WHITE COLLAR

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

No. 383 JANUARY 1979

OPEIU Discusses Merger With Insurance Workers

Executive Board OK's 1980 Convention Plans; Membership Tops 103,000

The Executive Board of the Office & Professional Employees International Union at its recent meeting in Nevada authorized International President Howard Coughlin and Secretary-Treasurer William Lowe to meet with representatives of the AFL-CIO and the Insurance Workers International Union to explore a possible merger with the Insurance Workers.

Other actions taken by the Executive Board were:

1. It confirmed the 1980 Convention arrangements and designated the New York Hilton Hotel in that city as the site of the Convention, which will open on June 6th. The Executive Board will meet the week prior to the Convention and Convention Committees will be assigned to their tasks on June 4th and 5th.

2. The Board, at the request of the AFL-CIO, voted to contribute $500 to the Wayne Morse Chair of Law and Politics at the University of Oregon.

3. The Board discussed the possible formation of new Councils for organizational purposes throughout the United States and encouraged OPEIU Local Unions to form such Councils at the earliest possible date.

4. The Board approved the merger of Local 450 into Local 17.

5. The Board discussed President Carter's Guidelines at great length. It agreed that in negotiating with companies which do a substantial portion of their business with the government, it is going to be difficult to secure wage increases over and above the Guidelines. The Board disagreed with the Guidelines and felt that the government was not controlling prices to the extent that wage guidelines could be realistic. The Board also doubted that the Presidential intent to allow price increases of 0.5% above the high of 1976-77 could be enforced with a staff of 135 workers administering the program in Washington. The Board noted that during the control period of World War II, 63,000 were employed by the Office of Price Stability to assure compliance with that program.

6. The Board noted that the Canadian Triennial Convention of OPEIU Local Unions will be held in Ottawa at the Skyline Motel, March 31-April 1, 1979.

7. The Board denied the appeal of three members of Local 29 against disciplinary action imposed by that Local Union.

8. The Board approved President Coughlin's report which indicated a new membership high for the OPEIU. Our membership average in the past seven months was 103,682 which indicates a gain of 5,394 over membership figures reported to the 1977 Convention.

9. The Board noted that, with the exception of Local 12 in Minneapolis/St. Paul where a voluntary trusteeship was requested by the membership of that organization, our International Union is completely free of trusteeships.

10. At the meeting of the Retirement Committee of the Office & Professional Employees International Union Pension Plan, the Executive Board, after hearing a report from Clifford Routh of the Martin E. Segal Company, adopted a change in the Pension Plan whereby the benefits formula at retirement will be increased by one-half of one percent from two to two-and-a-half percent. This change will call for an additional contribution of one percent by the International Union and participating Local Unions. The Retirement Committee instructed its Executive Officers to look into the possibility of improving the benefits for those already retired and report to the next Executive Board meeting.

Business Week Article Says Unionism Pays Off

Pay raises for white-collar employees achieved at unionized corporations have sparked salary increases for clerical personnel in all sectors of the economy. That's one of the conclusions of an article entitled: "A boom in white-collar salaries," "published recently in *Business Week*.

The article notes that pay increases for clerical employees in corporations where they are covered by collective bargaining agreements have run ahead of increases for secretaries and other workers in non-union firms.

The article deals only with salaries. It does not discuss other advantages unionized employees enjoy: hospitalization and life insurance coverage, pensions, security on the job, and other fringe benefits.

John P. Cahill, 62; Exec. Bd. Member

We regret to announce the death, after a long illness, of OPEIU Vice President John P. Cahill at his home, 5112 - 41st Ave., Hyattsville, Md. 20781. He retired as President-Business Manager of Local 2, Washington, D.C., earlier this year but continued to serve as an International Vice President.

Before joining the OPEIU, he had worked during World War II for the U.S. government in aircraft production, receiving for his efforts a citation from the British Ministry of Aircraft Production, and a letter of appreciation from the then Prime Minister Winston Churchill.

After the war, he joined the OPEIU and became Local 2's Secretary-Treasurer in 1947. He was elected its President in 1950 and served in that capacity for the following 28 years.

In 1962, he was elected an International Vice President and was reelected to the post at subsequent OPEIU Conventions.

