Phase Two: cloudy perspective

Confusion and uncertainty cloud the economic picture as the Wage-Price Freeze ends and Phase Two begins. After getting a personal memo from President Nixon pledging that the Pay Board will be autonomous, the AFL-CIO agreed "to try to make the new economic policy work" by serving on the board. Board autonomy was a major point of contention.

At the same time, the AFL-CIO announced its intention to oppose the President's tax proposals to Congress, warning that a reduction of $52 billion over the next decade. Meanwhile, the American Bankers Association has called for "trading" in reducing personal income taxes indexing that the differential is being drawn between bankers and Big Business, while the Nixon Administration to force American workers to bear the brunt of the tax increase.

On the collective bargaining front, labor unions are not reducing their wage demands and surveys among industrial executives indicate little prospects for any quick curb on higher prices. The AFL-CIO plans to set up its own price watching units.

Utilities, landlords, auto manufacturers, and many others were preparing to file for rate, rent and price increases as soon as the President's Price Board opened for business on Nov. 14.

Views of economists

Dr. Ward W. Helgeson, former Council of Economic Advisers chairman under Presidents Kennedy and Johnson, says that wage increases already written into long-term contracts could be unfrozen without crippling the economic stabilization program.

Herbert Stein, a member of Nixon's Council of Economic Advisers, predicts that so many increases in wages and prices will be authorized in the first flush of reopening that "a temporary price bubble" will be expected in the first two or three months.

As the Pay Board begins operating, operating, huge numbers of industries for a rule that deferred increases under all existing contracts should be honored this year. But even more because officials fear an explosion of strikes and a general boycott of the Pay Board if existing contracts are scaled down.

Another big battle in the new Pay Board will be over whether to adopt long-term fixes governing future wage increases or whether there should be no overall standards, with each case to be tried on whatever criteria appeal to the board. Industry regards the absence of any fixed standards as an invitation to rampant inflation. Organized labor is just as resolute in believing that flexibility offers the best chance for a workable program—"one that rank-and-file unionists can live by.

Programs under attack

"Meanwhile, the Nixon program is under increasing attack in academic circles. "Among other boons, the present Administration, upon Executive Order, has given over to big business a monopoly in prohibiting the payment of just wages," says Professor Richard Walsh of Georgetown University, in a New York Times article.

"Plainly the Executive Orders are unconstitutional," he adds. "It represents the use of power unconstitutionally delegated to the executive by Congress." He cites from the Constitution, "No tax shall pass..." and law, "pass ferocious law, or law imposing new obligations of contracts..." Professor Walsh then cites U.S. Supreme Court decisions that the federal government is constitutionally restrained.

A joint article in the Arizona Review by Economists Professors John E. Hufner, Professor of Finance Clark A. Hawkins, and Associate Economics Professor John T. Wenders of the University of Arizona, takes a dim view of the "New Economic Policy."

"The wage-price freeze is cosmetic rather than medicinal," they assert. "Simply put, there is no economic problem for which wage-price controls can be regarded as an effective remedy..." But through a short announcement on national television the President has unilaterally shuttered the sanctity of many contracts arrived at by mutual agreement.

"Although flouting the dollar was long overdue, the economic rationality contained in this move is swamped by the absurdity of the wage-price freeze. Perhaps the best we can hope for is that the freeze will become an obvious economic disaster of such magnitude that no one will have the nerve to propose another one."

They list their objections as follows:

1. There is no logical basis for thinking that controls will solve the economic problems confronting the nation.

2. Controls are inequitable and arbitrary in their impact.

3. There is a strong possibility they will have to be extended and broadened.

4. They generate substantial inefficiencies in the workings of a free market economy and this causes misallocation of resources.

5. They may generate a whole new set of expectations, results of which are impossible to assess.

At the moment, it seems the controls will be a major issue in the 1972 political campaigns if they are not already thrown out on constitutional grounds by the U.S. Supreme Court.
Forewarned is forearmed

The story in our news columns disclosing that the first unit
of which bank facility in Columbus, Ohio, new year should join the complicity of any bank employee who
still believes that her or her job is secure. True, bank employ-
ment in the days of the Great Depression was relatively secure
but this is no longer the case.

