton L. Luker, chairman, and Linus Thornton, John L. Perrin, Ronald L. Searl and Sharon K. Von Drake. OPEIU Representatives Bill Adams and Gene Dwyer worked with them.

Kansas City Polk

Two across-the-board wage raises have been secured by Local 320, in Kansas City, for OPEIU members employed in the R.L. Polk & Company mail order branch there. The first raise of 15¢ an hour will be followed by another of 7½¢ half-way through the 30-month contract.

Negotiatiors also secured a reduction in the time it takes to get from minimum to maximum in the pay grades.

Other improvements include an additional paid holiday; three weeks' vacation after 10 years of service (was 12), and time-and-one-half for Saturday work or work performed in excess of 40 hours.

The negotiating committee comprised Flossie Wilson, Juretha Thrulicka, Edith Parsons and Gladys Cooper. They were assisted by Local 320 Business Representative Jerry Schmit.

Combined Paper Mills

Combined Paper Mills, Inc., at Combined Locks, Wisconsin, has extended its contract with Local 385 until February, 1970, adding a 5½% wage boost on March 1, 1969 and numerous fringe improvements.

These include a ninth paid floating holiday in 1969; three weeks vacation after eight years, and five after 20 years; jury duty pay; 365 days of hospitalization, with surgical and other fees covered in "reasonable and customary" amounts; a $300 special accident benefit; weekly disability benefits of $45 for 26 weeks; and $3,000 life insurance increasing to $4,000 after 10 years of service.

Local 385 President Wilbert Jansen headed the negotiating committee, which was assisted by International Vice-President Art Lewandowski.

National Blank Book

A new Local 247 contract covering more than 100 office employees of National Blank Book Company, paper maker in Holyoke, Mass., calls for three annual 5½% wage increases.

The Pension Plan has been changed from contributory to non-contributory, with service credits raised 2% and the pre-vesting period reduced from 15 to 10 years. Other clauses improve vacations and add two paid holidays, the day after Thanksgiving and the day before Christmas.

Union harvest at CONOCO

Wage gains as high as $1,440 a year were secured in the first contract signed for computer operators at Continental Oil Company (CONOCO) in Ponca City, Oklahoma, who last year chose Local 437 as their bargaining agent in an NLRB election. A major collective bargaining breakthrough in EDP operations in the Southeast, the agreement establishes a minimum of 8% wage gain for the operators, and calls for an automatic 5% across-the-board boost for some 150 EDP personnel again on May 14, 1969. The first increase is retroactive to January 1.

Similar contracts won for three other departments provide for immediate raises ranging from 4% to 10%, and a general 5% increase in 1969. All the contracts are for two years, with the exception of Mineral Lease Records which runs for one year. The four pacts were ratified with only one dissenting vote. The other departments are the Cafeteria and Mail and Stationery.

The OPEIU obtained union security; checkoff of union dues; posting and bidding of all job vacancies, which in particular will enhance promotional opportunities for women employees; maternity leave with retention and accrual of seniority; grievance procedure ending in arbitration, with pay for all employees involved in arbitration proceedings.

Last September, the OPEIU intervened when an independent union sought to represent the computer operators. There followed tests through NLRB elections in this and four other bargaining units, plus one where the independent failed to place on the ballot. OPEIU won four of the six elections.

Cost-of-living clauses in pacts ending 30-day Cleveland strike

Three-year contract agreements which include cost-of-living clauses have ended the 30-day strike at Addressograph Multigraph in Cleveland conducted by Local 49 of the OPEIU and the Machinists.

The 700 white-collar workers received immediate pay raises of 6 percent while the 2,000 production workers made gains of 14 to 30 cents hourly. In the second and third years, both groups will receive three percent boosts.

The cost-of-living provisions, following the auto pattern, guarantee a minimum three cents in 1969 and 1970 and set the maximum advance at eight cents.

Pension improvements, a major strike issue, raise the $3 monthly benefit for each past-service year and the $4 benefit for future service years to $5 for both. Present retirees receive a $1 increase in their present benefits.

Group life insurance coverage is increased from $6,000 to $7,500 in the agreement. Sickness and accident benefits are increased from $60 weekly to $70 in the first year and to $75 beginning on June 3, 1970.

Vacations for 25-year employees are increased from four to five weeks, and the service requirement for a fourth week is reduced from 20 years to 18.

Maximum severance pay is increased from $1,250 to $1,500. Good Friday becomes the 11th holiday in 1970.

Professionals turn to unionism forecast by Chicago conference

White-collar scientific-technical employees and professionals will turn to unionism to solve their work problems, a conference in Chicago on "Collective Bargaining and Professional Responsibility" concluded. The one-day parley was sponsored by SPACE—the AFL-CIO Scientific, Professional & Cultural Employees Council—of which OPEIU is a member, and conducted by the University of Illinois Institute of Labor and Industrial Relations.

Here are some of the reasons expressed for the belief that higher level white-collar workers will go union:

● The nature of work is changing. Automation and computerization are eating away at the decision-making powers of these workers and are reducing the prestige value of their jobs.