He was born in Washington, D.C., in 1916. He is survived by his wife, Mary Elizabeth, and one daughter, to whom we extend our deepest sympathy.

Wage Guideline Rules Eased; May Average as "High as 7.2%"

The Carter administration has modified slightly its wage-price standards that are designed to encourage compliance with the anti-inflation program.

However, the changes don't alter the basic thrust of the President's program, Alfred Kahn, anti-inflation chief, told a news conference in Washington, D.C.

One change eases the wage standard by counting only part of the costs of maintaining health benefits while discounting entirely the costs of maintaining pension benefits.

The other change concerns the price standard, which calls on companies to keep their price increases in the year ahead at least 0.5 percentage point below the average annual price increase in 1976 and 1977.

The basic pay guideline remains 7%, but Kahn conceded that the liberalized treatment of wage and fringe benefits could average as "high as 7.2%" under the program. During October, consumer prices rose at a 9.6% annual rate.

The change in how fringe benefit costs should be calculated, was adopted after labor and business groups complained that the additional expense to employers of simply maintaining existing benefits would eat up a substantial portion of the allotted 7%, making it additionally difficult for workers to keep pace with inflation.

Thus, to make allowances for the burgeoning cost of providing health care, the government now says employers may exclude from the guideline any added health benefit costs that exceed 7%.

In other words, if the cost of maintaining current health benefits grows by more than 7% from last year's cost, the additional amount needn't be charged against the guideline. But any extra costs resulting from expanding health benefits must be charged against the 7% limit.

The new exemption for retirement benefits goes even further. It says employers needn't charge against the guideline any added costs of maintaining present pension levels as long as the increases are the result of new laws or actuarial requirement.

Again, any increased costs attributable to plan improvements will automatically fall under the 7% guideline.

New Organizing Adds 1,000 to OPEIU Rolls

As 1978 closed, approximately 1,000 new members were added to OPEIU rolls as a series of organizing campaigns reached their climax in December in National Labor Relations Board elections.

New York Local 153 won a 275-member office unit at Group Health Insurance, Inc., in Coral Gables, Fla., an out-of-state branch of the New York GHI whose employees have long been represented by Local 153. The vote was 154-to-102.

The campaign lasted several months, led by Organizer Jim Bloodworth. He was assisted at intervals by Local 153 Business Manager John Kelly, Sec.-Treas. Mike Goodwin, Representative Gladys Lee and several GHI stewards from the New York office who explained the benefits of OPEIU representation.

International Representative Mike Walker reports that Milwaukee Local 9 has successfully organized a 200-member unit of office employees and technicians at the Dynamatics Corporation in Kenosha, Wisc., a division of the Eaton Corporation, manufacturer of all types of machinery.

Local 9 Business Representative Judy Burnick led the campaign which resulted in an almost 2-to-1 victory; 110 vot-

(Continued on Page 4)

WHITE COLLAR

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

HOWARD COUGHLIN, *President* — WILLIAM A. LOWE, *Secretary-Treasurer*

POSTMASTERS, ATTENTION — Change of address Form 3579 should be addressed to: **Office and Professional Employees International Union, 815 16th Street, N.W., Washington, D.C. 20006.**

LABOR PRESS AFL-CIO/CLC 3

PRINTED IN U.S.A.

Published monthly, except for combined July-August issue, by Office and Professional Employees International Union, 815 16th Street, N.W., Washington, D.C. 20006. Second class postage paid at Washington, D.C.

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

"Dim" Outlook for Guidelines

The slightly modified voluntary wage-price guidelines invoked by the Carter administration to fight inflation now set a 7.2% ceiling on fringe benefit increases. Yet the October Consumer Price Index was running at a 9.6% annual rate, and headed for the double-digit area with the 14.5% OPEC oil price boost.

Neither organized labor nor business is satisfied with the program which seems to be treating the symptoms rather than the disease itself. Following announcement of the program, the non-profit business research Conference Board assembled a panel of representatives from unions, corporations and the academic community to assess the outlook.

The panel's consensus was that the outlook was "dim" for success of the program. It was generally agreed that the unions would focus on winning wage increases, gaining or improving cost-of-living adjustments, and improving job protection.