Urging all bank employees to join the growing white collar
union movement as long ago as April, 1968, President Howard
Coughlin pointed out that the low pay in banks reflected the
fact that they were not unionized. At the same time, he warned
of the coming threat to job security because of automation with
this the wage-freeze forecast:

"As a result of the quiet revolution now occurring in the bank-
ing field, in the not too distant future commercial banks will be-
come part of a national computer network with regional centers
where "money" transactions are conso-teminated through use of a
single, universal Money-Card.

Small banks and other non-bank financial institutions will be
forced to merge with larger banks. The trend shows that com-
mercial banks also will decrease significantly in numbers. . . As
banks become fewer, so will the number of workers they employ
since the current system of check-writing, storage and storage
will be minimized."

As recently as September, 1971, he commented that "white
collar layoffs in the last year have been felt in aircarpe,
chemical, airline, oil, banking, and the publishing and broadcast-
ing industries."

While white-collar employees, especially in banking, should now re-
ize that with automation breathing down their necks they can no
longer rely on the "benevolence" of employers. Only through union-
ism can they hope to obtain better pay and some sense of job
security. "To be forewarned is to be forearmed!"

Settlement by Local 12
awaits official approval

Average salary increases of
12½% over two years were
granted to 265 office employ-
ees at Michigan Gun Company
by Twin Cities Local 12, Busi-
ness Representative R. R.
Markus, at the 10th general
meeting on June 1, 1973.

Retroactive to June 1, the
new pact which runs to May 31,
1975, provides an average first-
year general increase of 30c on
hour and another 22c set for June 1, 1972. On that date, it
calls for a minimum of $2.96 per hour in the lowest office
grade, and $3.39 in the top class-
sification.

Taking the wage-freeze order into account, the contract de-
crates that the increased wages and benefits are subject to the
Aug. 15 wage-freeze order or any subsequent orders related to
wages and benefits. However, it added that both parties would
cooperate to obtain such ap-
proval as may be required to
make increased wages and benefits effective.

Other gains were scored in
vacations, which were 10 days after one year and 15 after 10.
These were improved to 12 days after seven years, 13 after eight
and 14 after nine years.

The company which currently
pays full hospital and
employee
coverage under the Health-Welfare
program agreed to increase de-
pendency coverage by $1.84 to
$13.84 per month.

Baby with a union label

A 5-pound-10 ounce baby girl, Stephanie Kay, born re-
cently in a Fort Worth, Texas, hospital enjoys a unique
heritage in the labor movement.

Her mother, Mrs. Michael Davis, is a member of OPEIU
Local 277. Her father is a member of Machinists District
Lodge 776.

Her grandfather, Bob Davis, is a member of the same
Machinists Lodge, and her grandmother, Mrs. Davis, is a
member also of Local 277.

All are employees of General Dynamics in Fort Worth.

Paraders from Local 343
winners of three awards

LOCAL 343-CIC: AFL-CIO

Valentine Taylor depicts 19th century secretary; sec-
ond scene showed present.
Float passes reviewing stand. Local 343 members
marching in front.

After marching 6½ miles in
the annual Labour Day Parade,
marking the 100th anniversary of the Labour Council of Metro-
politan Toronto, Local 343 was
rewarded for the efforts of its
officers and members by cap-
turing three honours.
A first prize was won for the
decorated car in the parade,
driven by Local 343 member
Tess Danyluck. The car identi-
fied the OPEIU marchers. It
displayed a sign on top and
spelled out O.P.E.I.U. with
flowers on its sides. Marching
behind it come Local 343 mem-
bers singing the famous union
song, "Solidarity." They wore
white jackets trimmed with
black and gold braiding, and
black skirts.
A gay decorated float, driven by International Representative
Walter Poel, depicted office
scenes of a century ago and to-
day. For the display, Local 343
won two additional awards;

Adversary foresees sprout
in white collar unionism

Rapid growth in white-collar unionism, especi-
ally among engineers and other professionals, and
repeal of Section 14b of the Taft-Hartley Act are foreseen in the coming decade by W. Grant
Chandler, Director of Industrial Relations for Hughes Aircraft Corporation in Culver City, Cali-
for a role an engineering society
should play at a time when the
industry it serves is in the posi-
tion the aerospace industry is now. Two themes are frequently heard:

"One is that aerospace engi-
neners—and, for that matter
engineers in general—need a
union or some sort of national
association which would protect
them when the industry in which
they work comes on hard times.

