



WHITE COLLAR

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

No. 309

March, 1972

Walter Milne, retired OPEIU leader, mourned

We regret to announce the sudden death from a heart attack of Walter W. Milne, 67, of Thunder Bay, Ont., a former International Vice President and Executive Board member, who served for many years as president of Marathon's Local 219 which he pioneered in organizing.

Born in Glasgow, Scotland, he had been a Thunder Bay area resident for more than 60 years. A former employee of the Provincial Paper Mill, he went to Marathon in 1946 when that mill opened, and worked there until his retirement in 1969.

Milne was deeply devoted to the white-collar union movement and his union activity was the one thing he missed most after his retirement. He had kept in touch with OPEIU's progress.

He had served as chairman of the mid-Canada Council of Pulp and Paper Mill unions and worked actively on many committees of its Central Canada body.

The high personal esteem in which he was held was demonstrated at his funeral by the large turnout of Local 219 members who also acted as honorary pallbearers.

He is survived by his wife, Ruth; two sons, Robert (who lives in Spring, Texas), and George; a daughter, Mrs. N. R. (Ruth) Bounds, of Houston, Texas; his mother, Mrs. George Milne; one brother, Charles (Chuck) Milne, of Scarborough, Ont.; and eight grandchildren. His father, George G. Milne, died in 1942.

We extend our deepest sympathy to all members of his family in their sudden bereavement.



Organizers bring 700 into ranks of OPEIU

New organizing drives have added another 700 to the growing OPEIU ranks in Canada and the U.S., among such diverse groups as public employees, professionals, salesmen, school secretaries, keypunch operators and office clericals.

In the first two 1972 months, more than 1,000 members have been added. Major campaigns are also progressing among thousands of Blue Cross & Blue Shield employees in various cities across the nation.

The biggest current victory was scored in Canada, where Regional Director Romeo Corbeil reports that Montreal's Local 57 won a 427-member unit among professional and clerical employees at the Quebec's Construction Industry Commission.

Elections held at the commission's 12 offices across the province by the Quebec Labour Relations Board resulted in an overwhelming 340 votes for Local 57, against 83 for C.N.T.U.

The commission was set up under Quebec law to insure that

construction workers in the province get the wages and working conditions negotiated by their various unions, and to administer their vacation and pension benefits.

Expects Unit to Grow

"All indications are that this new bargaining unit will grow much larger," Corbeil predicts. He says the campaign was led by Eastern Canada Council Representative Gilles Beaurgard, assisted by Local 57 Business Representatives Jacques Leboeuf and Laurent Auclair.

The election climaxed more than two years of constant representations to the Quebec government by OPEIU to give bargaining rights to commission employees, according to Corbeil, who credits the teamwork of all Local 57 officers across the province in "selling OPEIU's merits as an important factor in the successful campaign."

Corbeil announced that bargaining unit officers will be elected shortly and that negotiations will begin soon.

Separate reports in this issue detail significant victories in the Michigan area. One is about a "do-it-yourself" campaign conducted by Local 393 in Flint, Mich., where two elections were won among some 100 keypunch operators at the Dempsey Key-punch Services; another describes why 18 school secretaries in an independent union at Albion Board of Education, near Battle Creek, voted unanimously to affiliate with De-

troit Local 42, and a third announces a success by Local 10 at a store in Mt. Pleasant

Dallas Unit Signed

Following up an organizing lead at office headquarters of Braswell Motor Freight Lines, Inc., in Dallas, Texas, Fort Worth Local 277 Business Manager J. B. Moss and International Vice President Frank E. Morton arranged a meeting of its 34 office employees.

After persuasive talks on OPEIU accomplishments in the trucking industry, all 34 promptly signed union designation cards. Faced with this unanimous showing, management recognized the union and instructed its lawyer to begin negotiations for an initial contract. Employees at other Braswell terminals are also expected to sign up.

In the Twin Cities, Local 12 Business Manager H. R. Markusen reports winning a member unit at Lowy enterprises, Inc., in Minneapolis, by a 4-to-1 margin in an NLRB election. Business Representative Jerry Schmit led the campaign at the firm which is a wholesale distributor of rugs and carpets.