The test will come this Spring with the trucking industry, first group at the bargaining table. The Conference Board projects that the teamsters will gain raises ranging from 12% to 15%, to be followed by the rubber workers with gains of 9% to 12%; electrical workers, 9% to 11%; and the auto workers 11% to 13%. This would average around 11% overall.

One panel member commented: "Some marginal victories may be won and the average wage settlement nudged down, but with little consequential effect on general wage trends at the bargaining table or in the labor market as a whole."

Historically, wage-price guidelines are nothing new. They were tried by the Nixon administration, in Great Britain and France, and more recently in Canada. In fact, in far simpler economies like ancient Egypt and imperial Rome they were also used. But in every case they failed. There's no reason to believe they can succeed this time. Half of the panel agreed that mandatory controls will follow.

While everyone would like inflation to be brought under control, we doubt very much that the solution to the problem lies in the present administration approach. But we can safely predict, nevertheless, that many will attempt to make unions the scapegoat.

Is Bargaining in Danger?

Inflation and anti-inflation programs threaten the traditional role of collective bargaining, as a means toward social progress and industrial peace, with the likelihood that governments gradually will enter the process.

This is the conclusion of Efren Cordova, chief of the ILO's Labor Law & Labor Relations branch, writing in the *International Labor Review*. He says that employer-worker negotiations have always been affected by the ups and downs of the business cycles in the past.

However, he adds that the present danger "reaches deeper than previous ones, for it is the very nature of collective bargaining as a process of voluntary negotiations between employers and workers' organizations that may be at stake."

The challenge for governments in the present slump is the cost-wages inflationary spiral, Cardova notes. Basically, he says, there are two approaches to the problem:

"One is to impose a wage control system under which, of course, the voluntary character of collective bargaining goes overboard. If specific ceilings on salary movements are prescribed, then the freedom of the two industrial partners to fix the conditions of employment is curtailed."

Citing recent experience in Canada, France, the Netherlands, the United Kingdom and the United States, he observes that "not surprisingly, employers and workers don't like it."

The second approach, he continues, lies in elaborating and implementing what is called a "socially responsible wage policy," worked out in consultation with governments.

"Though the principle of voluntarism is here maintained," he notes, "government may gradually become the inevitable and sometimes principal partner. . . ." This implies a move from the traditional labor-management dialogue toward a tripartite discussion.

"Under these circumstances," Cardova concludes, "collective bargaining is bound to become more and more influenced by political considerations. Thus, the old and vigorous institution will face new and far-reaching challenges."

Pay Hikes Don't Cause Inflation

Study Finds Wages Lag Behind Rising Prices and Taxation

Wage and salary raises are not the cause but the effect of the current inflation, according to a study made for the AFL-CIO by a Washington, D.C., economic consulting firm, which finds that wages and salaries instead have lagged behind the inflation rate.

The study criticizes the "mentality that automatically links inflation to wage and salary increases despite the fact that price increases have outstripped by a considerable margin increases in the minimum wage."

Moreover, the study says, proposals to slow economic growth or, perhaps, bring on a recession as a cure for inflation are "more likely to prolong or aggravate the inflation than to moderate it," because the "theories on which such proposals are based have very little link to current economic realities."

The study continues, "inflation in the United States is in no way due to pressures generated by demand. There is at this point considerable slack in the economy, evident from the high level of unemployment and the existence of substantial unused plant capacity. And still prices keep rising rapidly. There is simply no reason to anticipate that creating additional slack will ease the pressure on prices."

The reason is, the study notes, that few producers will tolerate a profit squeeze when lack of competition allows them to increase unit prices and maintain profit margins.

"Obviously, not all producers are in a position to raise prices without regard to the condition of the market," the study observes. But there are many who are . . . and these firms are the major corporate giants in a number of key industries, where price competition is practically non-existent."

Regarding worker pay, the study finds that increases in wages and salaries since 1969 "have been illusory." They have been "eaten up by the continuing rise in prices." Many workers have been subjected to an actual decline in living standards as a result of rising prices and taxation, it says.

The study notes that the average nonfarm worker earned $95.91 a week in real spendable income after taxes in January, 1969. Despite wage increases, the rise in state and local taxes and higher prices has allowed spendable income to go up a trifling nine cents, to only $96.00 a week in July, 1978.

Because this figure is an average, the study continues, "millions of workers have not managed even to maintain themselves on the treadmill. . . . In real terms, they have less today than in 1969.

