The United Automobile Worker

UAW-CIO

INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—U.A.W.-C.I.O.

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Guaranteed Wage, Better Pensions, Pay Increase among Demands for '55

Pages Two and Three

Any Questions About Guaranteed Wage?—

See Page 14

A UNITED LEADERSHIP examines one of the banners at the Collective Bargaining Conference. Left to right: Vice Presidents John W. Livingston and Richard T. Gosser, President Walter P. Reuther and Secretary-Treasurer Emil Mazey.

Key Demands for '55 Negotiations

A Program on Which to Build Our Future

The proposed demands for 1955 UAW-CIO negotiations submitted by the International Executive Board were adopted in their entirety by the 1,100 delegates to the Union's Economic and Collective Bargaining Conference held in Detroit, November 12 and 13.

With the exception of one dissenting vote each on the retirement security and health security sections, the demands were adopted unanimously. There were only three dissenting votes on the Board's report on automation and the shorter work week, covered elsewhere in this issue.

The complete outline of the demands follows:

I. Guaranteed Annual Employment Plan

A PLAN THAT WILL:

(a) provide the strongest practical incentives to employers to plan for regular, full-time, year-round employment for all seniority workers,
(b) provide regular income sufficient to maintain the living standards of laid-off workers when employers fail to provide such employment,
(c) protect all workers against short workweeks and all seniority workers against layoff,
(d) integrate guarantee payments with unemployment compensation,
(e) be jointly administered with decisions made independently of the state unemployment compensation agencies,
(f) be financed through a combination of pay-as-you-go and a reserve trust fund with provision made for reinsurance.

II. Wages

A. WAGE INCREASE

1. Wage increase to bring wage rates up to level they would have attained on basis of proper implementation of theory behind wage formula starting with 1948.
2. Increase in size of improvement factor to reflect more adequately actual changes in national productivity.

B. ADJUSTMENTS IN WAGE FORMULA

1. Transfer to base rates of full amount of cost-of-living float existing as of time of contract expiration.
2. New escalator table reflecting proper relationship between index points and wage rates, including above adjustments in rates.
3. Floating base provision to limit amount subject to downward escalation by transfer of part of future cost-of-living allowances to base rates when total allowance would otherwise exceed specified amount.
4. Provision for automatic adjustment in cents per hour amount of improvement factor when necessary to yield agreed upon rate of increase in workers' living standards.

III. Retirement Security

(a) **INCREASED AGE PENSIONS.** Normal retirement at 65 based on $2.50 a month per year of service with a $25 minimum for 5 years of service.
(b) **REMOVAL 30-YEAR CEILING.** The arbitrary limit of 30 years on accumulating service credits should be removed so that each individual worker has a pension based upon length of service up to retirement.
(c) **IMPROVED DISABILITY PENSIONS.** Disability pension based on $5 a month per year of service after 15 years of service, regardless of age. No maximum and a more liberal definition of disability.
(d) **PERMANENT PENSION RIGHTS.** Vested right to pension at age 65 for workers with 5 or more years of service who leave their employment for any reason.
(e) **UNION VOICE IN INVESTMENT OF PENSION FUNDS.** Right of Union to exercise a voice in the investment of pension funds to insure investment of a specified proportion of pension monies, under proper safeguards, in community improvements such as housing and health facilities.
(f) **IMPROVED ELIGIBILITY RULES AND ADMINISTRATIVE PROVISIONS.**

1. Liberalized crediting of service to include periods during which laid off workers draw guaranteed wage payments.
2. Joint Boards of Administration to have full administrative control to insure more effective administration of plans.
3. Extension of pooling arrangements to provide maximum security for workers employed in small companies.

IV. Health Security

A. EMPLOYER PAYMENT FOR HEALTH SECURITY PROTECTION.

Non-contributory financing of Health Security benefits for active and retired members and their families.

B. BASIC PROGRAM OF BENEFITS

1. **Hospital Services.** Comprehensive in-patient hospital services paid in full. Semi-private room and board, all other in-hospital services and emergency out-patient care.
2. **Surgical-Medical Care.** A program to provide full payment for surgical and in-hospital medical services.
   Provisions shall be made to give workers the option to enroll in comprehensive medical care plans by paying the excess in cost, if any, on a contributory basis.
3. **Improved Disability Protection.** Improved temporary disability protection to enable sick or injured workers to maintain an acceptable standard of living for themselves and their families during periods of disability.
4. **Extended Coverage.** Extended protection during periods of layoff covered by guaranteed wage payments and for periods of disability and other work interruptions caused by factors beyond the worker's control.

C. JOINT ADMINISTRATION

An equal voice in the selection of carriers and in all phases of administration of the health security program, including review of contested claims.

V. Overtime

Time and a half for work on Saturday as such, double time for work on Sunday as such, triple time for work on holidays.

VI. Contract Duration

Contracts not to exceed two years if they include escalator and improvement factor provisions and not to exceed one year if they do not include both such provisions.

VII. Preferential Hiring

(a) Provision to require multi-plant corporations, when hiring in any plant, to give preference, in order of seniority, to workers laid off from their other plants.
(b) Provision to require all plants under UAW-CIO contract, when hiring, to give preference to laid-off workers in the same area and industry.

VIII. Other Demands

(a) Model clauses adopted by International Executive Board on various subjects are to be included among demands in all cases where they are appropriate and have not yet been won.
(b) Corporation councils and Local Unions may add additional economic and contract demands designed to meet the special problems of their respective members.

UAW Demands for '55 in Vanguard Of Struggle for Economic Security

With major emphasis on a guaranteed annual employment plan, delegates to the UAW-CIO Economic and Collective Bargaining Conference in Detroit last month wholeheartedly endorsed a set of basic demands for 1955 negotiations.

