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

No. 327 DECEMBER, 1973

Employees of school boards find a union home in Montreal local

A principal organizing target of Montreal's Local 57 in the last year has been secretaries and clericals employed by school boards—a field on which the OPEIU has scored a string of notable successes, reports Vice President Romeo Corbeil who is coordinating these campaigns in the eastern Canada region.

One key to success, Corbeil says, is that members already protected by OPEIU contracts attend organizing meetings along with union Business Representatives. Their first-hand testimony on the many benefits derived from collective bargaining convinces other school board employees to go union.

Illustrating the success of this approach, he listed the following school board units recently organized in swift campaigns by Local 57 Business Representatives Marc Boulard, Laurent Auclair and Michel Rousseau, with the help of unionized school board members.

The School Board of Napierreville, 26 employees; School Board of Brassard, 14; School Board of Yamaska, 9; Taillon and St. Hubert School Board, 35, and the South Shore Protestant Regional School Board where Local 57 has applied for certification of two units comprising 90 employees.

The Montreal Local now represents more secretaries and office employees of school boards than any other in the U.S. or Canada.

Meanwhile, Local 57 Business Representatives Gilles Beauregard and Jacques Laboeuf have applied to the Quebec Labour Relations Board for certification for an office unit of 90 office employees at Vichon Bakery in Montreal.

International Representative Brian Fahlman reports that Local 15 has been certified as bargaining representative for an office unit of 50 employees at the Commonwealth Construction Co., Ltd., in Vancouver, B.C., a first in the construction industry. Other companies in the field are paying close attention to this arrival of unionism.

In Detroit, the OPEIU in an NLRB election won a unit of 10 salesmen at the Detroit Furniture Distributing Company by a unanimous vote. The Teamsters were also on the ballot.

Philadelphia Local 14 won a small unit in an NLRB election among office employees at Lipoff's Wholesale Meats, Inc., Business Representative John McCusker reports.

Gone—20,000 brokerage jobs

During the last few years more than 20,000 brokerage employees have lost their jobs in Wall Street and the end is not in sight, a nationwide survey by the *New York Times* indicates.

It finds that a restructuring of stock exchanges could take a variety of forms, ranging from a simple electronic linkage, in which trades are carried on a universal tape showing one exchange what the others are doing, to the elimination of regional exchanges, and creation of a single huge exchange with regional satellites, all linked by computers.

Brokers responding to the survey said they believed the securities industry was "going through a massive and fundamental change."

"It may be a crude analogy," one brokerage official said, "but I see the securities industry structured in the future like the grocery industry—huge supermarkets and small convenience stores with nothing in between."

Another broker said he expected to see more than 50% of the Big Board's member firms either merge or go out of business. It was felt that the restructuring which the financial community is now undergoing will strengthen a few large firms, making them in effect price-setters for the entire industry and that smaller, more flexible firms would prosper.

Suffering most, some believe, would be medium-to-large firms, with high overhead and many branch offices, that had not been as efficient as some of their competitors.

Not one single brokerage house has ever been unionized, so Wall Street cannot blame its present plight on unions. The OPEIU has long contended that if brokerage houses had been unionized a long time ago, the securities industry today would be far more stable.

THE OPEIU WAS THERE: The union's delegation to the AFL-CIO Biennial Convention in Miami Beach, Fla., is absorbed in the proceedings. The members are (clockwise) Vice Presidents Ed Springman and John Kelly, President Howard Coughlin, Sec.-Treas. William A. Lowe and Mrs. Lowe, and Vice President J. Oscar Bloodworth. The convention charted labor's course for the next two years.

Christmas and New Year greetings

As one year closes and another dawns, your Executive Board welcomes to the Office & Professional Employees International Union the thousands of members who have entered our growing ranks during the year just ending.

We offer them and all our longtime members, active and retired, as well as OPEIU field representatives and staff employees at the International and Local levels, our warmest wishes for a Merry Christmas and a bright and prosperous New Year.