Other major findings of the study include:

- Exorbitant interest rates actually have increased inflationary pressures because they force up the prices of goods and services needed by workers who are then forced to seek higher pay to meet higher prices and the interest rates on loans.
- Labor costs have actually declined as a share of total production costs, while the costs of raw materials, power and transportation have taken a larger share.
- Because of declining effective federal, state and local taxes on corporations, corporate after-tax profits have risen from a 5.3% share of national income to 6.2%, a 17% increase.
- Slowing economic growth and slowing of productivity actually is inflationary, despite economic theory to the contrary. "The fact is, the shortfall in productivity during periods of slow economic growth generates pressures on production costs that can just as readily lead to increases in prices."
- Other countries have found that higher wages and salaries do not necessarily lead to higher prices. West Germany, France, Japan and Italy all had unit costs go up at higher rates than in the United States. Yet, only the United States saw wholesale prices rise faster than labor costs.

Tampa Electric Yields Fat Package

Local 46 Unit Wins Pay Hike, Benefit Gains in New Pact

Wage gains totaling 22.3% over three years, with other fringe benefit improvements were won by Local 46 in a renegotiated contract for its office unit at Tampa Electric Company, OPEIU Vice President & Regional Director J. Oscar Bloodworth reports.

He says that 10.9% of the wage increase went into effect November 1, 1978. Also secured was a shift differential of 16¢ an hour for the second shift, and 20¢ for the third.

Good Friday was gained as an additional paid holiday, increasing the annual total to 11 and the vacation schedule was liberalized to provide three weeks after seven years and one month of service.

Life insurance coverage was increased to $10,000 per employee (was $2,000), and substantial improvements were made in the hospital-surgical plan. Major Medical was increased to $100,000 coverage (was $50,000). Under the plan, maternity benefits will be paid as for any other illness.

The paid sick leave program was improved and a savings program was also negotiated in which the company agreed to add 50¢ for each $1 an employee deposits. The company also agreed to a salary continuation plan during any lay-off period of full salary up to 30 weeks.

A severance pay plan was also agreed upon, based on age plus service, in recognition of an employee's service and contribution to the company prior to termination. Based on a presumed period of unemployment following termination, the company agreed to pay 35% of a week's salary for each year of full service if age plus service are less than 40.

This severance allowance can run as high as 70% of a week's pay for each year of service if age plus service total 80 or more. Richard Lyon chaired the Local 46 negotiating team which included Roy Henson, Don Glover, W. W. (Skip) Griffith, Don Strickland, W. H. (Bill) Rodgers, Local 46 President Charles Butler and Secretary Dorothy Mobley. They were assisted by Bloodworth who organized the unit more than 20 years ago.

Charles Hogan, 61; Ex-OPEIU Official

We regret to announce the death of Charles Hogan, 61, a former OPEIU International Representative for the Eastern Region, in San Dimas, Calif. At the time of his death, after a brief illness, he was the AFL-CIO Director for Region 6 on the West Coast.

More familiarly known as "Chuck," he was born in Philadelphia, Pa., where he spent his early childhood. A veteran of World War II, he served in the U.S. Navy.

Before joining the AFL-CIO national staff in 1963, he had served in various capacities with many International Unions. Prior to becoming a Region Director, he administered the Los Angeles-Orange Counties Organizing Committee set up by the AFL-CIO Executive Council to bring about maximum cooperation, coordination and participation in the field of organizing among the more than 40 International Unions within its framework.

He is survived by his widow, Carole Cathryn; two sons, Mark Edward and Cal David; two daughters, Avis "Del" Morici and Rae "Sandy" Morgan, and seven grandchildren.

Delayed Picture of Delegates to Western Educational Conference

Because of an oversight in forwarding, we regret the delay in publishing this photo of delegates who attended the highly successful Western OPEIU Educational Conference. Here the delegates posed outside the Quality Inn, in San Francisco, Cal., where the conference was held in September. Women delegates outnumbered men by about two-to-one, reflecting their growing interest in unionism.

Tacoma Health Assn. Signs Initial Pact

New OPEIU Unit Wins Many Gains Over Pre-Union Days

Important gains in pay, fringe benefits and working conditions were achieved in an initial one-year agreement negotiated by Tacoma Local 23 for its new unit of about 32 office employees and technicians at Sound Health Association in that city, Business Representative Frank E. Fennerty, Jr., reports.