The Conference itself was unprecedented in UAW-CIO history, and the proposals recommended by the International Executive Board and approved by the delegates are not only to UAW-CIO members —but to the nation as a whole—the most important formulated since the establishment of the Union in the industry. They are discussed in detail elsewhere in this issue of *The United Automobile Worker.*

HISTORY-MAKING CONFERENCE

This was the first time, outside of a regular convention, that a broad, representative, unionwide conference was convened to hammer out a set of collective bargaining demands.

The winning of the demands in 1955 negotiations will be a milestone of progress in the direction of economic stability, full employment and full production.

Addressing the delegates, President Reuther said, "The Conference that we have come together to participate in . . . is perhaps the most important meeting in the history of our Union.

"I say that because I believe that today we stand in the vanguard of those forces in America who are fighting for the kind of economic realism, the kind of broad social policies that are the essential key to the future . . . to the peace and the well being of America and ultimately the free world."

IF NOT THE UAW, WHO?

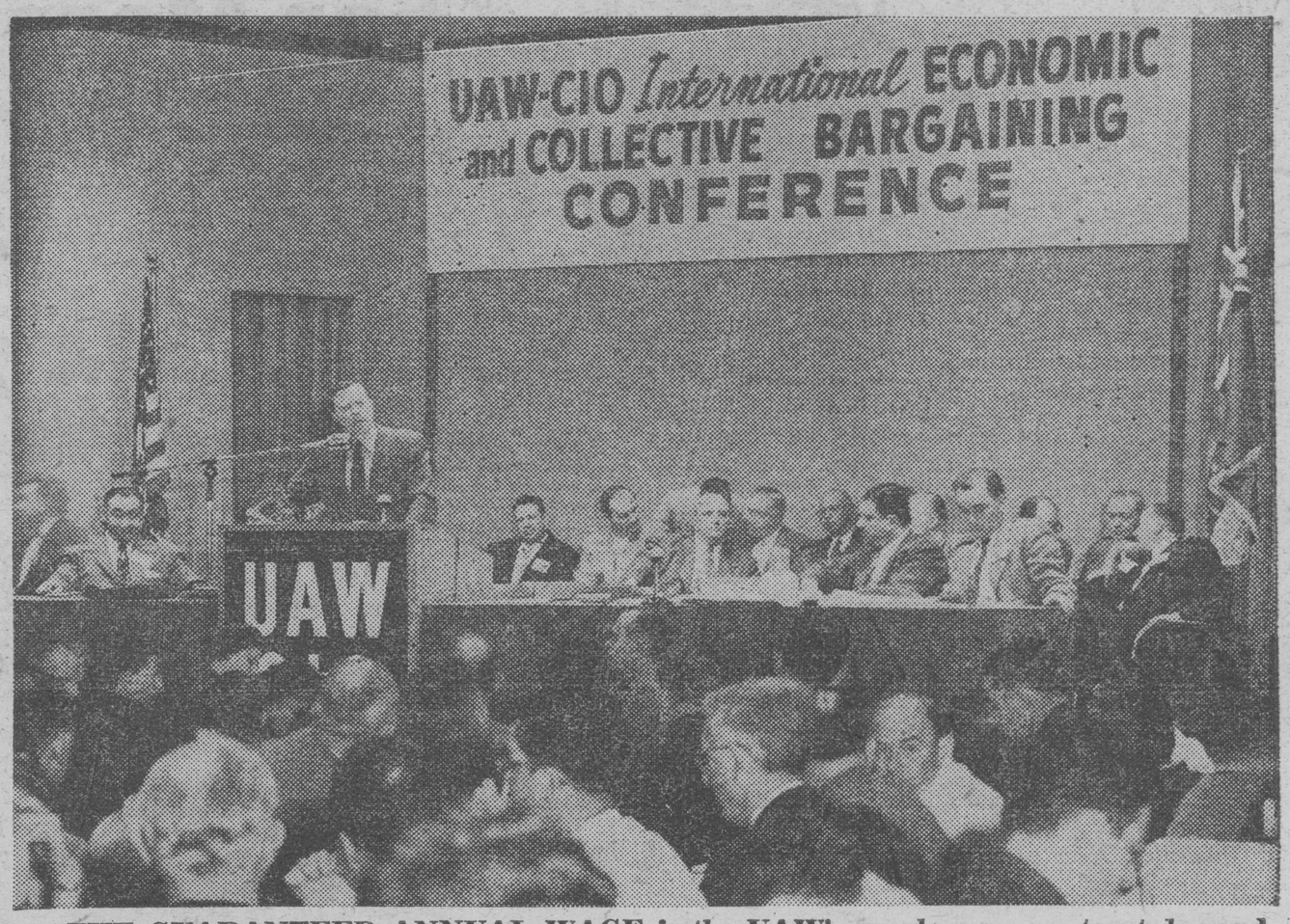
Reuther asserted that the UAW-CIO's collective bargaining program is dealing with "problems that get to the very core of the basic unsolved problems in the whole of our free society."

Reuther observed, "We have a rank and file union that draws its power and its great spiritual resources out of the minds and hearts of more than a million and a half workers and translates that power into practical struggles."

He added, "No other group in the world has a greater opportunity nor does any other group have a greater responsibility in meeting the challenge that lies ahead. Just look around America. If we in the Auto Workers are not able, not equipped, not prepared and willing to take on these basic struggles, then pray tell me, who is?"

The meeting was a working conference with more than 1,000 delegates and staff members giving serious and concentrated study to the materials detailing and explaining the proposals submitted by the International Executive Board. Each proposal was presented in detail with full opportunity for questions and comments from the floor.

All proposals were adopted unanimously with the exception of one dissenting vote on the retirement security and health security proposals and three dissents on the short work week proposal.



THE GUARANTEED ANNUAL WAGE is the UAW's number one contract demand in 1955, UAW-CIO President Walter P. Reuther tells the 1100 odd delegates who attended the Union's recent Economic and Collective Bargaining Conference held in Masonic Temple, Detroit.

General Motors and Ford Conferences To Be Held Simultaneously Next Month

Top-flight local union representatives of General Motors and Ford workers throughout the nation will gather in national conferences in Detroit, January 12-13-14, 1955, to draft working collective bargaining programs for coming negotiations.