New York Local 153's Sec.-Treas. John Kelly announces two successful elections. One involved salesman at Trip Beer Distributors, Inc., in New Jersey, where the vote was unanimous for OPEIU; the other was at Actor's Pension & Welfare Fund where the count showed just one dissenting vote among 26 office employees.

Flint elections show locals have know-how

Do OPEIU locals have the needed talent and expertise to "launch successful drives to organize the unorganized" office employees in their communities?

The answer is an emphatic YES, from President Rosemma (Bo) Hitchcock of Local 393 in Flint, Mich., who reports that "we have proved it can be done." Local 393 has just unionized some 100 employees in two offices of the Dempsey Key-punch Service with landslide victories in elections conducted by the Michigan State Labor Relations Board.

The first election involved keypunch operators at the Dempsey office in Grand Blanc, Mich., where the OPEIU local won by a 68-to-12 margin. The second was at Dayton Plains where the victory was even more pronounced; 17-to-0.

President Hitchcock explains that the Flint local, whose delegates were impressed by this grass-roots organizing idea em-

phasized at OPEIU Educational Conferences, decided to make the experiment on a "do-it-yourself" basis. "We were so successful that we are now readying a new campaign to unionize another 300 keypunch operators in similar concerns in our area," she disclosed.

She said the Dempsey campaign was initiated, planned and carried to a successful conclusion by a Local 393 Organizing Committee under the dynamic chairmanship of Bettye Smith. The International was called upon for technical guidance on petition and hearing procedures.

Local 393's singular success marks a breakthrough in the mushrooming computer sub-contracting field. The Dempsey service numbers among its clients such corporate giants as General Motors, Ford, Chrysler and Michigan's Blue Cross.

It operates on lines similar to Ross Perot's Electronic Data Systems which a year or so ago,

sub-contracted Blue Shield's computer work in New York phasing some 100 of its EDP employees out of jobs. EDS has since expanded into the Wall Street brokerage field.

Corporate giants are anxious to sub-contract this type of office work. There is no capital investment; no personnel problems; no fringe benefit costs. The sub-contractors, too, have found a lush field for fat profits because they generally get by with non-union wages and minimal fringe benefits.

One reason the Dempsey employees were so eager for collective bargaining to improve conditions was the fact that their average starting wage was a mere \$1.70 an hour, rising to only \$2.50 after three years, President Hitchcock reveals.

Congratulating Local 393 for the enterprising leadership of its officers and the dedication of its members, Director of Organi-

(Continued on page 2)

Independent union votes to join Detroit Local 42

An independent union of clerical employees and school secretaries at the Albion Board of Education, near Battle Creek, Mich., voted unanimously to affiliate with Local 42 in Detroit to build a stronger unit for negotiating an initial contract.

Their action reflects a growing momentum toward unionism among the non-teaching white collar employees of Boards of Education in this country and Canada who are now turning to the OPEIU to represent them. Previously, OPEIU had unionized more than a dozen such units in both countries.

The 18 employees in the

group decided to form their own independent union last April, naming it the Albion Educational Secretaries Association. They were formally recognized by the employer and negotiations were started to hammer out terms for an initial contract. But the secretaries broke off the talks several months ago when no satisfactory agreement was reached.

Officers of the new bargaining unit are: Mrs. Pearl Morgan, president; Mrs. Mary Jean Harry vice president; Mrs. H. Irene Lambrecht, secretary, and Mrs. Leona Bormann, treasurer.

WHITE COLLAR

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

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NLRB finds for unionism at religious institution

The National Labor Relations Board took a major step in assuming jurisdiction over the labor relations of a religious institution when it ordered union representation elections at the Christian Science complex in Boston, Mass.

The case arose out of the applications by two labor unions for elections among electricians and carpenters at the complex which includes the *Christian Science Monitor*, a newspaper; several other publications, and a number of apartment buildings and stores owned and operated by the church. The NLRB set up a three-man panel to hear the case.

