Cost-of-living clause among Blue Shield gains

Across-the-board wage raises of 14.3% over two years, supplemented by a cost-of-living clause, together with new vision care and dental plans, were gained by Seattle's Local 8 in a new two-year contract covering office employees at King County Medical Blue Shield, Business Representative Don Elston, Jr., reports.

The pact calls for a 7.3% wage boost in the first year, and a 7% hike in the second. In the event the cost of living exceeds 7% in the second year, the employees will automatically receive the additional percentage increase.

Four new OPEIU units start 1974 growth

In the first few weeks of the New Year reports from the field show four OPEIU bargaining units were organized, two of the elections being held among employees of boards of education in Pennsylvania and Michigan. Approximately 150 were added to OPEIU collective bargaining rolls.

International Representative Gene Dwyer reports that a unit of 93 cafeteria employees at the Board of Education in Bristol, Pa., voted for union representation by an overwhelming 10-to-1 margin in a State Labor Relations Board election.

The vote for Bristol's Local 426, which already represents the board's secretaries and clerical employees, was 80 to 8. The election victory more than doubles Local 426's membership.

The organizing campaign was conducted by Dwyer, assisted by Vivienne Gross, chief steward of Local 426.

Other gains are 30 additional sick leave days bringing the total to 90, increased medical benefits including a $30,000 major medical plan, and improved language changes highlighted by a job vacancy clause and a college education tuition reimbursement plan.

Employees also won an additional paid holiday bringing the annual total to 10, and a fourth weekend of vacation after 15 years of service.

The OPEIU negotiating team assisting Olson comprised Shop stewards Syd Raine, Marsha Chapman, Peggy Burnett and Pam Thompson.

Washington takes stride toward checkless society

A giant step toward the "checkless society," now looming as a menace to tens of thousands of checks in the banking industry, is seen in the U.S. Treasury Department's announcement that it is ready to begin a program of paying government benefits checks by direct electronic deposits into a recipient's bank account.

The program begins next month for the 3.5 million or so recipients of the federal supplemental security income payments for the disabled, blind and aged, previously paid in paper checks. Treasury officials envision its expansion in a year or so to some 25 million Social Security recipients, and in two years to persons receiving various benefits and civil service retirement checks.

Eventually, perhaps in two years, the government will be able to match with all paper checks by making electronic bank deposits of all federal payments, including the federal payroll.

Officials say that the direct deposit program, which has been contemplated for some time, has been speeded up because of cash-checking difficulties encountered by persons receiving payments under the supplemental security income program.

David Mosso, deputy fiscal secretary of the Treasury, said that in March persons receiving the supplemental security income payments would be given instructions on how they can have the Treasury Department mail their checks to a bank of their choice.

The recipient will have to open the bank account himself. The program will be voluntary for both the recipients and banks, and checks will be still mailed to those who want them mailed.

In addition to making the payments more convenient for recipients, the government's major purpose is to help ease the burden of paper checks, which are flooding the nation's banking system.

Total check usage now comes to about 26 billion items a year, of which 750 million are Treasury checks.

Deposits will be recorded on magnetic tape which will be forwarded to commercial or regional collection centers to be processed into individual bank accounts without a check ever being written.

N.Y. pact protects short workweek for 650, adds gains in many areas

N.Y. pact protects short workweek for 650, adds gains in many areas

Annual wage step-ups of $10 and $9 weekly, for a four-day work week, were gained by Local 153 for its 650-member office unit at Group Health, Inc., in New York City, Sec.-Treas. John Kelly announced.

In the second year, maximum pay rates will range from $144 per week for bookkeepers to $236.50 for statisticians, underwriting analysts and full accountants.

A major achievement is that the contract assures continuance of the four-day, 35-hour week for office employees, and a three-day 36-hour work week for computer operators. Moreover, a joint union-management committee will study the possibility of further reducing the workweek from 35 hours to 32.

Originally the parties agreed to try out a three-day work week for computer operators in January 1972, and after a successful trial period agreed on the four-day week for other employees in the following July.