Howard Coughlin
President

William A. Lowe
Secretary-Treasurer

Arthur P. Lewandowski
Director of Organization

Vice Presidents

Billie D. Adams
J. Oscar Bloodworth
Ronald F. Bone
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Romeo Corbeil
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John Kelly
John B. Kinnick
Harvey R. Markusen
Frank E. Morton
Gwen Newton
Emil W. Steck
Edward P. Springman

$1,365 advance in Twin Cities

Wage gains totaling $1,365 for each member over two years plus fringe benefit improvements were gained in a new contract negotiated by Twin Cities Local 12 for its office unit at the National Electrical Contractors Association of Minneapolis, a joint labor-management organization.

Business Manager H. R. Markusen reports that the pact calls for across-the-board wage boosts of $39.92 per month in each of the two years. In the final year, it sets a starting monthly minimum of $524 in the lowest office grade, rising to a $765 maximum, and in the top classification a $602 minimum, rising to a $908 maximum.

Other gains are a personal holiday, bringing the annual holiday total to 10; time off for doctor-dental appointments in half-segments; mother and father-in-law added to the bereavement clause, and a new provision covering seniority in the event of a merger. The pact runs to July 31, 1975.

Washington office is moving January 1st

The OPEIU's Washington office, which houses Secretary-Treasurer William A. Lowe, and his staff will move from its present location to the new AFL-CIO building, 815 Sixteenth Street, N.W., Suite 606, Washington, D.C. 20006.

The move is effective on January 1, 1974. The telephone number remains the same: (202) 393-4464.

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*

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Events warn banking, brokerage employees—organize!

Before the 1968-69 Wall Street decline, starting a bear market which still continues, the OPEIU handbilled employees in brokerage houses warning them of coming events and urging them to unionize then for their own self-protection. But by and large they did not respond.

Since then, 20,000 have lost their jobs in Wall Street (see page 1) and the end is not in sight, says a *New York Times* survey, which finds that in the coming years brokers expect to see more than 50% of present firms in the securities industry either merge or go out of business.

One broker foresees the future securities industry structured like the grocery industry, huge supermarkets and small convenience stores with nothing in between. And being unorganized, brokerage employees who survive the massive changes now taking place in Wall Street can also expect salaries and wages that may well be below those of unionized grocery and supermarket clerks.

Basically, automation and technological changes are responsible for the vast changes on the horizon not only in Wall Street but also throughout the entire financial community, including commercial banks, mutual savings banks, and savings and loan associations as well as other types of credit institutions, where approximately two million Americans gain their livelihoods.

We also call attention to the story in this issue on coming automation in the banking industry. Without being an alarmist, we can only regard it as a warning to rank-and-file employees in banking whether they work in big, medium-sized or small cities.

These stories send out a message loud and clear to unorganized employees in banking and finance: **ORGANIZE NOW BEFORE IT IS TOO LATE.**

Profit-fat banks spend lavishly—except on wages

A Wall Street specialist in bank stocks finds that in the first nine months of 1973, some 100 banks reported a gain of 15% in profits over the same 1972 period. An even better fourth quarter was predicted. We know that the earnings of the nearly one-million employees in banks reflect no such spectacular gains.

Judging from third-quarter earnings reports, *The Wall Street Journal* notes, banks "appear headed for a boom year." According to some analysts, the best may be yet to come now that the Federal Reserve System has relaxed its tight credit stance.

One analyst predicts that banks should "have a very strong fourth quarter," reasoning that a decline in open market interest rates will give them a wider profit margin domestically.

Meanwhile, bankers (but not the employees) have been taking their boom exuberantly, collaring securities analysts to espouse the virtues of their own individual stocks. Needless to say, the big wheels in banking enjoy stock options, and other goodies that their voiceless, unorganized employees don't rate.

Many banks have also loosened up expense accounts but we haven't heard of any offering to share this record prosperity with the employees. At its annual meeting in Chicago, the American Bankers Association (the bankers' own union) threw more than 100 lavish receptions and parties, by unofficial count. *The Wall Street Journal* says the ABA won't release any official figures, quoting a spokesman as explaining:

"It's sort of a sticky situation. It could be embarrassing."

We are in complete agreement with that statement. It could be just as embarrassing as the hypocritical propaganda (fully reported in our last issue), which the ABA paid fancy fees to anti-union consultants to concoct. This is to be fed to bank employees if a movement starts to unionize employees at a bank. We wonder how long underpaid bank employees will stand still for their present shabby treatment.