The Union has long recognized that 1955 is the key year for UAW-CIO at the bargaining table. It is significant that the year will start with the representatives of nearly a half-million workers in these two giant corporations meeting simultaneously with the top leadership of the International Union to tie down the specifics in the Union's contract demands.

The General Motors contract expires May 29, 1955, and the Ford agreement expires two days later.

Vice President John W. Livingston, Director of the UAW's GM Department, and National UAW Ford Director Ken Bannon, stated that close cooperation has been the theme of the preparation for these conferences by both departments. They point to the coordination of these two important conferences on the same dates in the same city as indication of the type of teamwork and cooperation which will continue throughout the negotiations.

"The welfare of the GM worker is directly related to the welfare of the Ford worker, the Chrysler worker and the rest of our membership," said Livingston, "just as their welfare is related to the progress that GM workers make."

Both conferences will deal extensively with the recommendations which came out of the recent Economic Conference, November 12-13, in Detroit. Particular consideration will be given to the pattern of economic demands with specific emphasis on wages, Guaranteed Annual Wage, pension improvements, and those other economic items highlighted by the conference.

The conferences will deal in detail with the recommendation on the $25 million strike fund which was adopted at the conference. Thorough discussions will take place and preparations are being made to furnish delegates to the conference with the type of "factual ammunition" that will show the rank and file the extent to which our economic demands in 1955 depend upon an adequate strike fund reserve.

Virtually all of the top International leadership will be in attendance at the conferences. The regular quarterly meeting of the International Executive Board will take place the preceding seven days, January 4-11, adjourning in time for all board members to participate in the conferences.

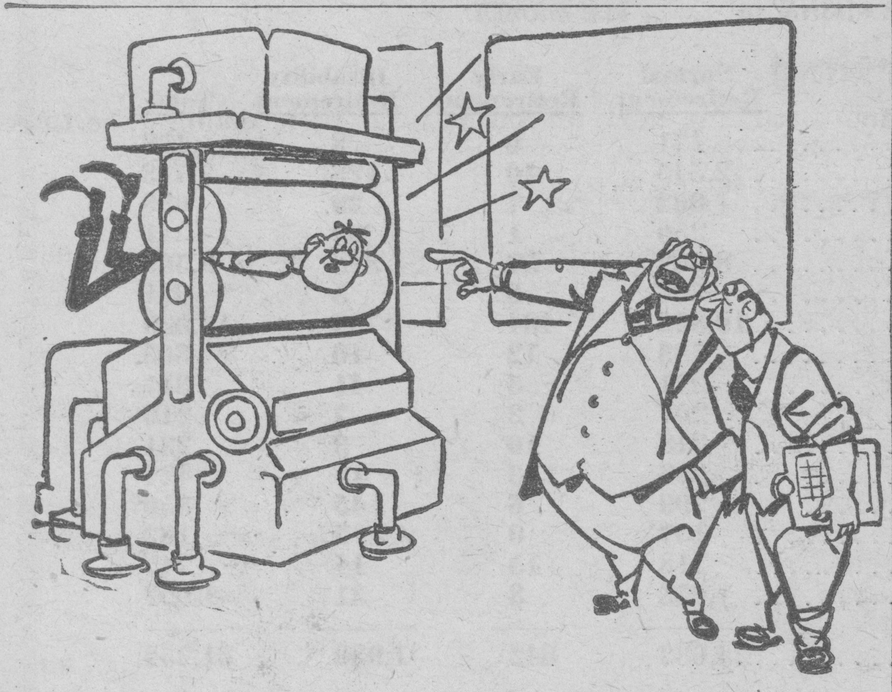
Mitchell Tries Again

Last February 16th, Secretary of Labor James P. Mitchell asked governors and state legislatures to increase the amount and duration of unemployment compensation. Except for action in Michigan and California, the request was ignored for the most part, and no state came close to Mitchell's and President Eisenhower's recommendations.

Last month Mitchell tried again. In a letter to governors and governors-elect, he urged that compensation benefits be raised so that the maximum hit at least 50 per cent of earnings before taxes. Mitchell also urged uniform 26-week duration.

A year ago, Republicans tried to duck the issue by claiming Mitchell was asking for 50 per cent of take home pay. This time, Mitchell specifically closed off that avenue.

But Mitchell failed to point out that if the states fail to meet this responsibility—and it's sure that most if not all will—that the Federal Government should establish the standards.



Hoosiers Planning Drop-in Centers

Retired workers at Evansville and Kokomo, Indiana arranged for steering committees, at meetings held last month, to plan their future activities.

The retirees who attended, (many were accompanied by their wives) were briefed on their rights and privileges within the union and also in the community.

At Evansville, prizes were distributed to the oldest lady and the oldest gentleman present. Some dissatisfaction was raised by one pensioner who stated that he thought there should be a prize for the oldest pensioner with the youngest wife. His point was well taken since he is 71 and his wife is 37.

Indianapolis retirees also met last month.

Chrysler Office Pact Signed at 'Deadline'

A Union negotiating team headed by Emil Mazey, UAW-CIO Secretary-Treasurer, staved off a threatened strike of Chrysler Automotive Body Division (formerly Briggs office and plant) workers by winning an agreement with Chrysler covering approximately 900 office workers, and providing numerous gains.

Less than one hour prior to the strike deadline, a marathon 19-hour bargaining session brought the new agreement. Representing the UAW, in addition to Mazey, were Jess Ferrazza, Mazey's assistant, and Jim Blackwood, International Representative; Local 212 President Ken Morris, Vice President Pat Caruso, and Recording Secretary Russ Baril; plus George Ruch, Earl Soleau and Theresa Merlo for the office workers.

The new Chrysler-Local 212 pact provides immediate increases for 159 workers, reinstatement of 5 girls improperly laid off August 13, restoration of seniority to 20 others laid off at the same time, grievance procedure similar to the Local 212 factory workers, seniority coverage for employes on payroll as of July 1, 1954, plus standard union sections.