The church contended that it should be exempt on the

grounds that it is a non-profit religious institution, and that the workers involved spend a minimum of time on operations, such as apartment house maintenance, which might be found to be commercial enterprises.

Citing a number of previous cases in which the NLRB took jurisdiction, the majority—members John H. Fanning and Howard Jenkins, Jr.—said that while it was the board's general practice to decline jurisdiction over non-profit religious organizations, it "does assert jurisdiction over those operations of such organizations which are, in the generally accepted sense, commercial in nature."

The two noted that the *Christian Science Monitor*, having a

circulation of some 230,000, takes advertising and reports other than purely religious news. They further noted that the church's real estate operations include "between 50 and 75 apartment buildings and several stores."

"Based on the above," they said, "we conclude that the employer is engaged in substantial enterprises which are in the normally accepted sense commercial, and that these operations are in commerce and affect commerce."

Member Ralph E. Kennedy, appointed to the board by President Nixon in Dec. 1970, dissented. In his view, "it would not effectuate the policies of the Act" to assert jurisdiction over the religious organization.

A time to organize

When the OPEIU Executive Board analyzed organizing prospects in December in light of Phase II of the wage-freeze, it concluded that they "were enhanced rather than retarded." The string of our election victories and representation petitions since then shows the accuracy of the board's appraisal.

Further confirmation of rising pro-union sentiment in unorganized offices is seen in an elaborate propaganda brochure, brought to our attention, which is being circulated nationwide among business executives. It's the creation of a professional union-busting outfit announcing seminars at fancy fees on how management can fight unions. These "experts" warn employers:

"1972 may prove to be a strong growth year for union organization. The current economic and social climate has heightened employee insecurity. Unionism grows rapidly in unsure environments. High unemployment, inequities in wage and price controls, examples of militancy among teachers, sanitation workers and white-collar groups make fertile ground for employee discontent and unrest.

"These frustrations and fears are further compounded by social tensions with and among minority groups, rising expectations of women in the workplace and changing attitudes toward work and productivity."

Non-union employees have had it with rising prices, frozen wages and job insecurity. They are recognizing that their only hope is by unionizing now to exercise their legal right to bargain collectively and solve their problems.

Basically, these are the reasons they're joining the white collar union movement in such growing numbers. All signs indicate that 1972 may set a record for new organizing. Anti-union propaganda and hastily organized seminars won't turn back the rising tide of office unionism.

New study shows trend toward early retirement

A study of 841 pension plans at 641 American manufacturing firms, by two Conference Board specialists in compensation and labor relations, shows that a trend toward early retirement has been developing over the past ten years.

The trend (while not a stampede) has been encouraged by the liberalization of the early retirement benefit in many of the pension plans. The study finds that some 30% of the plans provide for liberalized early retirement benefits (more than the standard actuarial equivalent), compared with 16% a decade ago.

"Practically all of this growth," the survey notes, "has come through plans that provide a liberalized benefit to all employees who meet the regular early retirement eligibility requirements, and this provision is almost as common among unilateral plans as negotiated plans."

While many things have been

changing over the decade in the early retirement picture, the study finds that one area—the age requirement—has remained steady. Most plans set the earliest retirement age at 60 or 55.

A decade ago, 80% of negotiated plans contained a length of service requirement. This has risen to 90%. The prevalence among unilateral plans has risen from 55% to 82%.

The study conducted among single employer plans, also showed that while more now contain the length of service provision, the amount of service needed for retirement eligibility is somewhat less than in 1961.

"Most of the plans are split about evenly between those that require 10 years' service and those that call for 15 years," the study reveals. The general decline in the amount of service is due to the fact that fewer plans require 20 years' service than in 1961, it points out.

The study notes that early retirement has shown signs of

Flint elections

(Continued from page 1)

zation Art Lewandowski phoned President Hitchcock to thank her and Bettye Smith for their outstanding efforts "marking a new milestone in OPEIU organizing." He expressed the hope that other locals throughout the U.S. and Canada would follow Flint's lead.