The time is now ripe for all bank employees to assert their human dignity and unionize. Wallowing in record profits, bankers have no excuse to deny them social justice.

Federationist article assesses professional surge into unions

The myth that professional people—the co-called snobs of the white-collar field—do not join unions is evaporating, Jack Golodner executive secretary of SPACE, asserts in the AFL-CIO magazine *Federationist*. SPACE is the AFL-CIO council of white collar unions with which OPEIU is affiliated.

He says that a 1970 Dept. of Labor survey found that nearly three million of the five million organized white-collar workers were professional and technical people, adding that "the future life and growth of the labor movement lies with the unionization of professional, technical and white-collar salaried employees.

The same conditions that prompted organization by blue-collar workers are now developing in the white-collar field as well, Golodner notes. Among conditions encouraging the growth of white-collar unions today he says, is the increasing loss of individuality by the typical white-collar employee.

"Being employed in large numbers by rapidly growing and diversifying institutions or corporations means that he is slowly but surely being removed from participation in decision-making processes," Golodner points out. "It means an individual voice—no matter how knowledgeable—no longer counts."

Another fact of contemporary life leading more white-collar professionals and clericals to join unions is the steady decline in the relative and real income among the unorganized, Golodner declares. The gap between salaries paid white-collar professionals, sales and technical people, and wages paid to operatives and laborers is narrowing, he adds. And this gap in net income is further reduced by taxes.

"Even engineers and scientists—people heretofore indifferent to unions—are slowly becoming aware of the fact that they are losing economic ground," Golodner observes, adding:

"Labor's lobby has served the organized blue-collar worker well. It is serving the white-collar employee equally as well, and will serve him even more as the current trend of white-collar employees into unions continues."

Union negotiators seen turning to uncapped escalator clauses

More and more union negotiators think they've found the answer to inflation, or at least a way to protect their members against rampaging prices.

Their plan is to win more cost-of-living escalator clauses that provide automatic pay raises when consumer prices go up. And they want to make these clauses the "topless" or "uncapped" kind, without any cents-per-hour limit.

The Executive Council's report to the recent AFL-CIO convention advocated the uncapped escalator approach and stressed its spread. "Most contracts negotiated in 1972 and the first half of 1973 had no maximum limits or increased the permitted amounts under the lids," the report said.

It revealed that the number of workers covered by cost-of-living escalators had climbed to 4.1 million from 2.8 million in 1970. Of the latest number, about 2.9 million work under clauses that have no ceiling.

The typical cost-of-living formula calls for workers to receive a one-cent hourly raise for each 0.4 percentage-point in the Consumer Price Index, which is compiled each month by the U.S. Department of Labor. About half of the escalator clauses provide for quarterly adjustments; most of the others call for annual changes.

Some union officials figure the mounting use of escalators poses a dilemma for Nixon administration wage controllers. "This could just turn out to be the end of controls," commented one AFL-CIO convention delegate. "The guys will just negotiate a little smaller increases (to avoid attracting the Cost of Living Council's attention) and let the escalator clause do the job."

His implication was that the government would find it politically hazardous to challenge wage boosts linked to its own data on consumer prices. There's no indication of any challenges to these raises, however, and the council continues to permit cost of living increases to be calculated in a more liberal fashion than straight negotiated raises.

Because the unlimited escalators are yielding such fat raises, many employers now are willing to negotiate bigger fixed pay boosts in exchange for a lid on cost of living increases.

Bristol local is upheld on job bumping issue

Arbitrator John Perry Horlacher ruled that the School District of Bristol Township, in Bristol, Pa., violated its Local 426 contract when it denied Joyce M. Long the right to bump into the Payroll Department after it abolished its IBM Department. She was a machine operator in the latter department.

Horlacher directed the board to permit Mrs. Long to bump into the job of assistant payroll supervisor, and "if after 30 days in the job she was clearly demonstrated she lacks the necessary qualifications, she shall then be permitted to bump into a lower paying classification for which she is qualified."