The Washington Post & Times-Herald

"Run Along And Shoot Pool Or Something"

Editorial . . . . .

Not Easy Reading

The 1955 UAW-CIO negotiations likely will be one of the most significant efforts in the history of the United States economy.

With World War II and the post-war catch-up period past, the upcoming negotiations will be one of the high points in the drive for full production and full employment in a peacetime economy.

Each year American workers can produce more with less effort. But science has just scratched the surface of the productivity possibilities. History shows that the fruits of scientific advancement are made available to the great mass of people only to the degree that they organize together to fight for their just share.

Either working people will secure a rising standard of living as productivity increases or this nation will have tremendous unemployment because of a lack of mass purchasing power.

The UAW has pioneered in many of the basic fights to win greater security and a higher standard of living for the great bulk of American people. In 1955, we will be pioneering again.

This issue of *The United Automobile Worker* is devoted to an explanation of the contract demands which will be submitted to the UAW-CIO Convention next March in Cleveland.

In an increasingly complex industrial world, explanations of contract demands may not be the easiest of reading. But these demands are tremendously important. They will have a great bearing on your future, the future of your family and the futures of tens of millions of others throughout the Free World.

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Pension Demands for '55

Bigger Payments, Vesting For More Secure Future

In 1955, the UAW-CIO plans to take some of the tensions out of the pensions.

The concept of funded industrial pensions, pioneered by the UAW, has gained general acceptance in the past five years. But the shakedown cruise is over. It's time to make some adjustments.

A special report on "Retirement Security," prepared for last month's UAW Bargaining Conference, strikes this keynote: "Income for retired and disabled workers must not only keep pace with higher living costs but must . . . reflect the higher standard of living made possible by increased productivity."

Here are some specific improvements recommended in the report:

1 INCREASE SIZE OF PENSIONS. In addition to Social Security, the UAW is demanding monthly pensions of $2.50 for each year of service with a minimum of $25 for five years of service credit. That would raise to $232.50 the maximum pension payment for an eldery couple — in which the breadwinner, with 30 years' service, retired in 1956. That's the year of the final increase in Social Security voted by Congress.

2 REMOVE THE 30-YEAR LIMIT. Let workers earn retirement credits for every year of their working lives. Stopping service credits arbitrarily after 30 years is unfair.

3 VESTED PENSION RIGHTS. Under the present plan only one of every four 25-year-old workers is likely to stay with the same employer long enough to get a pension at 65. A man should be allowed to take a better job without sacrificing his pension rights. The UAW demands vested pension rights for any worker with five or more years of service credit no matter what his reason for leaving a job. A worker with jobs in several plants during his lifetime could thus get as big a pension as the man who stuck to one job — except that the pension would come from several sources.

4 IMPROVED DISABILITY BENEFITS. The seriously injured or sick worker should not have to carry so much of the burden of his disability. The principle of employer responsibility to disabled workers was established in earlier negotiations, but payments are too small and too hard to get.

Usually a worker must have completed 15 years of service and be more than 50 years old. Benefits are only $50 to $90 a month. There is no added Social Security coverage.

Improvements in negotiated plans will help get support from employer groups for disability pensions under Social Security.

5 INVESTMENT IN COMMUNITY IMPROVEMENT. Under negotiated trust funds now totals $500 million; in time will total over $4 billion. Now the money is invested through arrangements made, by the employer, with banks and trust funds. The Union seeks an equal voice in investment policy. A specified portion, under proper safeguards, should be invested in such projects as better housing developments and health facilities, which would help improve communities where our members live.

6 POOLED PENSION PLANS. Three hundred thousand UAW-CIO members still are not covered by pension plans. Most work in small shops. Existing pooled pension plans, negotiated by the Union, show that pooled pensions are practical and economical. Pooled pension plans must be extended to new areas.

"I'm glad this Administration realized that we employers had a burning need for greater tax relief!"

7 ANNUAL CREDITS. Under the Guaranteed Annual Employment Plan it will be possible to award pension credits on an annual rather than an hourly basis. A worker must also be permitted to accumulate pension service credits when sick, injured, or on Union or military leave.

8 JOINT BOARD AUTHORITY. In the first round of bargaining, compromises in the authority of joint boards of administration had to be accepted. For more effective operation, joint boards must be given complet jurisdiction over administration of pension programs.

Trott Steps Out

WATERTOWN, Mass. — Joan Trott applied for work at a shoe manufacturing plant two years ago. They told her she could step out for a walk. She did, and still does. That's her job. Joan walks around a two-mile course six times daily testing shoes.

44,212 Reaping Benefits Of Basic Fight for Pensions

Because UAW-CIO made the basic fight for industrial pensions, more than 44,000 senior members of the Union have been able to retire with more security than some had even hoped for in their old age.

Instead of being cast aside—as the reward for their advancing years—they are able to live with dignity and even serenity. Behind them are hundreds of thousands more, still in the shops, who won't have to be frantic about approaching retirement age.

This is only a partial report on pension achievements to date, for other unions were able to follow the UAW's lead, and their members, too, are enjoying pensions.

Below is the breakdown on the number of retirees under the UAW-CIO funded pension plan as of early last month:

EMPLOYER	Normal Retirement	Early Retirement	Disability Retirement	Total
Bendix Aviation	471	0	8	479
Chrysler	2,545	40	128	2,713
Chrysler Auto-Division	662	7	29	698
Electric Auto Lite	250	1	60	311
Ford	8,662	59	848	9,569
Ford of Canada	606	0	5	611
General Motors	10,832	464	733	12,029
Hudson	783	12	10	805
International Harvester	271	5	41	317
Budd of Detroit	207	2	7	216
Kaiser - Frazer	218	10	3	231
Willys	398	13	13	424
Nash	799	6	45	850
Motor Products	157	0	5	162
Packard	718	15	14	747
Studebaker	1,053	8	31	1,092
Total	28,632	642	1,980	31,254
Total of all other companies (estimated)	11,786	434	738	12,958
GRAND TOTAL	40,418	1,076	2,718	44,212

Demand for '55

Expanded Health Security At Less Cost to Workers

When the wife wakes you up in the middle of the night and says, "Jane's ill, and I think it's serious," you're apt to panic just a little.