Over the two-year period turnover dropped drastically to 13.5% from 31.4%. It was also observed that when the computer operators started working 12-hour shifts there was a dramatic reduction in the number of errors they made as a result of the reduction in shifts. Thus, it may turn out that the proposed cut in the number of hours could be offset by increased productivity, Kelly points out.

Other gains include employer-paid medical coverage under GHT's "best plan," providing expanded coverage for drug, nursing and ambulance charges, and a dental plan which bases payments on "maximum permitted charges" instead of a set schedule of fees.

Upon retirement, employees will be able to "convert" their dental and medical insurance and continue to group coverage rates. Retirees also may have any sick leave accumulated beyond a 120-day maximum credited to their pensions.

Under the old contract's "retraining provision" the employer was required to retrain any employee hired before January 1, 1969, whose job was changed because of new equipment. This cut-off date was changed to January 1, 1971, in the new pact.

Both parties also agreed to adopt the American Arbitration Association's expedited procedures which shorten the methods of choosing an arbitrator, elimimates stenographic records and post-hearing briefs, and requires the arbitrator to deliver a decision within five days from the close of hearings. The new pact runs to December 31, 1975.

Five locals collect $18,481 for paper company members

Vice President 1. Oscar Bloodworth reports that the International Paper Company has agreed to pay $18,481 in satisfactory settlement of a lawsuit filed in Federal Court by five OPEIU Locals in behalf of members who claimed pay for short-term layoffs at its southern paper mills. The company had refused to arbitrate their grievances.

The company agreed to pay 76% of the amounts claimed as well as the fee and all other expenses of OPEIU General Counsel Joseph E. Finley.

The court action in behalf of the members was undertaken jointly by Locals 71, Mobile, Ala.; Local 233, Georgetown, S.C.; Local 431, Springfield, La.; Local 430, Bastrop, La.; and Local 446 in Vicksburg, Miss.
White-collar union growth, four-day week forecast

Members of the American Economic Association at their annual meeting in New York were penurient about their failure to forecast the inflation engulfing the nation in 1973. Nevertheless, they were willing to gaze into their crystal balls and predict what the latter quarter of 1974 might be like in the store.

Prof. Robert L. Decker of the University of California brought together the long-term forecasts of a large number of the economists, chosen for their intellectual distinction, who submitted to three rounds of polling. After polling a second time, the economists agreed with the following predictions about things to come in the years to the end of the century:

1. The use of the four-day week will be prevalent.
2. The degree of unionization in white-collar and public-service occupations will move upward dramatically.
3. Price and wage controls will become a semi-permanent feature of capitalist economies. (Make economists think the Nixon controls were on the whole a bad trip—but a beginning, not an end.)
4. The multinational corporation will replace in the world economy its location and characteristics of the oligopolistic sector of the American economy.

The economists split almost evenly on some propositions that would have seemed highly unlikely only a few years ago. For instance, bank managers will rise in U.S. to 5 to 7% for those years in which constraints are effect.

Only history will reveal how accurate these 1974 predictions prove to be. Surprisingly, Sweden's Handelsbanken, whose economists predicted in their forecast in a dramatic growth of white-collar unionism in the years ahead. We feel that the relentless pressures of inflation will, of necessity, compel union organized and there-
Two 8 1/2 percent increases head gains at Ontario paper firm

A 17% across-the-board pay raise and other wage adjustments were gained in a two-year contract negotiated by Local 386 for its 105-member bargaining unit of camp clerks, tallymen and scalers at the Great Lakes Paper Co., Thunder Bay, Ont.

Mid-Canda Council Representative E. M. Steenber reports that a 8 1/2% wage hike is retroactive to May 1, with the second to take effect on the 1974 anniversary. Minimum wage benefits for two-year employees on the second shift were increased to $1.10, and to $1.35 for the third shift.

Effective this year, vacations are liberalized to provide three weeks after five years and six after 27 years of service. Those taking vacations between January 1 and April 1 will be granted a 10% bonus of their weekly pay for each vacation week.