"The other theme is that the
American Institute of Aero-
ynamics & Astronautics, although
it is an engineering society,

WHITE COLLAR
November, 1971

Page Two

OFFICE AND PROFESSIONAL, PROFESSIONAL, INTERNATIONAL UNION

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President
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Indexed in U.S. Labor Federations' Bulletin.
Canada reports bigger wage gains this year

Local 95 gains in pre-freeze pact

More college clericals seen turning to unionism

Two-year wage gains averaging more than $5,000 per individual, together with improved fringe benefits, were gained in a pre-freeze contract signed by Local 95, Wisconsin Rapids, Wis., for 250 office employees at Nekoosa Edwards Paper Co. Inc.

Across-the-board wage boosts averaging 28.5¢ an hour in the first year and $11 per week in the second will bring the starting office wage to $115 per week next year.

In 1972 Easter Sunday becomes a ninth paid holiday. The employer agreed to meet any increased costs to maintain present coverage for health-welfare and major medical programs in the two years of the pact. Dental surgery is added to list of benefits.

Other gains are more liberal funeral leaves and an increase in company-paid life insurance to $5,000 with AD&D (was $3,000). Employees will now be entitled to full disability benefits after 10 years of service, with no age limit. Future retired employees will enjoy a $1,000 paid-up policy with 10 years of service at age 62, against the previous $500 policy with 25 years of service at age 65.

U.S. Price Index

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November, 1971 WHITE COLLAR Page Three
Bank in Ohio preparing to open automated branch

**Local 277 gains 14%**

A new contract negotiated by Local 277, Fort Worth, for office employees at Owens-Illinois Glass in Waco, Texas, prior to the wage freeze, won a 14% across-the-board wage boost over a two-year span in addition to more liberal fringe benefits. Local 277 President-Business Manager J. B. Moss reports.

A 9% increase was retroactive to May 1 with an additional 5% boost scheduled for May 1, 1972. Second and third shift differentials were increased by $5 an hour, rising to $17 an hour for the second and $22 for the third shift.

Other gains were an added paid holiday, bringing the total to nine, and five weeks' vacation for employees with 25 or more years of service. International Vice President Frank E. Morton helped to break a deadlock during the negotiations.

$1,404 plus 2 bonuses gained at credit union

Wage increases totaling $1,404 per member, plus a yearly 4% cost-of-living bonus and a $2 per week longevity bonus for employees with 10 years' service, were won in a three-year contract covering office employees at Co-Op Federal Credit Union in Muskegon, Wis.

Represented by Local 353, Grand Rapids, the credit union employees also gained three hours off on Good Fridays, three weeks vacation after five years, and job bidding procedure. The wage schedule is based on a 37%-1/2 hour week.

The cost-of-living bonus will be paid each December 8 at 4% of yearly gross earnings if the BLS index rises 2.5% or more during the year.

The OPEIU negotiating team comprised Carl Allard, Marge Dolinsky and Patricia Lembke. They were assisted by Local 353's Ida Smith and International Representative George V. Porcoro, Jr.

**Local 23 signs utility**

Wage gains and fringe benefits ranging from 12% to 31 1/4% have been gained by office employees in a three-year contract agreement between Taosville's Local 23 and Washington National Gas Company.

Improvements include an additional paid holiday, a more liberal vacation plan providing five weeks after 25 years; time-and-one-half for Saturday work, double time for Sundays and triple time for holidays.

International Vice President Bill Lowe and Local 23 Business Representative Floyd Kerschner handled the negotiations. Unit observers were Mildred Baker, Sandy Gundlach and Tom Kenyon.

Unions and inflation

As this column is written, we are awaiting the personnel appointments to the Pay Board and to the Price Board under Phase Two of President Nixon's stabilization program. The philosophy of those appointed to represent the public in the tri-partite Pay Board is of the utmost importance to the organized labor movement. If, for example, President Nixon appoints public members who are dedicated to the idea that labor is primarily responsible for inflation because of its gains at the collective bargaining table, we may, in effect, find ourselves with a continuation of the 90-day wage freeze.

While numerous government spokesmen have tended to blame labor for the inflationary spiral, it is interesting to note that the Argus Research Corporation, in its Weekly Staff Report dated September 28, 1971, pretty much came to a different conclusion. Argus stated that increased prices primarily services business, doing an objective re-

From the desk of the

**PRESIDENT**

Organizing score

(Continued from page 1)

The Oakland campaign has the full support of the Alameda Central Labor Council, the AFL-CIO nationally as well as its California regional office. It is part of a widespread OPEIU drive to unionize Blue Cross offices all across the country.