"Local 393 is a comparatively small one but what it lacks in size it more than makes up in dynamic leadership, initiative and ambition to grow," he added. "With equal dedication on the part of all OPEIU Locals, our union could easily triple in size in a very short time."

becoming a vested right, and that in a typical year 10% of all retirements were early retirements.

The report concluded that the relationship between early retirement rates and benefit levels, when viewed with the trend among employers to liberalize their early retirement benefits, indicated that the 1970s would see more and more people exercising the option to retire early.

U.S. Price Index

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

1971	
January	119.2
February	119.4
March	119.8
April	120.2
May	120.8
June	121.5
July	121.8
August	122.2
September	122.4
October	122.6
November	122.6
December	123.1
1972	
January	123.2

Canadian Price Index

Dominion Bureau of Statistics

1971	
January	130.3
February	130.9
March	131.3
April	132.2
May	132.7
June	133.0
July	134.1
August	135.0
September	134.7
October	134.9
November	135.4
December	136.3
1972	
January	136.7

Local 10 completes Giant step forward

Reflecting the mounting interest in white-collar unionism in the Michigan area, Local 10 President Thelma O'Dell reports gaining recognition for a 51-member unit at Giant Ways, Inc., which operates grocery and clothing stores in Mt. Pleasant.

Following a successful drive to sign up the employees, the OPEIU who is recognized as bargaining agent without an election, and negotiated an initial contract which was unanimously ratified by the membership. The unit should grow to 75 or 100 in a short time as Giant Ways is a rapidly growing concern.

The contract wins a 5.5% increase in each of three years, in addition to the previous automatic rate range, giving many

employees wage boosts as high as \$520 per annum, or \$1,560 over the period. It also provides a health-welfare program and pension plan.

The vacation schedule calls for one week after one year; two after three, and three weeks after seven. It also provides seven days of sick leave per year with unused days to be paid for at Christmas time.

The pact also calls for a union shop with dues checkoff, with many other improvements in working conditions included.

NLRB backs Local 10 on bargaining charge

Brushing aside objections by Medical Ancillary Services, Inc., of Troy, Mich., which sought to nullify results of an NLRB election last July when a majority of its 100-member office unit chose Detroit's Local 10 as bargaining agent, a board panel found the employer guilty of an unfair labor practice charge because it refused to bargain collectively.

Adopting its regional director's recommendations, the board on October 12 certified

Local 10. Despite this, since October 27 the company refused to recognize the union and ignored its requests to bargain on an initial contract.

Following a hearing, the panel ordered the employer to "cease its unfair labor practice and to bargain collectively" with the union, adding: "If an understanding is reached, embody such understanding in a signed contract.

"In order to insure that the employees in the appropriate unit will be accorded the services of their selected bargaining agent for the period provided by law," the panel ruled, "we shall construe the initial period of certification as beginning on the date respondent commences to bargain in good faith with the union."

CLC offers scholarships to children of members

Canadian members' sons or daughters, age 17 or less and now completing grade 11 or 12, are eligible for a two-year scholarship at the United World College of the Atlantic, at St. Donat's Castle in Wales.

The Canadian Labour Congress offers a unique opportunity to pursue studies at the immediate pre-university level at this renowned institution in Great Britain, all expenses paid plus transportation.

Students enter in September and complete their first-year in early June, with a six-week holiday at Christmas. They return late in July for their second year, after which they are ready to enter university.

Requests for application forms or additional information should be addressed by April 10 to: Atlantic College Scholarship, c/o Education Department, Canadian Labour Congress, 100 Argyle Ave., Ottawa, Ont. K2P 1B6.

Unions asked to use banks with OPEIU label

AFL-CIO Secretary-Treasurer Lane Kirkland has circularized all member unions and their affiliates to request them to deposit personal and union funds, including pension and welfare accounts, in banks unionized by the Office & Professional Employees International Union.

In letters to all international union presidents, Kirkland noted that in February 1970 the AFL-CIO Executive Council endorsed OPEIU's efforts to organize bank employees and urged individual members and labor organizations to patronize unionized banks.