New clauses call for a 10% per mile allowance on highways for employees using their own cars on company work and 18¢ for off-highway travel, as well as pay differential for jury service.

The company also agreed to increase its contribution for insurance benefits for single employees by $4.04 per month. The long-term disability plan was improved to provide 55% of straight-time pay, with the company also paying pension premiums until retirement. The company also agreed to improve the pension formula by adding 15% to contributions in '73 and another 10% for '74. Those retiring at any time during the term of the agreement are entitled to the full 25% increase in benefits.

The normal retirement age for those called by the agreement was changed from 65 to 60 years, but those presently in the pension plan retain the right to retire between those ages. In such event, their pensions will be increased annually for the years they work beyond 60.

The vacation schedule was improved to three weeks after four years; four after 12; five after 20, and six after 27 years. The pact also calls for supplementary vacations in addition to the regular schedule for each five years of service. At the end of five years, employees are entitled to a one-week supplementary vacation; two after 10; three after 20; four after 30; and five after 40.

Supplementary vacations must be taken during each five-year period, but not in July or August, in addition to the regular vacation. Employees may defer, or bank, the fourth and fifth week of regular vacations as well as supplementary vacations. Altogether, an employee with 45 years of service will be entitled to 29 weeks of supplementary vacations.

The OPEIU bargaining team assisiting Swanson in the negotiations were chaired by Ron Rutter. The pact runs to June 30, 1975.

Project to add 1,200 jobs

The Great Lakes Paper Company in Thunder Bay, Ont., has announced plans to build a bleached kraft pulp mill with an annual capacity of 250,000 tons, and to expand its sulfite mill to a 200-million board feet capacity per year.

The project will cost $118 million and create 1,200 jobs. Construction is expected to start this summer. The new kraft mill will be equipped to handle either soft or hard woods, ensuring better wood resources utilization.

SIGNING PAPER PACT: Seated from left are Local 386 President Malcolm McIver; Great Lakes Paper Company Industrial Relations Manager G. C. Bucknell and Ass't Comptroller F. Morrow. Standing: Mid-Canda Council Representative E. M. Steenber and Committee members Gwen Donaldson, Ron Maki and Arnaud Delcan. Members O. Rothenberger and A. Bailey were absent when photo was taken.

$2,000 is minimum gain under two-year paper pact in B.C.

Minimum wage gains of nearly $2,000 per individual in the lowest grade, larger hikes for those in higher classifications, were won by Vancouver Local 15 in a two-year contract covering its 60-member office unit at Alberni Pulp & Paper, Ltd., a subsidiary of MacMillan & Co. in Port Alberni, B.C.

Business Representative Bill Swanson reports that the agreement calls for an 8 1/2% across-the-board wage boost (for a 50% monthly minimum) in the first year, with additional raises in the second year ranging from 39% per month in the lowest grade to 58% in the top classification.

In the second year, the starting minimum monthly wage in the lowest grade will be $477, rising to $553 maximum, and $5125 in the top grade rising to $1,228 maximum.

A floating holiday brings the annual total to 10. The company also agreed to pay those working on holidays 2 1/2 times the regular rate, and to provide a meal for any employee required to work more than two hours overtime.

The vacation schedule was improved to three weeks after four years; four after 12; five after 20, and six after 27 years. The pact also calls for supplementary vacations in addition to the regular schedule for each five years of service. At the end of five years, employees are entitled to a one-week supplementary vacation; two after 10; three after 20; four after 30; and five after 40.

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The OPEIU bargaining team assisting Swanson in the negotiations were chaired by Ron Rutter. The pact runs to June 30, 1975.

Time for changes in Social Security

Mary J. Wilson, a research analyst with the Boston based firm of David H. Protess & Co., recently wrote an interesting article in the New York Times which should set us thinking about our government's policy with respect to Social Security.

