New Election in Wake of GE's Tactics

Pension Expert Addresses Northeastern Conference

The regularly scheduled meeting of the Northeastern Organizational Conference was held in the Hotel Lexington on Saturday, April 11th. Delegates from Maine through Washington, D.C. were represented at a most interesting Conference meeting.

The highlight of the Conference was a talk by Martin E. Segal, one of the leading consultants in the health, welfare and pension field in the United States. Mr. Segal's firm represents numerous International and Local Unions throughout the country and Canada.

Mr. Segal presented the basic steps for the establishment and administration of health, welfare and pension plans. He explained in detail the reasons for historically administered as opposed to employer unitarily created and administered programs.

He noted that unilateral employer plans are inadequate in terms of benefit structure. Many of them have undue restrictions as to eligibility for coverage, some requiring six months of employment or a year of employment.

Many of them make no provision for continuation of benefits through periods of unemployment or layoffs.

In addition, some of these plans, while contributed to by the employer and the employees jointly, hold special tax advantages for employees, but dividends accrued to the fund are used by the employer to reduce his own contributions. In Union-Employer administered funds, rebates to the fund because of experience are used for purposes of providing additional benefits or for extending present benefits. In the latter instances, the representatives of the Union and representatives of the employer must, of necessity, make joint decisions with respect to the fund. In instances of employer established and administered funds such decisions are made only by the employer and usually not to the advantage of the employees.

Mr. Segal pointed out that it is possible for more than one Local Union to participate in the same fund. In other words, in a given area, it may not be feasible for one employer and one Local Union to establish such a fund. It is to the advantage of all concerned to have multi-employer and, sometimes, multi-Union funds.

He pointed out that the larger the fund, the lower benefit costs in smaller funds, for example, those with less than 25 employees, insurance companies insist on actuarial examinations for those covered. The insurance companies reserve the right to reject employees in smaller funds. The cost of administering a larger fund is much greater than for a larger fund. In the larger funds, the insurance companies involved require a much smaller retention figure and the fund office costs are lower.

Mr. Segal emphasized the collective bargaining and organizational advantages which go with Union-employer administered funds. It is a simple matter to ask a newly organized employer to contribute "X" dollars into an established fund. In these instances, it is possible to let employees and employers know exactly what benefits will accrue to the employees concerned.

It was pointed out in the question and answer session that employers not covered cannot obtain the same benefits without paying substantially more for such benefits. In the larger multi-employer funds benefit costs are substantially lower.

Vice President Nicholas Juliani, at the request of the International Union Executive Board, prepared a pilot educational program for the

(Continued on next page)

Northeastern Conference Hears
Welfare, Pension Plans Discussed

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(Continued on next page)
Meany’s Reply to Bank

THE First National City Bank of New York recently took upon itself the responsibility of endorsing “right to work” laws.

President George Meany of the AFL-CIO immediately replied that he has no right as a public institution to involve itself and the funds of its depositors in legislative debate. Meany further stated that the First National City Bank’s letter endorsing “right to work” laws is a violation of trust, particularly since the bank’s letters for such legislation are more or less a terminological collection of myths and half truths about the American labor movement.

President Meany pointed out that many depositors of the First National, the third largest bank in the United States are trade union members and it is wrong for the bank to propagandize for legislation which workers through unions have opposed. In other words, he stated the First National City Bank is using depositors’ money to create on legislative issues which may harm those same depositors.

It is both unwise and proper that President Meany saw fit to remind the First National City Bank of their responsibility.

Only Labor Cares House

ROBERT KENNEDY, Chief Counsel for the McClellan Committee, in a talk delivered in Cleveland recently said that Bar Associations and employer groups have taken no action towards cleaning up their own bad practices.

Kenedy told his fellow lawyers that “many of the study agreements uncovered by the Committee were worked out by lawyers.”

Kenedy said, “Attorneys have appeared before our Committee and have taken the 5th Amendment. But there has been no action by any Bar Association. No group can point a finger at any lawyer and say you are at fault.”

C. O. P. E., in reporting this speech of Mr. Kennedy, stated that his words received very little attention outside the city of Cleveland.

In other words, the press is reluctant to publicize anything that might reflect poorly on management. This reluctant attitude disappears when labor is involved.

We believe much attention should be given to Mr. Kennedy’s comments.

The Forand Bill

REPRESENTATIVE AIME J. FORAND of Rhode Island has introduced a bill known as H. R. 4700 which provides for certain medical and hospital benefits for social security beneficiaries.

Representative Forand deserves much praise for this proposal to alleviate important difficulties facing the aged. Three-fifths of all people 65 years and over had incomes of less than $1,000 a year in 1956 and 1957.

It is apparent, therefore, that these people cannot turn to private insurance in accordance with the contention of the medical profession. In most instances, their only protection is the present public assistance service or forms of public welfare, only after their savings are exhausted. This alternative destroys the dignity of many men and women.

In effect, the provisions of the Forand Bill will provide for a type of prepaid insurance under the social security system.

Secretary of Health, Education and Welfare Fleming made public a comprehensive report on employer’s claims that retired workers cannot afford the rising costs of medical care.