Local 426 filed the grievance after the board subcontracted its data processing work to Trilog Associates. When the IBM department was abolished, Mrs. Long sought to bump into the Payroll Department but her request was denied. She was later offered a job with Trilog, but was subsequently laid off.

The arbitrator found that "there is insufficient evidence on which to base a solid finding that Mrs. Long was qualified or wasn't qualified for the job she wanted to bump into. At the least, the School District owed her the opportunity to prove herself. This, it seems to me, points to the reasonable outcome of the case."

The union's case was presented by International Representative Gene Dwyer who argued that under Section 2, Article 9 of the contract, Mrs. Long was entitled to exercise the right to bump.

B.C. pact brings 36½ hour week

A shorter workweek, hefty wage boosts, improved vacations, sick leave and dental and wage indemnity plans were the gains in a two-year contract negotiated by Local 15 for its office unit at Empress Foods, Ltd., in Vancouver, B.C., Business Representative Opal Skilling reports.

In the lowest office grade of junior clerk the pact calls for a starting minimum of $601 per month, rising to $678 on July 1, 1974, and to $785 after two years of service. In the top grade (accountants), the minimum starting rate is $815, rising to $1,050 on July 1, 1974.

The workweek was reduced to 36½ hours, and some adjustments were made in job classifications. The pact calls for three weeks vacation after three years; four after eight, five after 13, and six weeks after 19 years of service.

The agreement runs from July 1, 1973 to June 30, 1975. Madison —o—

Delegates who attended the recent joint Southeast and Southwest OPEIU Educational Conference at the Sheraton-Chateau Charles Hotel in Lake Charles, Louisiana. Local 87 was host.

New Jersey local upheld in dispute with Blue Cross

Arbitrator David Kaplan has upheld Local 32's grievance that Hospital Services and Medical Surgical Plans of New Jersey (Blue Cross/Blue Shield) violated its contract by improperly excluding from the bargaining unit the job of computer systems testing coordinator.

Local 32 claimed that the company had acted unilaterally, violating the following contract clause: "Nothing in this agreement shall be construed to imply the right to assign . . . bargaining unit work to *any* management position. Future exclusions will be determined by management and the union."

The same provision contained, Kaplan says, "a long series of position titles which, by agreement, were excluded from the unit." The disputed job was not among those excluded. The union also claimed, he adds, that the employer violated a provision requiring all new jobs to be posted.

The employer contended that the work performed by the testing coordinator has always been carried out by non-bargaining employees such as assistant systems analysts, and also maintained that the testing coordinator had a one-to-one working relationship with employees in other excluded jobs as defined by the Fair Labor Standards Act.

Concluding that the union's grievance was justified, Kaplan says the employee holding the job of testing coordinator must become a member of the union as of the 60th day following the first hearing of the grievance—June 25, 1973.

In light of an employer admission of failure to negotiate the exclusion of the job, Kaplan rules that the functions of the position cannot be reconsidered for exclusion from the unit for three years and two months—a time span equal to the period it took to process the grievance. The latter provisions, however, may be lifted if the incumbent becomes a supervisor or professional as defined by the Taft-Hartley Act.

Right to work four days won for 680 in Galveston

Across-the-board wage gains totaling 15% over three years, the right of employees to compress their 37½-hour work week into less than five days, plus improved sick leave and vacations were won in a new contract negotiated by Local 27 for its 680 members at American Life Insurance Company in Galveston, Texas.

Business Representative Lucile Davenport reports that the pact calls for a 7% wage increase in the first year and 4% in each of the following two years. It also provides an additional 4% in the first year for employees at the top of their classifications who no longer receive contractual longevity increases, as well as 4% on their anniversary dates.

Promotional raises, ranging from $20 to $32 per month under the old agreement, are increased by 5%. Other improvements include two weeks' vacation after one year and an additional day for each year after six years providing three vacation weeks after 10 years. Employees are now allowed to accumulate a maximum of 65 days sick leave, against 39 under the old pact.

The company work week, unchanged at 37½ hours, has been modified to allow employees to put in their hours in less than five days if they so desire. Any work over 37½ hours will be paid at 1½-times, and work in excess of 45 hours at double-time.