● Upper-level management is using the same basic techniques once used on blue collar workers to control white collar workers and enlist their loyalty. Those techniques or strategies pushed manual workers into unions and will nudge white-collar workers along the same path.

● While the United States is behind Western Europe in organizing professionals, conditions are ripening for unionization here.

● The bargaining process for professionals and high level white-collar workers won't change from what it's been for manual workers, but the items on the bargaining table will be different.

The 40 representatives of unions and professional organizations agreed that there are two kinds of professional workers—"badge" and "non-badge."

Badge professionals are doctors, lawyers, teachers, engineers, etc., who need degrees and special licenses to practice their professions. Non-badge professionals—those in the arts, airline pilots, journalists, etc.—have a combination of education and work background which sets them apart from other workers.

Most non-badge professionals are unionized. In the case of musicians and pilots, the unions have strengthened the degree of professionalism of their members, it was noted.

Prof. Bernard Karsh, of the Institute of Labor & Industrial Relations, said the gap between the white-collar middle managers and top-level management in large public and private organizations is widening. It's getting harder to become head of a department or company.

"When these middle managers realize that they probably will never get to the top, they'll turn to unions," Karsh said.

Prof. Everett Kassalow, of the University of Wisconsin, said professionals in Europe and the United States are increasing in numbers at a faster pace than the rest of the work force. He said that as their numbers increase, the uniqueness of individual talents will decrease.

Kassalow said that the most dramatic growth in unionization of professionals in Europe has been among public employees. He noted that the same trend is starting here.

Jack Goldner, executive director of SPACE, said the council is prepared to advise professionals on how to organize.

Local 9 wins gains for two units

A three-year pact at Miller Brewing Company (Milwaukee's Champagne of Bottled Beer), will give some office workers—members of Local 9—salary raises as high as $2,000. The minimum hike will be 14%, the average 28%.

The employer agreed to improve materially Health and Welfare benefits in addition to paying all costs. Weekly benefits are raised to $75, or 70% of weekly salary. The time allowed for new employees to join the union was reduced from 60 to 31 days.

Another three-year pact signed by Local 9 with International Harvester, in Milwaukee, brings a 17¢ an hour minimum increase, graduated to 37¢ depending on salary grade. The raise is retroactive to October 10, 1967, and will be supplemented by another 3% advance on October 7, 1968, and an additional 3% a year later.

Other Harvester gains include an additional $100 as a vacation bonus for all employees, with an extra one week's pay for those with 20 or more years of service; cost-of-living clause; basic pension benefits raised to $6 a month per year of credited service (was $4.25); supplementary unemployment benefits raised to 95% of wages after federal tax deductions, and severance pay increased to a 2,080-hour maximum.

Because of Canada's postal strike, news from Canadian locals could not be included in this issue.

Clickety clack in B flat

Thousands of music lovers among Britain's office workers had mixed feelings in London recently as they awaited the premiere performance of a unique new symphony "dedicated to office workers everywhere."

What makes the symphony—written by West German composer Rolf Lieberman—unique is that it has been orchestrated only for office machines including: teletypes, cash registers, duplicating machines, typewriters, calculating machines, coffee and cigarette vending machines.

And the conductor? A computer!

OPEIU 'Threat to banks' Stirs Chicago banker

The OPEIU's recent successes in organizing clerks and tellers in banks in the U.S. and Canada is giving the banking industry something to think about. This was apparent at the Lincoln City convention of the Oregon Bankers Association when a Chicago banker, a guest speaker, viewed the situation with alarm. (See editorial, page 2.)

"We must get our houses in order. I hope I don't see the unions come into the banks," said Alfred E. Langenbach, veep of the First National Bank of Chicago, who also wears other hats. He's a member of the Board of Regents of Chicago's Chapter of the American Institute of Banking and of the Labor Relations Committee of the Chicago Association of Industry & Commerce.

Warning his colleagues that "unionization is approching ever nearer" in their industry, Langenbach said that "in 1967, some 16,000 white-collar employees were unionized for the first time." He added that "in two-thirds of the 1967 labor elections, where white-collar workers were involved, the unions were successful."

He observed too that union organizers are employing sophisticated policies and practices to enlist bank and other workers. "They are moving into the Little Leagues, into the churches, into the neighborhood associations. And they are enjoying better acceptance all the time."

Langenbach said he knew of only 10 banks now organized by unions but reminded the bankers to recognize that "older employees will be retiring and the entire families of the new and younger employees may be unionized."

Since he has been connected with bank personnel matters since 1939, he predicted "something of a revolution" in bank training and administration as automation expands, he declared:

"You recall the furor when we had to train and pay tabulating personnel. That furor was just a ripple compared with the effect computers are going to have."

Local 11 arbitration award

An arbitration award against International Paper Company's Long-Bell Division in Longview, Washington, has reinstated a Local 11 member with 12 years seniority who had been discharged when her job was upgraded. The award included around $1,000 in back pay as well as promotion.

Early in 1967 Mrs. Mildred Lappe, a Grade III Accounts Payable Clerk contended that her responsibilities had increased to a point warranting a Grade IV rating and filed a job reevaluation request.