Congress recently raised Social Security benefits again and provided two increases totaling 11 percent in the year 1974. This means that Congress has upped the benefits for Social Security recipients by twice the rise in living costs since 1966. To provide monies for this latest increase, the maximum amount of earnings subject to tax has been raised from $10,800 to $13,200 per year.

This means that all workers earning $10,800 or more per year will be subject to an increased tax of $140 yearly. Employers will also be subject to the same increase. The maximum Social Security tax for employee which makes the total contribution to the federal government in 11.7 percent per employee.

The 1974 rise in benefits comes close to a 20 percent increase just before the 1972 election and follows increases of 10 percent in 1971, 15 percent in 1969 and 10 percent in 1967. In 1974, the average retired worker will get 85 percent more than he did in 1966, compared with a 38 percent rise in the cost of living in the same period. Certainly no one begrudges Social Security recipients these increases. Probably no segment of the population is more in need of increased income.

Miss Wilson's article, however, is pointed towards another aspect of the Social Security system which must interest all of us who have had something to do with the setting up and the operation of pension plans. From the beginning, the system was to provide for insurance assistance to those over 65, Social Security has become a broad fringe benefit and income distribution system. The number of beneficiaries of all types (old age, survivors, disability and hospital insurance) climbed from 3 million in 1950 to 30 million at the present time.

Meanwhile, total dollar payments have increased from one billion in 1950 to an expected 73 billion in 1974. There is no question of the fact that the great expansion of the Social Security system will place a growing burden on the nation's employers and workers.

The vote-getting appeal of broadening and liberalizing Social Security benefits has prompted Congress to proceed in expansion without providing the usual actuarially sound foundation for a pension plan. Instead of a funded plan, Congress has placed Social Security on a pay-as-you-go basis to the extent that reserves currently totalled $17 billion dollars represent only about nine months' worth of benefits.

Congress is completely ignoring the need for a soundly administrated Social Security system developed from actuarial data which will guarantee benefits for workers' lifetimes. While it is true that the Social Security system has the taxing authority of the federal government to support it, it is also true that withholding taxes, social security taxes and others have pretty much reached the maximum of wage earners' ability to pay.

In addition, the number of wage earners who support each Social Security recipient has declined drastically. For example, in 1940, the Social Security taxes of 145.8 wage earners made up the benefits paid to each Social Security recipient. In 1947, this figure declined to 22.2; in 1954 to 9.3; in 1957 to 5.8. In 1972-239 workers were held responsible for the Social Security benefits received by each recipient. It is obvious, therefore, that it will be impossible for the federal government to continue to increase benefits and extend coverage based on the possibility of increasing taxes.

The Social Security Administration presently estimates future benefits and taxes by assuming that the Consumer Price Index will rise at an average annual rate of 2.5% and the national wage level at 5% if they are right butressever again changes the program, the maximum retirement benefit will rise to $37,250 in 1980 and will reach $50,000 per year in the year 2010.

Meanwhile, the maximum contribution per worker will reach $38,288 with projected income of $66,300 per year. Actually, however, the Consumer Price Index has been rising at an average rate of more than five percent a year since 1966, and wages have increased at an even faster rate. If the government changes the program to reflect these actual increases, taxes on workers and benefits will increase astronomically. Proposed taxes would then reach the point of diminishing returns.

If the energy crisis or an economic downturn results in severe unemployment, it may be necessary for the Congress to reduce Social Security payments. The Congress should again to devise a more realistic Social Security system.
Across-the-board wage boosts of 8.6% in the first year or a $60 per month minimum, a workweek reduction to 37½ hours, and pay boosts ranging from $50 to $103 in the second year were gained by Vancouver Local 378 in an initial two-year contract for its new office unit at Rayonier Canada Ltd., at Woodibre, B.C.

Business Representative R. N. Reynolds said that in the second year the starting minimum salary in the lowest office grade will be $551.23 with an $1,128 figure in the top classification.

The pact calls for 10 paid holidays annually. It provides two weeks vacation after one year, three after four; four after 12, and six after 25 years. After each five years in service, employees will be entitled to supplementary vacations ranging from one week after five years to five after 40, which may be taken during the five-year period following eligibility.