If an employee opts for the compressed work week, he will not be paid at a premium rate for work in excess of 7½ hours each day. The contract also allows employees to choose their own starting and quitting time each day.

The agreement runs to October 10, 1976.

$4,032, cost of living allowance gained for 600 at Freightways

Wage gains totaling $4,032, supplemented by a cost-of-living allowance, per individual over three years were gained by Portland's Local 11 for its 600 members at Consolidated Freightways Corporation in Oregon, Idaho, Montana and Washington.

Sec.-Treas. Walter A. Engelbert reports that a new contract calls for a 35¢ an hour across-the-board wage boost in the first year and 30¢ in each of the following two years. In the final year, it sets a minimum weekly wage scale of $189.60 in the lowest office grade, rising to a $202 maximum.

In the top office classification, the third-year minimum weekly rate will be $285.00, rising to a $314.40 maximum. Engelbert points out that more than 90% of the employees in the bargaining unit are now paid at the maximum rates in their classification.

Like the Teamsters' master agreement, the Local 11 pact calls for cost-of-living adjustments on October 1, 1974, and on the same 1975 date of at least 8¢ per hour in each with an 11¢ cap.

Good Friday and a floating holiday, bringing the annual total of holidays to 12, are provided in the agreement, which also calls for three weeks of vacation after seven years and five weeks after 20 years.

Employer contributions to the pension plan are increased from $11 to $14 per week per employee in the first year, to $16.50 in the second year, and to $18 in the third year.

The contract also calls for a company-paid prescription drug plan in the first year, a doubling of benefits under the optical plan, and up to $400 maternity coverage. In the third year, it provides $20,000 AD&D insurance, a maternity "corridor" deduction assuring that employees will not have to pay more than $200 for maternity coverage, plus other improvements in insurance benefits.

The contract runs to October 1, 1976.

Edward A. McLaughlin

The union regrets to announce the death of Edward A. McLaughlin, past President of Local 352 in Franklin, Pa., where he was employed as a photo technician in the Engineering Department of the Joy Manufacturing Company.

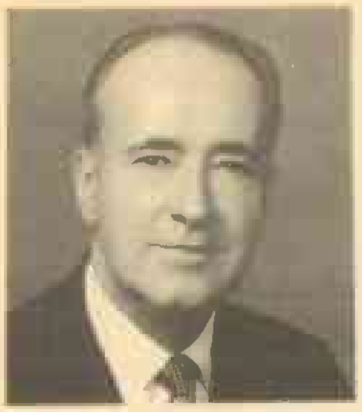
A dedicated OPEIU member, McLaughlin was elected a vice president of Local 352 in 1958-59 and later president, serving in the latter post for two consecutive terms. Under his direction, the local grew from 115 to 250 after a successful campaign to induce office employees at Chicago Pneumatic Equipment Company to join. Former Sec.-Treas. Ruth White and he made house-to-house calls on CPE employees in 1968 with the result that 75% voted to affiliate with Local 352.

McLaughlin was a delegate to the San Francisco and Miami Beach conventions, and represented the Franklin local at OPEIU Educational Conferences in the Erie region. At the time of the centennial celebrations in Franklin and Oil City, Pa., he was responsible for the OPEIU float participating in parades, doing all the carpentry work himself.

Among McLaughlin's last union acts was the presentation of a gift to a Local 352 associate—see photo below.

McLaughlin was active in church, civic and Boy Scout activities in Oil City, where he resided. He is survived by his wife, Betty; a daughter, Shirley, and a son, Bill, to whom we offer our sincerest sympathy.

HONORED ON PROMOTION: Ruth White, secretary-treasurer of Local 352 in Franklin, Pa., was honored by fellow-unionists on her promotion to buyer at Joy Manufacturing Company. An OPEIU member for 16 years, she had served as steward, negotiating-grievance committee chairman and delegate to educational conferences. Honoring her with gift as she resigned OPEIU post are, at left, Local 352 President Betty Nelson and at right past presidents Ed McLaughlin and Bob Hufnagel, new Sec.-Treas. Ann Beightol, and Rec.-Sec. Elnora Miller.



from the desk of the PRESIDENT

Employer propaganda still turns unorganized from unions

Our union for some years has distributed a leaflet titled *Look Out Below* which alerts the unorganized to the usual employer counter-arguments to an OPEIU organizational campaign. Unfortunately, in too many instances, we have failed to alert the unorganized to the deluge of propaganda which they are sure to be hit with prior to a National Labor Relations Board election.