At the time, her supervisor agreed and forwarded the papers. However, prior to the change being effected, this supervisor was transferred. His successor disapproved the upgrading. The employer committee then reviewed the job and sustained the new supervisor. The union committee also reviewed the job and sustained the grievant. The matter was referred to arbitration under the grievance procedure.

Before the issue got to arbitration, management announced that a new and more complex Grade IV had been created, that the Grade III job had been abolished, and that Mrs. Lappe was not qualified for the new job. She was summarily discharged.

The job vacancy was posted three times. Each time, Mrs. Lappe—the only bidder—was turned down as "not qualified." Three outsiders were brought in to fill the vacancy. The first quit; the second was discharged as unqualified; and the third, a company relief employee from California who had worked there previously as an Invoice Clerk, was brought in as a new employee in January, 1968.

After hearing arguments lasting a day and a half by both sides, the Arbitrator ruled that "all factors considered," Mrs. Lappe had both company and departmental seniority over the new employee and had been denied a fair chance to prove herself. He noted that she had been paid premium wages during her entire tenure of employment, "the best barometer of measurement of satisfaction by an employer of an employee's work performance."

16.5% advance at Sandia Corp.

SIGNING AT SANDIA: Standing from left are Ray Clark, Ken Sutton and David Tarbox of Sandia labor relations staff; Personnel Director Ray Powell; OPEIU Vice-President Frank E. Morton; Dr. John Hornbeck, President of Sandia, and Dominic Russell of Local 251 Negotiating Committee. Seated from left are Local 251 President Byron L. Stewart; E. C. Peterson, Sandia Labor Relations Manager; Local 251 Secretary-Treasurer H. R. Perea; and Maxine Stephenson and Daryl W. Orth, members of union committee.

Sandia Corporation's 1,300 clerical employees receive a first-year package of pay and fringe benefit increases estimated at 6.5% under a three-year pact negotiated by Local 251 with the Albuquerque Atomic Energy Commission contractor.

Subsequent increases are valued at about 5% each year. Weekly salary increases range from $10.40 to $23.75, with the top rate in the unit going to $183.50.

Other gains include an additional holiday on Good Friday, bringing paid holidays to a total of 9½; premiums of 15¢ an hour for the second shift and 30¢ an hour for the third—an increase of 5¢ each; and improved health care benefits.

The corporation will pay 100% of health care costs by the end of July, 1970. Current benefits include accident treatment if undertaken within 72 hours of the mishap (formerly 24), and a provision to cover oral surgery performed in a dentist's office as well as in a hospital.

Italian bank unions win 7%

After an intensive nationwide campaign, Italian bank unions have succeeded in obtaining a 7 percent pay increase in addition to an automatic cost-of-living adjustment.

The salary increase, effective in two stages between now and 1969, is double the 3.5 percent offered by the employers before the campaign started. Under an agreement effective January 1, 1968, the principle of the cost-of-living sliding scale applied in industry is also applied in banking.

Among other gains, Italian bank employees received a bonus equal to 85 percent of their salary in December, 1967 (the employers proposed 33 percent). In addition, contracts are to be renewed every three years instead of four. Because bank-notes of 50-thousand to 100-thousand lire have now been put in circulation, the risk indemnity for cashiers has been increased by 30 percent.

Protections for older workers outlined

A law passed last December but given little public attention may make a big dent in the "too old at 40" age barrier to jobs. The labor-backed legislation, effective June 12, bars discrimination because of age—in hiring, conditions of employment and retention on the job—for workers between the ages of 40 and 65.

Many of the law's details still have to be spelled out in Labor Department regulations, but a department pamphlet gives a broad outline of its provisions.

The new law applies to employers, employment agencies and unions in establishments which are covered by the Fair Labor Standards Act and which employ at least 25 persons. (Through a quirk in the legislation, only firms with 50 or more workers are covered between June 12 and June 30).

After the effective date, it will be illegal for an employer:

- To fail to hire, or to discharge or otherwise discriminate against a worker or job applicant because of age.
- To classify his employees on the basis of age so as to deprive any worker of employment opportunities.
- To cut any person's pay in order to comply with the law prohibiting age discrimination.

It will be illegal for employment agencies or unions to use age as a criterion or for help wanted advertisements to indicate any age preference or limitation.

There is a broad area of discretion in the administration of the law. An employer who can demonstrate that age is a valid occupational qualification for the job to be filled is exempt.

Likewise, the law will not interfere with the operations of any legitimate seniority system or pension plan. But the existence of a pension plan will not be considered justification for refusal to hire an older worker.

The Labor Department is given authority for enforcement of the new law, and lost wages or back pay will be considered the same as money due employees in cases where the wage-hour law has been violated.

The Secretary of Labor is empowered to bring civil suit to correct violations, but first must attempt to secure voluntary compliance.

$846 GNP seen

The United State's gross national product is expected to reach a record $846 billion in 1968—a 7.8% increase over the 1967 figure—according to Department of Commerce projections.

The 7.8% increase is expected to include 4% in real growth. Inflation will account for the balance.