He says the average increase is 14¢ an hour in addition to anniversary date raises ranging from 7% to 10%. It brings the starting rate in the lowest grade to $3.25 an hour, rising to $3.70, and for X-ray technicians to a $5.85 an hour start, rising to $5.85.

Among fringe benefit gains are medical and hospital coverage for the employee and one dependent; sick leave cumulative to 60 days at the rate of one day per month; paid bereavement leave, and leaves of absence for illness, maternity and advanced study.

The initial agreement includes a modified union shop and protection for employees in event of technological changes, with new rates to be negotiated if job content is thus altered.

The contract also provides for posting job openings and promotions, the latter based on qualifications and seniority; a system for warning letters with employees having full access to all material in their presonnel files, and grievance procedure spelled out, culminating in arbitration.

Fennerty says that the value of union protection was recognized immediately by the new unit members when, in the course of contract negotiations, two grievances were won restoring their jobs to two employees who had been unjustifiably terminated.

N.Y. Man Gets OPEIU Post on West Coast Field Staff

President Howard Coughlin announces the appointment of Richard Holober, 26, as a new International Representative assigned to the West Coast. He will be based in San Francisco.

A native of Flushing, N.Y., he holds a B.A. degree from the University of Rochester, and an M.S. from Cornell University where he majored in collective bargaining, labor law and labor history at the N.Y. State School of Industrial and Labor Relations.

In 1977, he served as a field examiner intern with the National Labor Relations Board in San Francisco, and before joining the OPEIU staff was an assistant teacher of labor history at Cornell University.

Honor Retired OPEIU Official

JOHN F. FITZMAURICE, who retired recently as International Representative, Northeast region, was the guest of honor at a retirement party at the Ramada Inn, in Mystic, Conn., attended by hundreds of friends and colleagues from Locals throughout the region. From left are Local 106 Sec.-Treas. Joseph Quattromani, John F. Fitzmaurice, President Paul Bruno, and Rec.-Sec. Stephen Hancock.

OPEIU Wins Job Back For Clerk Fired Unjustly

That an OPEIU card guarantees a fair shake for unit members was a discovery made by Marilyn Myers, of Baton Rouge Local 428, after she was fired for "absenteeism and tardiness" by the Baton Rouge Water Works Co., where she worked for two years as a customer clerk.

Local 428 filed a grievance immediately, contending that she was treated unfairly, because she was sick, and had worked on many occasions even though she was sick. Four days before she was fired, she had to leave at noon to see her doctor.

The company claimed that she had a "poor" attendance record, and had been given two written notices before she was fired.

When the case was brought to arbitration in New Orleans, La., before John F. Caraway, selected from a Federal Mediation & Conciliation Service panel, he ruled that the company had "terminated her employment without just cause."

He ordered the company to reinstate her immediately to full employment and restore all lost seniority.

International Representative Jack Langford handled the case for Local 428.

D.C. Health Plan Signs First Pact

New Unit Gains 13% Pay Hike in 28-Month Contract

A 13% general wage boost over 28 months, with other improvements in working conditions, were won by Local 2 in an initial contract negotiated for its new 130-member unit of clerical, technical and administrative employees at the Georgetown University Community Health Plan, Inc., in Washington, D.C.

President-Business Manager Jim Sheridan, of Local 2, says the new agreement calls for a 6½% pay boost in each year. Some employees got an additional 7% under a suspended merit increase plan reimplemented for those whose anniversaries fell between June 26 and Dec. 31, 1978.

Those who are required to work on Sundays or holidays will get doubletime rates. The contract provides nine paid holidays and two one-half days, making the annual total 10. It also provides vacations ranging from two weeks in the first year to five weeks in the ninth year.

Management also agreed to institute flexitime on a trial basis to areas of operation where patient care is not involved.

The contract provides sick leave of one day per month, cumulative without limit. The employer agreed to pay 100% of the monthly health insurance premiums for individual or family coverage for all full-time employees. Part-time employees may obtain the same coverage on a pro-rata basis.