George Meany, AFL-CIO President, states: “Our members

Requirements for Federal Disclosure Act

Now that the March 31 deadline for meeting the first requirement of the Federal Disclosure Act, registration, has passed, prospective pension plans must prepare to meet the second requirement, filing Form D-2—the annual report. Each year a pension plan of Labor expects a minimum of 250,000, in assets, and to have a budget of 200,000, in expenses, with a possible 500,000 maximum.

Form D-2 must be filed with the Department of Labor within 120 days after the end of the plan’s fiscal (or policy) year, beginning on or after January 1, 1959. It is important that plans correct any errors in a calendar year basis will have closed their last year on December 31, 1958, so will have to have in their Form D-2 until December 31, 1959.

The annual report must be filed by all employer-employee and pension plans or by any plan’s employee who is under the participation of a union or whose union is a member of an intermediate or affiliate interunion committee or a local or intermediate union committee.

The definitions included in the Form D-2 are necessary to ensure all employer employees programs, with certain plan’s group’s plans covering less than 26 em-

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**Canadian Corner**

By LLOYD CHAPMAN
President, Canadian Organization Conference

**Local 153 Renewals Agreement With Electric Reduction**

Negotiations have been successful for a new three-year contract for Local 110 members employed by the Electric Reduction Company of Canada, Ltd., located at Beckeringham, Quebec.

The new contract, effective November 15, 1958, represents the second signed agreement for this bargaining unit. In the first year of the previous agreement, a total of 54 per cent of the employees covered by the contract and a further 33 per cent increase for the second year was reviewed.

Within one year from the date of the signing of this agreement, the companies and the union are to conduct a survey to determine the precise rates of pay for the various classifications of workers.

The Unions Negotiation Committee consisted of Nelson Beare, Robert C. Munro and Guy Char. They in turn were ably assisted by International Organizer Romeo Cornell.

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**Canadian Stabilized of Living Drops**

According to a White Paper recently released, there has been a slight fall in the Consumer Price Index. Wages did not keep up with the rising cost of living. Unemployment remained at the same level although many important decreases declined.

At the same time, however, the gross national product of Canada is the sum of all goods and services produced in the economy. This was higher than was forecast in last year's budget. It rose by $17,100,000 over 1957 in a record of $51,200,000,000. It is estimated that Canada will have a budget deficit of $6,100,000,000. This is a record realignment of the country."
Why Registration Is Important.

In 1958, one-third of the successful candidates for the U.S. Senate and all of the winning candidates for the U.S. House of Representatives were elected by a margin of less than five votes out of one hundred.

One Senator, Frank Moss of Utah, who was endorsed by COPE, won with a three-way race with only 38.5% of the vote.

Eleven representatives—including Representative Charles M. Grimes of Delaware, Earl Hagan of Indiana, and Tom Johnson of Michigan—were also supported by COPE—won their elections by margins of less than 1,000 votes.

Financial Help All-Important.

All of the 12 senators and 102 representatives who pulled through by less than 35 per cent of the total vote can trace their narrow margins largely to the amount of financial help which they received from COPE.

Put another way, if their supporters believed, as we do, that as much as they did—although in some cases the help was precious indeed—were the voters with whom they would have won. In many cases, there would have been no difference between victory and defeat.

That's because campaigns—making yourself known to the people—mean everything, no matter where you stand on the issues—wages, union, Radio and TV appearances, travel, billboards, the press, political help, publicity, advertising, handbills, speeches, signs. They are all there. They are not "free." Senators Squeeze Through.

Take some of the victorious senators in 1958. All of these candidates were helped by COPE, or at least by Scanlon, who used to your campaign financing decisions.

Who knows what Mass., Erle PERSE of Alaska, Phil Hart of Michigan, Eugene McCarthy of Minnesota, Frank Moss of Utah, John Young of Ohio or Gate McGee of Wyoming would have been like had they not had COPE's help? They had no other such support. They seem to have been the only candidates who had approval in this respect from the voters.

People have approved the Taft-Hartley Act and voted for every other act of the 85th Congress, but the Taft-Hartley Act is the only act of which they seem to be aware.

The dollar campaign has paid off. As we have seen, the candidates in California who picked for COPE won.

Conclusion (Continued from page 3)

Many unions in states are now making all political education money available to the candidates of their choice.

If the Board declines to act upon its present position, the issue may have to be decided by the Supreme Court. Meanwhile, such a pronouncement by the Board could bring about situations in which the AFL-CIO would have to decide to which candidate financial support should go.

In such a case, the candidates themselves would have to make a decision on what action to take in order to get the financial support of the candidates.

The AFL-CIO has indicated its support for the Kennedy Bill advocating political reform. This bill provides for certain restrictive legislative proposals.

The AFL-CIO agrees with Senator Kennedy that amendments to the Taft-Hartley Act should be discussed as separate legislative proposals.

The AFL-CIO legislative representatives and legislators interested in fair play should give serious consideration to the dis- torrions of existing legislation practiced by the National Labor Relations Board.

In addition, much thought should be given to ways and means of granting quick judicial reviews of NLRB decisions.