In recent years, the number of companies engaged in helping employers beat back attempts by unions to represent workers has multiplied ten-fold. As a result, much of the anti-union propaganda is more sophisticated and deadlier than ever before.

Prior to 1947, the employer was prohibited from in any way interfering with employees' right to organize. This is the way it should be done. In our union, the law was proper at that time and it should not have been changed. Just as the employer's right to join employer associations is not properly the business of the union. it naturally follows that employees right to choose a union for purposes of collective bargaining should not be interfered with in any way by the employer.

Unfortunately the 80th Congress in 1947 felt otherwise and passed the Taft-Hartley Act which, for the first time, gave the employer the right to openly fight unions' efforts to organize workers. In 1958, Landrum-Griffin Act again strengthened the employers' position. As a consequence, the great majority of unorganized firms are free to use many questionable tactics in order to influence the votes of workers.

The great majority of unorganized workers in the United States and Canada today are in the white collar category and, as such, are constantly deluged with anti-union propaganda. Unfortunately, white collar workers have been slow to organize primarily because of fear. This fear involves the possibility of economic loss, loss of job, loss of job promotion, and loss of status within the community. In addition, most white collar workers are particularly timid in the face of a powerful employer. Because of Taft-Hartley and Landrum-Griffin, corporations are free to use stockholders' money to retain firms adept at influencing votes in NLRB elections.

In the recent series of educational conferences conducted by the OPEIU throughout the United States and Canada, we called attention of all participants to the methods now used for purposes of destroying interest of unorganized white collar workers in collective bargaining. These include the following: "The Union will be unable to obtain additional wages and fringe benefits simply because the Union wins an election and/or is certified for purposes of collective bargaining." While the uninitiated may buy this argument, all one has to do is read the papers regularly to learn of the wage gains, pension improvements, and health and welfare attainments by unions throughout the United States and Canada.

The anti-union propaganda will also point out that the "employer may find it necessary to cut wages and benefits" if the union is certified. They fail to point out that changes in wages, hours and working conditions can only be made as a result of collective bargaining.

The anti-union propagandists will point out that unions charge dues and fees and, in many cases, they total up the union dues for a year, multiply it by the number of employees involved and use that figure for purposes of stating that the money is used to pay union officials exorbitant salaries. These propagandists always fail to point out that organizational campaigns are costly, that union lawyers' fees are expensive, and that the amount of money paid in dues by union members is infinitesimal when compared to wage increases received.

The company's anti-union propaganda stresses the possibility of strikes. It never points out that over 98% of union contracts are negotiated without recourse to strikes. It also calls attention to the possibility of a strike spreading because of sympathy. The unions must be ready to reply that this never happens.

One of the most ludicrous arguments advanced by employer representatives is that if the company is organized, it would become non-competitive and be forced out of business. Ford, Crysler and General Motors have been organized for 30 years and remain both competitive and prosperous.

In waging organizational campaigns, it is absolutely essential that OPEIU organizers make each and every argument basic and easy to understand.

Banking electronics threatens cash, checks—and jobs

Banking is the profession of one million individuals in North America and may be described as a labor intensive industry. In the past, those in banking could look forward to a stable career and to predictable promotion up the ladder.

Today, this is no longer true; advancing technology and automation have changed the picture. The discovery and development of the transistor made possible the "impossible," the landing of men on the moon. This technology is now being applied to banking and finance where most tasks, previously falling in a well-defined pattern, were for the most part repetitious. Thus, the industry has become well suited for the implementation of electronic automated procedures that promise to make tens of thousands of present bank jobs obsolete.