The contract sets up arbitration machinery; a modified union shop, and contains clauses covering subcontracting, automation and health-safety. An educational fund is also set up by the employer to provide up to $250 for employees who wish to attend approved refresher courses of one week or less, a seminar or conference of educational value to the employee in his or her work.

The new agreement runs from Sept. 1, 1978, to Dec. 31, 1980, and was negotiated by Business Representative Dan McShain.

More Women Join Unions At Fastest Pace in 20 Years

Women in labor unions increased by some 1.1 million in the 20-year period, 1956 to 1976, accounting for almost 50% of the total growth in union membership, according to the U.S. Department of Labor. By 1976, women represented one of every five union members.

In an article entitled "Women in Labor Organizations: Their Ranks Are Increasing," it was pointed out that the growth in female union membership parallels the increased labor-force participation of women. It adds that:

"Their continued concentration in certain low-paying white-collar occupations, that have been traditionally difficult to organize, has made them an increasingly important source of union strength."

The article said that an examination of the membership pattern in unions with 50,000 or more women members (such as the OPEIU), showed a trend toward more women joining these unions. Their female membership rose at a faster pace than among all unions during the 20-year period covered.

Don't Drink Coors Beer!

from the desk of the PRESIDENT

Anti-Union Press Silent On Corporate Misconduct

A large segment of the public press, either directly or by innuendo, raises questions concerning the integrity of the labor movement if and when a criminal indictment of a labor leader occurs. The same questionable atmosphere is created when investigations of a major labor organization are announced. Paid labor relations experts, with the goal in mind of terminating union representation, emphasize these problems in order to sell their programs.

The media and those who would use this questionable publicity against organized labor seldom, if ever, use evidence of corporate corruption in the same manner. You would have to go to great lengths to find a publication that spelled out a recent Senate Subcommittee report which stated: **"Hardly a day passes without some shocking revelation of corporate misconduct—corporate bribery, political slush funds, misrepresentations and falsifications, personal use of corporate airplanes, cars and vacation spots, and excessive salaries for officers."**

Phyllis Payne, an attorney for the Laborers' International Union, dwelt on this subject in an article published in the AFL-CIO's *"Federationist."* She stated: **"Even those corporations that have admitted to bribery on an international level have not been severely chastised for such actions. They have often agreed by consent to discontinue the practices and to make that kind of information available to their shareholders in the future, hardly a very severe penalty."**

Phyllis Payne pointed out that an informal survey of articles published in *The Wall Street Journal*—not generally considered a newspaper with an ax to grind against the business world—during the first half of 1978 has revealed that indeed not one day did pass that the *"Journal"* failed to report upon some aspect of corporate corruption and misconduct.

The violators include the large multinational corporations that dominate American society and its economic and political life. We are talking now about companies in the Fortune "500" which have the highest sales in our nation.

Fortune "500" companies had sales of $1,086 billion and earned profits of $53 billion in 1977. The corruption, whether commercial or foreign bribery, illegal campaign contributions, price-fixing or tax evasion, takes a direct economic toll on each American in the form of higher prices and higher taxes.

Ms. Payne's article which, in effect, was an informal survey of news published in *The Wall Street Journal* in the first months of 1978 saw criminal indictments of companies which engaged in the foreign bribery uncovered during Watergate. Companies in the paper industry indicted thus far for price fixing totalled 36. Kickback schemes in shipping are widespread. Two Federal agencies are presently looking into the drug and chemical industry.

There is Congressional action by both Houses to halt preferential treatment of insiders by banks. There is also a federal investigation of the oil industry for illegal overcharges to small producers. In addition, there is a Justice Department investigation of the movie industry, indictment of brewing companies following a year-long investigation of industry-wide rebate schemes, and new disclosures of foreign bribery in the aerospace industry.

Stanley Sporkin, SEC's top enforcement officer, reported to the Senate Committee that at last count more than 350 public corporations have reported making illegal or questionable payments in the conduct of their foreign or domestic business.

At least six federal grand juries are investigating illegal rebates in the form of money and gifts to customers by trucking companies and railroads. Our auditor of the Interstate Commerce Commission told *The Wall Street Journal* that such rebates could total as much as $1.5 billion per year.

The former Chairman and some current officers of J. C. Penney have been sued by two former auditors who charge that they were fired to cover up an investigation into a kickback scheme. It is alleged that various officers of the company received cash or construction on their private homes, all of which the auditors say were billed to Penney or included in the price of the work to be performed for Penney.