You wonder just how serious it is, and you try frantically to remember just how much protection you have against the cost of doing whatever has to be done about it.

The answer to the latter is: practically every UAW-CIO member has a lot more health insurance coverage than he had before the 1950 negotiations, but it isn't enough.

BIG SHORTCOMINGS

Under the Health Security demands presented to the UAW Bargaining Conference, you will still worry about Jane's sickness (or your own, or your wife's or husband's), but you'll have much less cause for concern over the cost.

The biggest shortcomings now roughly are these: even under the negotiated health insurance plans, (for which you are paying a big share of the cost), you still have to pay for a lot of hospital "extras." Doctors nearly always charge more than the amount allowed under surgical insurance, too often jack up the fees when you have insurance. Little effort has been made to improve quality and to lower the costs of medical service.

Here is what the Union is demanding be done about those shortcomings in 1955.

For the same reasons the UAW insisted upon employers paying the full cost of pensions, it is insisting that employers pay the full cost of health security protection from now on. That would be one less "deduct" on your pay stub.

That will give employers a lot of incentive to join labor in working for better organized, more efficient medical care programs. This will benefit everyone. The American genius for organization just hasn't been applied to medical services as yet.

With the employer picking up the tab, he's quite likely to be willing to do something about it. (Remember how employers went to bat for Social Security after we got pensions?)

COMPLETE COVERAGE

Hospitalization coverage must be increased to provide full payment of the hospital bill for every UAW-CIO member and his family INCLUDING THOSE EXTRA CHARGES. Surgical AND medical cost in the hospital must be fully covered.

Just raising fee schedules isn't enough. Too many doctors would boost the bill that much more. Joint labor-management committees may be able to negotiate with medical societies for full payment at reasonable costs.

Modern prepaid medical care —not yet available in many areas — covers nearly all medical costs. It's called "Comprehensive," and it includes the cost of seeing the doctor in the clinic, at his office and having him come to your home. It includes the cost of check ups which can prevent a serious illness from getting a foothold. This preventive medicine naturally lowers other medical costs because people are less likely to get sick.

Where these "Comprehensive" plans exist, workers must be permitted to enroll by paying the excess cost, if any, on a contributory basis. Where such plans do not exist, the best thing to do is help get them started.

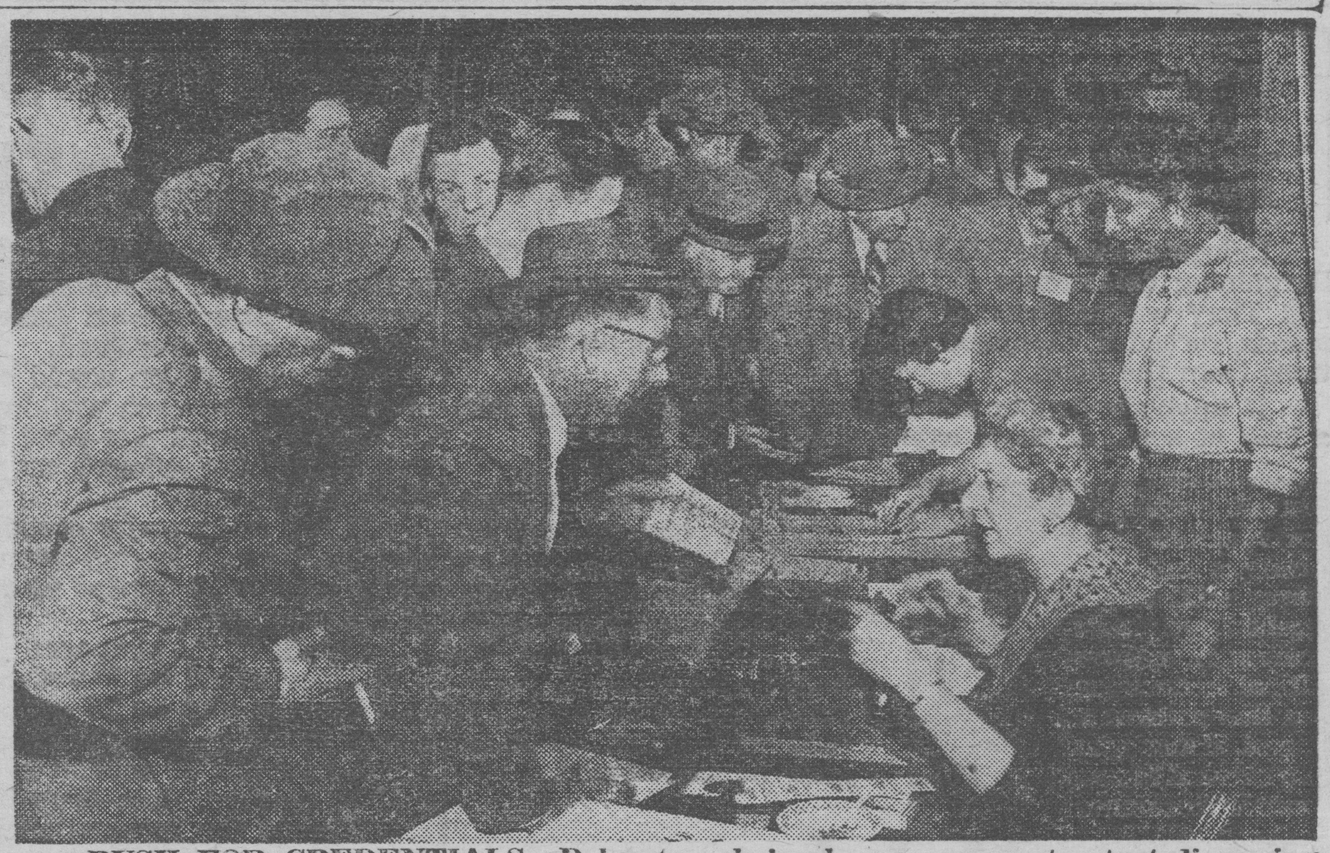
FOR MORE PEOPLE

One of the biggest nightmares to many workers is the possibility of injury or disabling disease. Higher levels of benefits are among the '55 demands, levels high enough, in fact, to encourage industry to do something constructive about the disability coverage under Social Security and Workmen's Compensation.