Listing some dozen banks in the U.S. and Canada where OPEIU now holds collective bargaining agreements, Kirkland urged the labor organizations and members "to make use of the services of these institutions."

The OPEIU has sent a copy of Kirkland's letter to each unionized bank with a suggestion that its advertising and publicity departments publicize the AFL-CIO action in its community to attract union funds and personal deposits by union members.

Meanwhile, U.S. Labor Secretary Hodgson urged organized labor to support minority-operated banks by depositing more union funds in them. In a letter to presidents of 50 minority

banks in the nation, the OPEIU declared:

"We stand ready to comply with this request. We recognize no barriers of race, religion, creed or color except that we are dedicated to the principle that every employee is entitled to the benefits of collective bargaining."

Pointing out that union Pension and Welfare Funds in a few years are expected to exceed \$200-billion, it said that "minority-operated banks thus have a golden opportunity to participate in this business," adding:

"By having a unionized bank staff—paid salaries and enjoying working conditions negotiated in a union contract—your bank would be complying with national AFL-CIO policy thus qualifying you to receive deposits of union funds and creating a more attractive image in your community. In this connection, minority-operated banks have a unique opportunity to pioneer in bringing the benefits of collective bargaining to all bank employees."

\$1,100 advance scored at Ohio paper company

Individual wage gains averaging about \$1,100, plus inequity adjustments of up to 6¢ an hour for some one-third of the unit members, were achieved by Local 422 for the office employees at Mead Corporation's paper mill in Chillicothe, Ohio, in a contract renewal. Shift differentials were raised to 10¢ an hour for the first shift, and 20¢ for the second.

The first year pay boost of 28¢ an hour is retroactive to Sept. 13, with a second 6½% hike (minimum 24¢) to take effect next Sept. 18. Beginning Dec. 1, the employer assumed the costs of the Group Insurance Program providing \$2,000 life and \$5,000 AD&D. Five cents of the wage package was converted to cover the costs of the medical program on Nov. 1.

Other improvements were

made in provisions governing union security, seniority, arbitration procedures, job vacancy posting, and health-welfare and major medical programs.

The union and company agreed to meet next Sept. 15 to review any wage changes that may be questioned by the Pay Board and make any adjustments prior to a wage reopener on Sept. 15, 1973.

The OPEIU negotiating team included International Representative Wade McCool, Local 422 President Given B. Haynes, Jr., William D. Jones, Dennis Hill and Chester Ballinger.

\$1,350 plus cost-of-living clause mark Buffalo pact

Wage gains totaling more than \$1,350 per member over three years, an initial cost-of-living adjustment and increased health-welfare and pension benefits were agreed to in a new contract between Local 212, Buffalo, N.Y., and Worthington Corp. The contract covers some 400 clerical and technical OPEIU members.

It was the result of coordinated bargaining by the OPEIU, the Steel Workers and the International Association of machinists, the latter unions representing production workers at the Buffalo and New Jersey plants, according to Local 212 Business Manager Emil W. Steck.

The pact, effective Aug. 15, 1971, provides first-year general wage boosts of 35¢ an hour, with ½¢ increases in the increments between labor grades. It calls for second and third year hourly wage hikes of 10¢ and ¼¢ between-grade increments.

For the first time, cost-of-living clauses provide 1¢ an hour in the second and third years for every 0.4 point rise in the CPI, with a guarantee of 5¢ minimum and a 10¢ cap.

The unions and the company will request Pay Board approval for the negotiated wage boosts. If some of the first year increase

is disallowed, the amount disapproved will carry-over to the second year, if permissible. If second-year increases are disallowed, the amount disapproved will carry-over to the third year. In the event wage controls are removed, the contract can be reopened immediately to put into effect any disallowed wage increases without waiting for implementation on anniversary dates.

Fringe benefit gains include improvement in insurance coverage effective on Feb. 1, 1972, with the sickness and accident benefit rising by \$10 to \$61.75 a week, and life insurance cov-

erage for retirees boosted to \$1,800 from \$1,000.