The exposure of the policy of banks in granting special privileges to officers, major stockholders, directors and their families, such as making loans without interest or at reduced interest rates, and allowing insiders to overdraw checking accounts without paying interest came about as a result of the original investigation of Bert Lance and the Calhoun First National Bank.

Phyllis Payne's article is replete with numerous other examples of corruption in major companies and major industries such as petroleum, motion pictures, brewing and liquor, tobacco, communications, rubber and electronics.

Both the media and those who would attempt to eliminate unions take isolated examples of human failures in the trade union movement to downgrade, if not destroy, organized labor. The media and the same individuals would have you believe that major corruption in corporate life is of little importance.

Buffalo B.C./B.S. Contract Formally Signed

All wearing cheerful smiles, Blue Cross and Blue Shield officials attend formal ceremony to mark signing of new contract recently negotiated with OPEIU Local 212 in Buffalo, N.Y. Seated from left are BS Vice President E. Hoenig; BC Director of Administrative Services R. Reid; BS President J. Manyon; Local 212 Business Representative G. Skrzeczkowski, and BC Vice President of Finance R. Cahmore. Standing behind them are BC/BS OPEIU negotiating teams. From left are K. Bouquard (BS); R. Burakowski (BC); B.S. Chairperson A. Pierce; V. Enyon (BC); BC Chairperson D. Johnston; A. Gelsomino, (BC), and BS Vice President H. Becker.

Higher Pension Benefits Unlikely for Work Past 65

Although a new federal law allows most employees to work until age 70 instead of the traditional age 65, the extra years won't increase an employee's pension at most companies, according to a recent survey.

About 56% of 127 corporations surveyed by Towers, Perrin, Foster & Crosby, a New York consulting firm, said they planned to freeze accrued pensions at age 65, even if the employees elected to work past that age.

Another 29% said they would allow some additional pension accrual beyond age 65. The other companies couldn't say what they would do when the new legislation took effect on January 1.

Of the 127 companies, 79 expect fewer than 10% of their salaried employees to remain on the payroll after age 65. Another 41 companies predict that between 10% and 25% will work beyond age 65. Only five companies put the estimate higher than 25%, and the others didn't know.

While 61% of the companies say they will neither encourage nor discourage work beyond 65 years of age, 25% said they would discourage the practice. The rest were uncertain.

New Organizing Adds

(Continued from Page 1)

ing yes and 61 no.

Local 153 scored a second organizing success at Wesleyan University in Middletown, Conn., in another NLRB election, adding 125 building and maintenance employees to its existing office unit. The latter originally was an independent association which had failed to obtain a contract after four years of fruitless talks.

A year ago, it was given an OPEIU charter as Local 498 but management still balked. Last August the office unit voted to merge with Local 153, winning a respectable initial contract after job action. Following this victory, the maintenance employees decided they, too, needed Local 153 representation. An initial contract is now being negotiated for the group.

International Representative Arthur Bivins reports winning a 220-member unit of county employees in Saginaw, Mich., by a substantial margin. The vote for OPEIU representation was 115 yes; 47 no.

International Representative Gene Dwyer obtained recognition for a 20-member unit of head librarians in Ocean County, N.J. Philadelphia Local 14 will bargain for the group.

U.S. Price Index

U.S. Bureau of Labor Statistics
New Base 1967 = 100

1977		
November		185.4
December		186.1
1978	Old	Revised
January	186.9	187.1
February	188.3	188.4
April	191.3	191.4
May	191.2	193.3
June	195.1	195.3
(Old Index discontinued after June)		
July		196.7
August		197.8
September		199.3
October		200.9
November		202

Canadian Price Index

Statistics Canada
* New Base 1971 = 100

1977	
November	166.1
December	167.2
1978	
January	167.8
February	168.9
March	170.8
April	171.2
May	173.6
June	175.1
July	177.7
August	177.8
*September	177.5
(*First decrease since Sept. 1971)	
October	179.3
November	180.8

If you move, send you old and new address, including zip code and social security or social insurance number to:
William A. Lowe, Sec.-Treas.
815 16th Street, N.W., Suite 606
Washington, D.C. 20006