Overseas, where bank employees are highly unionized and aware of impending events through their unions, both white collar unions and bank executives look fearfully to the future, reflected by this comment in an Australian bank publication:

"Is the checkless society a science-fiction mutant that will transform banks into glorified spacious slotted push-button picture-tube terminal stations, or is it an haliucination of the technocrats - electronic on - line style? That question is likely to reverberate through the board rooms of banks all over the world for many years to come."

A team of nine Harvard Business School researchers, joint authors of a book entitled: "An Electronic Cash and Credit System," confidently predict that in the U.S. first, and later in other countries following the electronic road, transactions by cash or by check "will become as outmoded as the barter system."

Electronic revolution

Their prediction is supported by no less an authority than George W. Mitchell, a member of the Board of Governors of the Federal Reserve System, who recently asserted: ". . . the banking structure as it is known today may not exist a decade from now. Electronic data processing is on the verge of changing the very nature of money."

The Diebold Group, Inc., a leading New York management consultant firm, recently conducted a survey among 2,000 financial executives and bankers. The consensus was that "the development of a national and largely integrated system of electronic money and credit transfer is inevitable over the next 15 years."

New developments in this direction are coming fast. First National City Bank, a multinational and New York's largest, has mailed what it calls Citicards to its 800,000 checking account customers. Using the cards, customers through an electronic authorization system, will be able to cash checks at any of its 226 branches.

Basically, it is said to be an optically readable pattern of "colors" embedded within the cards. The encoding is outside the human visible spectrum and is read by a device atop merchant or teller terminals. Citibank has applied for patents on the device.

Currently, Citibank revealed that its on-line computer system includes 1,500 terminals in the bank's branches and 1,200 terminals participating in Master Charge retail establishments.

The encoding question is important, analysts say, because of its impact on the direction and speed of eventually implementing a national system for transferring consumer funds electronically as an alternative to checks. The process, in effect, is being pitted against the so-called "magnetic stripe" system for encoding information adopted as the banking-industry standard by the American Bankers Association.

Impact on jobs

Whichever system finally prevails, the impact will be felt on the present jobs of all middle-management and lower echelon bank employees down to junior clerks, cashiers and tellers who become obsolete as they are replaced by computers and automated devices.

The people who see money relegated to small change in the current American financial scene cite two reasons:

1. The avalanche of paper which threatens to smother the banking system. Last year Americans wrote more than 17 billion checks, and

2. The proliferation of credit cards which can easily be lost or stolen.

What seemed a dream a very short time ago has now become actual reality with computers in supermarkets being linked up with banks which by voice answer back, or by means of a visual display unit note that the bank balance of a customer is sufficient to cover cost of the purchase. The whole process takes less than 10 seconds, less time than it takes to write a check.

Elimination of the work, time and cost involved in processing billions of checks has a special profit appeal to bankers. It costs only 5 cents to process a check electronically, against 16 cents for a written check.

British view

Commenting on the direction in which the teechnological revolution is heading, the British periodical, *The Economist*, recently had this to say:

"The economic efficiency with which we can make mathematical and other logical calculations has increased by a factor of more than 10,000 during the past decade and a half, and the raw mechanical cost of making these calculations is still coming down at a pace that is faster than any other vital service or product has ever fallen in history.

"During 1972-92 this will continue, at least at a modified rate. It is probable that the cost of performing each given computer task will just about halve every three years for some time to come. Indeed, it will come down more quickly than this when we at last organize ourselves for sensible time-sharing of mass use of these machines.

These new bank automation developments are food for sobering thought on the part of all bank employees who, as *The Economist* writer points out, have one great advantage—the power of common sense. For their own self-protection and that of their families they urgently need to unionize now before it is too late.

They must avoid the historical mistake of other unorganized groups who allowed their common sense to remain unresponsive in the face of catastrophic technological change.

U.S. Price Index

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

1972	
October	126.6
November	126.9
December	127.3
1973	
January	127.7
February	128.6
March	129.8
April	130.7
May	131.5
June	132.4
July	132.7
August	135.1
September	135.5
October	136.6

Canadian Price Index

Dominion Bureau of Statistics

October	142.0
November	142.3
December	143.3
1973	
January	144.5
February	145.3
March	145.7
April	147.3
May	148.4
June	149.7
July	151.0
August	153.0
September	153.9
October	154.3