Major medical coverage is improved to reasonable and customary fees for hospital rooms, and Blue Cross / Blue Shield coverage now includes a fully-paid prescription drug plan. On Sept. 1, 1974, life insurance for employees will be increased by \$2,500.

The monthly pension benefit goes to \$6 from \$5 per year of service on Aug. 15, 1972, with another raise to \$7 effective on the same 1973 date. Employees who retired before Aug. 1971, will have \$10 added to their monthly pension payments.

Nevada contract aids minorities

A special clause calling for greater employment of minority group members and women, titled an "affirmative action program," is a feature of a new contract signed by Local 445 and Reynolds Electrical Engineering Co., government contractor at the Las Vegas and Nevada Test Site, according to International Representative Joe McGee.

Wage gains are an average \$603 in the first year and run from 4½% to 5½% in the second and from 4½% to 5% in the third. A wage reopener on Jan. 1, 1975 gives the option to apply part of future wage gains to health-welfare insurance.

Fringe benefits obtained for its 302 members include Washington's Birthday as an added paid holiday, bringing the annual total to nine. The vacation

schedule for employees with nine or more years of service was increased by six days to 21.

The employer also agreed to increase the contribution to the OPEIU Dental Plan from \$10 per month to \$12.60 for all employees and their dependents.

Among other improvements are doubletime for employees required to work a continuous shift on their day off; broadened seniority rights; pay on temporary assignment to work of a higher grade; job posting increased from three to five days, and a more liberal application of work rules for those on jury duty.

200 gain 8.3% raises at Cleveland hospitals

An 8.3% pay boost for some 200 clerical and technical employees has been negotiated by Local 17 under a reopener clause in OPEIU's contract with Kaiser Hospitals in Cleveland, Ohio, Regional Director John Kinnick reports.

An across-the-board increase of 21¢ an hour became effective on January 1, subject to Pay Board approval. The contract, Kinnick says, also covers employees at Kaiser Community Health Foundation, the Kaiser Foundation Health Plan, Inc.,

and Ohio Permanente Services, Inc., in Cleveland.

Fringe benefit improvements under the reopener include an employer-paid prescription drug plan and liberalization of sick leave provisions. The employer agreed to eliminate the one-day waiting period for employees with one or more years of service. In addition, employees will be able to accumulate sick leave up to 60 days after one month of service (previously seven).

The present contract runs to January 1, 1973.

U.S. Court upholds over-40 teller

Acting on the first case appealed under the Age Discrimination in Employment Act of 1967, a U.S. Appeals Court finds that the First Federal Savings & Loan Assn. of Broward County, Fla., violated the act by refusing to hire as a teller Mrs. Betty Hall because she was over 40 years of age.

A District Court had rejected

relief for Mrs. Hall although it enjoined the bank from further violations "with regard to the hiring of tellers" between 40 and 65. The Appeals Court, reversing a lower court ruling with respect to Mrs. Hall, ordered the employer to pay back wages to her. It also ruled that a new injunction, broader than that issued by the lower court, "is warranted."

Manning named to price body

International Representative Justin F. Manning was named a member of a Price Monitoring Committee set up by the Greater New Haven (Conn.) Central Labor Council.

In turn, he appointed Local 329 members Claire Pluff, Jim Lee, Dorothy Verderame, Patricia McGuire, Ray O'Connor, Kathy Foley and Joan Bentley as volunteer price "watchdogs" in the New Haven area.

Manning was also named by the Council to its newly organized Ecological Commission.



from the desk
of the
PRESIDENT

Curbing the multinationals —the Burke-Hartke Bill

In the December 1971 issue of *White Collar* we called attention to a bill pending in both house of Congress, co-authored by Representative James A. Burke, Democrat of Massachusetts and Senator Vance Hartke, Democrat of Indiana, which would stop the outflow of American jobs, capital and technology without building high tariff barriers and steering clear of economic isolationism. The bill, among other things, would eliminate financial incentives which encourage the development of multinational corporations. It would also plug numerous tax loopholes that make American multinational corporations profitable.