Last year the Union was able to secure health protection for retired workers on a contributory basis. But retired workers are the people least able to afford this insurance. Next year the Union will demand that companies pay the full cost of hospital-medical coverage for retired workers, too.

Health security protection for all workers must include periods when Guaranteed Wage payments are made; and for periods when a worker is disabled or his work is interrupted for reasons beyond his control.

To nail down gains made at the bargaining table, the health security programs must be under the direction of Joint Boards of Administration — just as with pensions. That will keep employers from putting fishhooks in the plans.



RUSH FOR CREDENTIALS—Delegates obviously were eager to start discussing demands for 1955. Here they're crowding up to the credentials table set up in Detroit's Masonic Temple a few minutes before the Economic and Collective Bargaining Conference officially got underway.

Kids' Season

During the last fiscal year, 5258 employers illegally hired 10,695 children, according to Labor Secretary Mitchell. In an article in The American Weekly, he wrote, "that is the number of violations we discovered. Thousands more undoubtedly went undetected."

Ford Director Calls on Retirees To Back Guaranteed Wage Plan

In a rousing address delivered before more than 1500 UAW retirees who overflowed the Veterans' Memorial Auditorium, Detroit, into an adjoining hall, Ken Bannon, Director of the UAW-CIO National Ford Department, called upon them to fully back their Union brothers and sisters in securing the Union's guaranteed employment plan in 1955.

Bannon reminded the UAW veterans, "You heard in 1949 that the younger workers would not support the old timers in their battle for pensions. But, they did support you. They were ready to strike to back your demands.

CITES PENSION DEMANDS

"Now, they say the older workers will not support the younger workers to win the guaranteed annual wage in 1955," Bannon told the cheering retirees. "You heard the same thing before, but the positions were reversed. We know that the UAW-CIO ranks are solid on our guaranteed employment plan, and that as a united team we will win our demands."

The UAW Ford Director outlined the specific demands for 1955, recently endorsed by the Union's Economic and Collective Bargaining Conference, November 12-13, in Detroit. He cited the 10 point program aimed specifically at the needs of retired UAW members. (See story on Pension demands on Page 4.)

TELL YOUR NEIGHBORS

Emphasizing the need for publicizing the Union's guaranteed employment plan, Bannon declared, "You can help by telling the people in the community. You can tell the merchants that when we get the guaranteed employment plan, they will benefit, too. Everyone in the community will benefit. They will benefit as we do with more money being spent on consumer goods and other commodities."

"You have to get the truth home," the Ford Director stated. "You're a part of the team. Talk to your neighbors. Talk to your merchants. Tell them that workers will go out and buy, if they have steady incomes."

Among others who spoke briefly at the Ford retirees meeting, chaired by Ford Department Representative Tommy Thompson, were Joe McCusker, co-director of UAW Region 1A; chairman of National Ford Negotiating Committee Gene Prato; and Carl Stellato, president of Local 600.

ATTENTIVE FORD RETIREES learn the score on UAW-CIO 1955 contract demands from Ken Bannon, director of the Union's National Ford Department. An overflow crowd of more than 1,500 retired workers attended the meeting at Veteran's Memorial hall, Detroit.

Two Years of 'Talks' But Still No Contract

RACINE, Wisconsin — After 100 bargaining sessions, UAW-CIO Local 180 and the J. I. Case Co. are still poles apart on the terms of a new contract. The old agreement expired October 31, 1952.

Principal reason for the failure to arrive at a settlement despite two full years of bargaining talks is attributed to the company's refusal to grant standard contract provisions found in all UAW agreements in the farm equipment industry.

2-HOUR SESSIONS

Another reason for the protracted negotiations is a company refusal to negotiate for more than two hours at any one session, and then only in the management offices, after working hours, and at the company's convenience.

Local 180's demands include a workable seniority plan, arbitration of grievances, a retroactive general wage increase, boosts in insurance and hospitalization benefits, increased vacation benefits and wage adjustments.

The company refuses to agree to any kind of back pay formula, although the union offered to waive one full year of retroactivity. It has similarly refused to grant any of the local's other demands.

TWO CHARGES PENDING

Two unfair labor practice charges against J. I. Case are now pending before the National Labor Relations Board. Both are based on the firm's refusal to bargain in good faith. The company has not made any complete contract proposals since last April.

The firm's chief negotiator, H. W. Chipman, walked out of the last "bargaining" session late last month under the pretense that "he was not being listened to by the union committee."

Company president John T. Brown has turned down four separate invitations to enter the negotiations.

This is not the first time that Local 180 has had trouble with J. I. Case. In 1947, the Wisconsin Supreme Court found the company guilty of attempting to bypass the local in its dealings with Case employes, although Local 180 is the legal collective bargaining agent.

Malcolm McDonald Passes Away

CRAWFORDSVILLE, Indiana — International Representative Malcolm E. McDonald of the UAW-CIO Auto-Lite department died November 23, at the Culver Hospital, Crawfordsville, Indiana. He had been admitted to the hospital three days earlier.

McDonald, 48 years of age, was a member of Auto-Lite Battery Local 675, Vincennes, Indiana and a UAW-CIO member for 13 years. He was appointed to the UAW-CIO staff in 1947, after serving his local union as president, financial secretary, chairman of the bargaining committee and steward.