The contract also provides non-cumulative sick leave salary at full pay, ranging from four weeks for employees with less than five years' service to 18 weeks for those with 15 years or more.

The company agreed to continue the present pension plan, weekly indemnity, major medical and group travel insurance at no cost to the employees, and to inaugurate a full dental plan in which the employer pays 70% of the premiums. The contract is retroactive to May 15 and runs to June 30, 1975.

In addition to Rennie, the OPEIU negotiating team included Arent Business Representative F. M. de Moor, Local 378 Vice President M. D. Rippberger, Annabelle Bellis and P. Cliff.

University pacts in N.Y. redress wage inequities

Long Island University and Local 153 have signed two one-year contracts providing 4% pay boosts, an additional paid holiday, more liberal vacations and an improved tuition plan for some 210 clerical employees at the university's Brooklyn and Southampton, L.I., centers.

The agreements call for a distribution of 2% of the pay-roll to correct wage inequities in some classifications. "Promotional increases in clerical contracts will be a flat $10 per week instead of 5% of wage rate," the pact states.

The Southampton contract covering 45 clericals is the first between the parties, and the Brooklyn pact is the second. Pay under the first Brooklyn contract averaged $130 a week.

Both contracts provide a four-day 32-hour workweek during the summer terms, as negotiated in the first Brooklyn pact. Local 153 says it plans to make this a bargaining goal for its other university contracts.

A floating holiday brings the annual total to 11. The pacts also establish a fourth week of vacation after 25 years of service.

The university agreed to improve its tuition reimbursement program to provide 75% payments to dependents of employees with more than one year of service (was 66.6%), and 95% for dependents with more than three years of service (was 90%). Employees and their spouses will continue to be entitled to 10% reimbursement for tuition charges.

The university also agreed to reimburse all employees and dependents for any fees they have to pay while taking courses. The pacts run to August 31, 1974.

San Pablo hospital workers gain from two Local 29 settlements

San Pablo hospital in San Pablo, Calif., Business Representative Frank Kuehl, Jon Griffith and Jean Riddle, assisted by Local 29 Business Representatives Bruce Lockey and Frank Munilly, negotiated a total of four settlements.

A 5½% general wage increase retroactive to July 1 with a reopening on wages and health-care scheduled for next July were agreed to in a three-year contract negotiated by Oakland Local 29 for its 100-member unit at Brookside Hospital in San Pablo, Calif. Business Representative Frank Mullany reports.

The shift differential was increased an hour to 26¢, and after five years service employees will receive a longevity increase of 10¢ an hour. The new pact brings a monthly starting rate of $571.61 in the lowest office grade, rising to $639.97 max in the top grade.

After a separate contract covering the hospital's inhalation therapists, first-year wage increases of 7% to 7½% were agreed on, with a reopening in the second. The shift differential was increased to $55 per month.

The dental maximum was upped to $1,000 (was $500), major medical to $50,000 (was $16,000), and the major medical deductible reduced to $50 (was $100) maximum, plus 60% of $150 or $300 per family. Sick leave was increased to 40 days.

The inhalation therapists' negotiating team included Frasces Kuehl, Jon Griffith and Jean Riddle, assisted by Local 29 Business Representatives Bruce Lockey and Frank Munilly.

48-state insurance pact brings package of gains

Wage gains and improved fringe benefits were won in a second three-year contract signed between the nationwide association of American Income Life Insurance Co. of Waco, and Fort Worth Local 277.

The unique contract covers 700 agents and clerical employees in 48 states, and was negotiated at the league office. Contract improvements include:

• A guaranteed minimum of $3 per hour for a 35-hour week for clerical employees working for the various agencies throughout the United States.
• A guaranteed minimum of $13,000 per year for public relations representatives.
• Improved bonuses and renewal commission for agencies.
• Lifetime vesting of renewals for commissioned agents after three years' service.
• An improvement in group life insurance.