Peter G. Peterson, top adviser to President Nixon on international economic affairs, who has been named as the new Secretary of Commerce, opposes any restrictions on multinational firms. In commenting on a preliminary study on international trade, Mr. Peterson stated: "To seriously restrict the activities of these multinational corporations would obviously be a major step back from the relatively open and interdependent world we have tried to help build." It would appear, therefore, that the Administration is not just opposing much needed curbs on multinational firms but would rather eliminate certain merger restrictions that now apply to the multinationals.

Pro-business study

James P. Gannon, writing in the January 13th issue of *The Wall Street Journal*, reported that an interagency task force under Mr. Peterson's direction is about to complete "the government's first comprehensive top-level study of the multinational corporations and their impact on the economies of the United States and the world." Mr. Gannon added: "The study's conclusions are certain to please the big companies and disappoint their critics. The multinationals will be portrayed as entrepreneurial dynamos contributing positively to U.S. employment, trade and balance-of-payments, rather than economy-eroding giants moving jobs and U.S. technology abroad."

Gannon went on to report that the study "also will suggest new policy initiatives for the Administration. Officials are considering such moves as elimination or loosening of controls on corporate investment abroad, easing of antitrust enforcement that hampers multinationals' growth and alternatives to present tax treatment of U.S. companies' foreign profits.

It should be remembered that this report is being prepared under the guidance of Peter G. Peterson, Mr. Nixon's top adviser on international economic affairs, who is also the former Board Chairman of Bell & Howell, one of our multinational giants.

'Anationals'

In opposing the Burke-Hartke Bill, Mr. Peterson has charged that the proposal would institute a system of double taxation on multinationals for their overseas operations. Actually, however, the Burke-Hartke Bill would eliminate a major inequity against domestic U.S. manufacturers. As Senator Hartke points out, a company situated in his own state of Indiana cannot take credit against its U.S. federal taxes for the taxes it pays the state. However, a company with a plant in Mexico, Taiwan, Hong Kong or Korea, can deduct the taxes it pays to those foreign governments dollar-for-dollar from the taxes it pays Uncle Sam.

At a recent White House Conference, Carl A. Gerstacker, Chairman of Dow, stated that we appear to be moving in the direction of "Anationals"—companies without any nationality, belonging to all nationalities. If multinational firms are allowed to move in the direction suggested by Mr. Gerstacker, working people in all countries of the world will be reduced to a standard of living of the lowest common denominator and Americans will not be excepted. Just as it was necessary to control industrial giants located in the United States through antitrust laws, it is essential, if not imperative, that American multinationals be controlled through much needed legislation such as the proposed Burke-Hartke Law.

Keep 'White Collar' Coming

If you move, send your old and new address, including zip code to:

J. Howard Hicks, Sec-Treas.
1012-14th St., N.W.
Washington, D.C. 20005

Q and A on Pay Board rulings

Here are questions and answers issued by the Internal Revenue Service in explanation of rulings on the Economic Stabilization Program:

Q: Pay Board regulations state that the standard for "permissible annual aggregate increases" to existing pay practices is established at 5.5%. (A) Does "annual" refer to a 12-month period beginning Nov. 14, 1971, or may some other period be used? (B) What is the meaning of "aggregate"?

A: (A) The Pay Board has determined that, where no labor agreement is in effect, "annual" refers to a 12-month period beginning Nov. 14, 1971, and to each succeeding 12-month period. However, where a labor agreement is in effect, "annual" refers to the 12-month period beginning on the effective date of the agreement and each succeeding 12-month period during the life of the agreement.

(B) "Aggregate" may be defined as the sum of the percentage increases within the 12-month period as applied to an appropriate employe unit.

Q: In distributing the allowable 5.5%, are there any restrictions on the amount or frequency of increases that may be paid to any one employe or group of employes?

A: There aren't any restrictions on the amount or fre-

quency of increases that may be paid to any one employe or group of employes, provided that the annual aggregate increases don't exceed 5.5%.

Q: Do increases in benefits to which an employe became entitled based on length of service under existing plans constitute a "pay adjustment"?