He is survived by his wife, three married daughters and twin sons, Marvin and Melvin, of school age.

McCoy to Quit

Whitley P. McCoy, director of the Federal Mediation and Conciliation Service, was reported to have resigned, effective December 1, 1954.

Matching Marilyn

ATLANTIC CITY — Before a convention of New Jersey teachers, Governor Robert Meyner commented that teachers are underpaid "while women like Marilyn Monroe get up to $1 million a year for just showing their figures." Quiet had prevailed up to this, but one gal suddenly interrupted "We'll match our figures with Marilyn's . . . our $3,900 a year with Marilyn's $1 million."

Plenty of Thinking . . . Behind Those Demands

Delegates to the UAW-CIO Economic and Collective Bargaining Conference did a lot of just plain, hard thinking. They waded through the material on bargaining demands, reread it, discussed it among themselves, asked questions from the floor.

If anybody doubts about how hard they worked, take a look at some of these expressions.

This brother absentmindedly chewed on his pencil while he ran over the background for the Health Security demands. His neighbor clasped his hands reflectively while reviewing what he'd just read and heard to make sure he understood.

* * *

Clearly these delegates are getting a little weary, but even when they were resting, they kept right on taking notes.

* * *

Man, what a lot of studying goes into launching a successful bargaining drive against the best brains in industry. This trio looks grim, but determined . . .

* * *

These veterans just might be recalling the old days when the Union couldn't have such elaborate research facilities.

* * *

Skull work wasn't confined to delegates. Staff members pondered just as hard. Here Jack Conway, left, administrative assistant to President Reuther, and Research Director Nat Weinberg look over some material on the Guaranteed Employment Plan which they will have to discuss with delegates.

Must have it mastered now. There are a lot of smiles as delegates sing, "Solidarity Forever" at the close of the Conference.

Conference Delegates Unanimously Back $25 Million Strike Fund Recommendation

Without a single dissenting vote, local union delegates to the UAW-CIO Economic and Bargaining Conference supported an International Executive Board proposal to raise a $25 million strike fund.

The plan, which would cost members less than a pack of cigarettes for each working day, will be submitted to the UAW-CIO Convention next March. The goal is to raise a strike fund big enough to give adequate backing to the UAW'S demands for '55.

It will make major corporations more reluctant to force a strike. It can hasten winning the basic demands which might quickly be applied to other contracts covering nearly all the membership.

Details of the plan are:

- Dues would be increased $5 a month (approximately 16.5 cents a day or 23 cents each working day). All the money would go into the International Union's Strike Fund, which now has $9 million in it. As soon as the $25 million goal is reached, dues drop back to their present level.
- Should the International Strike Fund ever drop below $15 million after that, dues would be increased again until the $25 million level is reached.
- The 25 cents per month per member currently going into the strike fund from per capita taxes will continue to be placed there. The International Executive Board believes that this amount, exceeding $3 million a year, will enable the UAW-CIO to take care of the usual run of strikers.
- The Board recommended that the 5 cents per member per month going into Local Union strike funds be placed in the general funds instead, and that when the $25 million level is reached Local Unions be permitted to transfer their accumulated strike funds to their general funds.

POWER FOR AIM

Delegates to the Conference agreed that going after major demands without an adequate strike fund is like hunting elephants with a bean shooter. Having the aim isn't enough. It takes power, too.

"An adequate strike fund gives every UAW member insurance against the day when he or she, too, may have to walk the picket lines in order to secure just collective bargaining demands," one delegate pointed out.

Since 1950, the UAW has not had to conduct a major strike against any of the major automobile companies except in Canada. During the period from January 1, 1954, to November 6, 1954, the Union paid out $8,065,908 from the strike fund even though it was a relatively peaceful period.

There is every likelihood that the present strike fund will be reduced before Convention time. Major contracts expire soon after, General Motors' on May 29, 1955, Ford's three days later. Since the Union has to be prepared to take on either General Motors (350,000 workers) or Ford (140,000 workers), these workers deserve adequate backing.

SHARE THE SACRIFICE

In a letter to Local Union officers, stewards and committeemen, Emil Mazey, secretary-treasurer of the UAW-CIO, said, "We believe the adoption of a strike assistance program as outlined in this letter will make it possible to achieve our demands with a minimum amount of sacrifices."

Mazey pointed out that, of necessity, workers in major corporations have been called upon to bear the burden of winning pattern-setting demands. Raising the Strike Fund will enable other UAW members to share the sacrifice, for once the pattern is set is usually covers them, too.

"But even after the pattern has been established," he pointed out, "it may be expected that we will meet strong resistance from some of the employers with whom we will be bargaining, and there are any number of combinations of employers where the total number of Union members on strike at any time could nearly equal the number who would be affected by a GM or Ford strike.

"The International Executive Board of the UAW-CIO is hopeful that our Union can achieve its 1955 economic objectives without having to resort to strike action," Mazey said. "We believe we will have a much better opportunity of resolving our collective bargaining matters around the conference table if we have a Strike Fund of at least $25-million in the Union treasury.

"The purpose of the Strike Fund," Mazey pointed out, "is to raise sufficient monies to make certain that economic pressures on the wives and kids of our members who are forced to strike for economic justice will not be the determining factor in the settlement of any strike that management may force upon us. This Fund cannot be used for any other purpose. It is, in fact, money held in trust by your International Union as insurance against that day when the enforcement of your just demands at the collective bargaining table leads you into a strike situation."

"The newspapers say that job opportunities are opening up, Ed, and I'll bet I landed one of 'em!"

UAW Bowling Meet to Attract 5,000

UAW-CIO keglers will start knocking over the maples in the Fourth Annual UAW-CIO International Bowling Tournament beginning January 29 at the State Fair Recreation, Detroit, popularly known as the "Showplace of the World," and boasting 72 bowling alleys, UAW Recreation Director Olga Madar announced.