A: Increases in benefits constitute pay adjustments. However, the Pay Board has determined that all increases based upon longevity and automatic progression within a rate range may be made without regard to the 5.5% standard. Such increases or progressions must be made according to the terms of plans or established practices in existence prior to Nov. 14, 1971.

Q: An employer has a tuition refund program for employes. An educational institution increases its tuition. Does an increased payment to the employe constitute a "pay adjustment"?

A: Yes, an educational tuition refund program is clearly within the purview of the definition of "wages and salaries." However, if the program was "previously set forth," that is, communicated to the employes prior to Nov. 14, 1971, it may operate according to its terms, subject to challenge and review.

Q: Are such employe benefits

as paid trips to New York and Florida, or the redecoration of executive offices, included under "wages and salaries" subject to the 5.5% standard?

A: Such employe benefits as trips to New York or Florida, which don't meet the narrow definitional test of "pay practice previously set forth," are to be included under "wages and salaries" subject to the 5.5% standard. Other benefits, such as the redecoration of executive offices, will be included only if they can be considered remuneration or inducement to employes which is "reasonably subject to valuation."

Q: Does an increase or decrease in overtime pay to any employe due to working more or fewer hours at the existing overtime rate constitute a "pay adjustment"?

A: A bona fide increase or decrease in overtime pay to an employe who is working more or fewer hours at the existing overtime pay rate isn't subject to the 5.5% limitation because the rate of compensation to the employe remains the same. However, should the employer adjust the workday or overtime in an attempt to circumvent the Economic Stabilization Act of 1970 as amended this adjustment would be subject to the 5.5% Phase 2 limitation.

N.Y. fight wins full Yule bonus for many

Sea-Land Service office employees in such far-off places as Houston, Seattle, Baltimore and Puerto Rico received their full Christmas bonuses but they would not have fared so well if New York Local 153's unit at Port Elizabeth, N.J. had not gone to bat for them.

As a result of the shipping tie-up caused by the longshoremen's strike, 300 office employees at the Port Elizabeth terminal were laid off for the duration and were notified by management that they would receive only a pro-rate share of their Christmas bonus.

Similarly hit by the management decision were 100 other Sea-Land employees in other parts of the country and Puerto Rico. Local 153, representing the Port Elizabeth office employees, immediately filed a

vigorous protest against the bonus reduction.

However, the protest got a deaf ear from management until office employees, still on the job at the New Jersey terminal stopped work to demonstrate how strongly they felt about its action. They put their own Christmas bonuses and vacation credits on the line in a spirited display of union solidarity.

Faced with the unexpected challenge, management had second thoughts and announced that all Sea-Land employees would get their full Christmas bonus as well as full vacation credits.

11.5% boost highlights Linen Supply contract

Wage boosts totaling 11½% over two years were achieved in a new contract negotiated by Twin Cities Local 12 for office employees of American Linen Supply Co., in Minneapolis, according to Business Manager H. R. Markusen. The first-year 5½% took effect last November 1, with a 6% further boost set for the same date in 1972.

Other gains include reduction in the probationary period to 30 from 60 days; an agreement by

the employer to abide by applicable regulations on pregnancy leaves; equal distribution of overtime; and a minimum guarantee of four hours if called to work on Saturday. The receptionist was added to Grade 2, and an employee working one or more days in a higher rated job now gets the higher pay rate.

The OPEIU negotiating team headed by Markusen included Alvina Koch and Ruth Blanchett.

Local 9 pact ups health fund

A 5½% across-the-board wage boost, plus greatly improved fringe benefits, were gained in a new one-year contract for Milwaukee Local 9's bargaining unit of 70 office employees at Manitowoc Engineering Company, which manufactures machinery products at Manitowoc, Wis.

The employer also agreed to increase contributions to the Health-Welfare fund to \$18.63 a month per employee, a gain of \$8.69, according to Local 9 Business Representative Edward J. Kubicki who headed the negotiating team comprising Corron Broedme and Dean Rosinsky. They were assisted by International Representative George V. Porcaro, Jr.