Last year, the annual UAW Bowling tourney drew more than 3,000 participants. This year, it is anticipated that between 4,000 and 5,000 UAW-CIO entrants will participate in the big event.

Last year's prize fund amounted to $7,000. This year, the prize list is expected to reach at least $10,000. Prize fees are returned 100 per cent to the bowling entrants.

Starting on January 29, the UAW tournament will run for four successive weekends, including Saturday and Sunday. Dates are as follows: January 29 and 30, February 5 and 6, February 12 and 13, and February 19 and 20. Headquarters for the Bowling tourney will be located in the Detroiter Hotel.

Tournament Director Bill Belanger and Tournament Treasurer John D'Agostino, both of the UAW-CIO Recreation staff, urge all bowlers to get their entries in early. Blanks may be secured from your Local Recreation Committee or UAW-CIO Recreation Department, 8000 E. Jefferson, Detroit 14, Michigan.

It Really Pays To Elect Friends

Governor-elect Harriman of New York planned to meet with five other Democratic governors and governors-elect to map a campaign against the shift of plants from the North to the South.

Harriman said he would meet with Governor Williams, Michigan, who was reelected, and with Governor Meyner, New Jersey; and Governors-elect Ribicoff, Connecticut; Muskie, Maine; and Leader, Pennsylvania.

"How Would You Like to Be A Good-Will Ambassador?"

Conference Solidly Backs Demand for '55 Pay Boost

On the matter of wages in the 1955 negotiations, delegates to the UAW-CIO Economic and Collective Bargaining Conference voted unanimously—

1. To demand an immediate 5.3 cents an hour across-the-board wage increase to bring rates up to the level they would have reached if the theory behind the wage formula had been properly implemented from the start, and;

2 To approve in principle the escalator-improvement factor wage formula and demand its renewal, BUT;

3. To demand an increase in the size of the improvement factor to reflect more adequately actual changes in national productivity and to demand changes in the escalator provisions that would (A) reflect a proper relationship between index points and wage rates and (B) limit the amount subject to downward escalation when the cost of living index goes down.

The immediate 5.3 cents an hour across-the-board increase is based on certain fundamental principles of the escalator-improvement factor formula, as outlined by C. E. Wilson, while he was still General Motors president, and by the Corporation's research staff.

5.3 CENTS DUE

If these principles, outlined by General Motors itself, had been properly applied to the formula, UAW-CIO members would have obtained since 1948 wage increases totalling 51.3 cents. They actually got 46 cents.

Therefore, they are now entitled to a 5.3 cents an hour increase merely to bring wages up to the level they should have reached under the formula.

In voicing their approval of the escalator-improvement factor wage formula in principle, the delegates endorsed an International Executive Board statement which said in part—

"The wage formula has proved its value. During the Korean emergency the existence of this formula and the determination of the membership of our union to fight for its preservation made it possible for UAW members and for workers throughout the American economy not only to preserve the buying power of their wages in the face of inflation but also to make actual gains in their living standards.

"This was in marked contrast to the World War II period when a rigid wage freeze in the face of rising living costs brought about a sharp decline in the buying power of wages by the time the war ended.

RISING LIVING STANDARD

"Even more important, however, is the fact that our wage formula guarantees workers covered by it that they will enjoy steady improvement in their living standards year by year. No longer are they in the position of repeatedly struggling and sacrificing to win wage increases only to see the value of those increases wiped out, and sometimes more than wiped out, within a short time by price increases. As each agreement expires, the workers covered by the wage formula are in a position to fight for progress. They are freed from the necessity to waste their energies and dissipate their militancy over and over again merely to restore gains previously won and then taken away by inflation.

"The improvement factor element in the formula reflects an all important concession by management of the basic principle that workers are entitled to constantly rising living standards. This is a major advance from the time management resisted even those wage increases which were needed to restore past living standards when living costs rose."

In voting to demand an increase in the size of the improvement factor itself, delegates did not spell out the exact amount to be sought, leaving that to the negotiations themselves, but with the specific stipulation that it should reflect more adequately the actual increases in national productivity.

C-O-L TO BASE RATES

On the cost of living escalator clause, they voted to demand that the full amount of the cost-of-living float (the amount wages could be reduced if the cost of living declined) existing at the time of contract expiration be transferred to base rates. The present float is 6 cents. This was followed by a demand for a floating base provision to limit the amount subject to downward escalation.

Skilled Trades Call

CLEVELAND—The Call announcing the 4th International Union Skilled Trades Conference has been issued to all UAW-CIO Local Unions and Skilled Trades Councils by Vice President Richard Gosser, director of UAW Skilled Trades Department.

More than 800 delegates representing 250,000 skilled workers in the United States and Canada will meet here in a three day conference, January 20, 21, 22, at the Hollenden Hotel.

Bigger Strike Fund Can Deliver Better Contract, Livingston Avers

On Tuesday, November 23, General Motors celebrated its 50 millionth car. Heart of the celebration was Flint, Michigan, where a gigantic parade, TV show, luncheon et cetera marked the occasion.

Flint auto workers added a feature of their own. They called together a meeting of the top leadership of every local union in the Flint-Lansing area and launched their portion of the campaign to build a $25 million strike chest for UAW-CIO for the coming negotiations.

LAWS SLANTED

Key speaker of the session was Vice President John W. Livingston, director of the UAW's GM Department. Livingston explained the purpose of the strike fund. He outlined the high cost of strikes today. He pointed to the manner in which big employers use the favorable legislative atmosphere to force economic hardships on unions at strike time.

Livingston, an old-timer in UAW-CIO, drew repeated nods of acknowledgement from the seasoned Flint GM leaders when he recollected with them the way it was done in the past and then compared those practices to the present day results.

"This is a program whose success will rest with our ability and determination to get the facts before our members. If we tell them what it is for . . . why it is necessary . . . how it is dedicated solely for strike purposes . . . and if we relate it to their economic welfare, I am confident our membership will support it," Livingston said.

TIME FOR LEADERSHIP

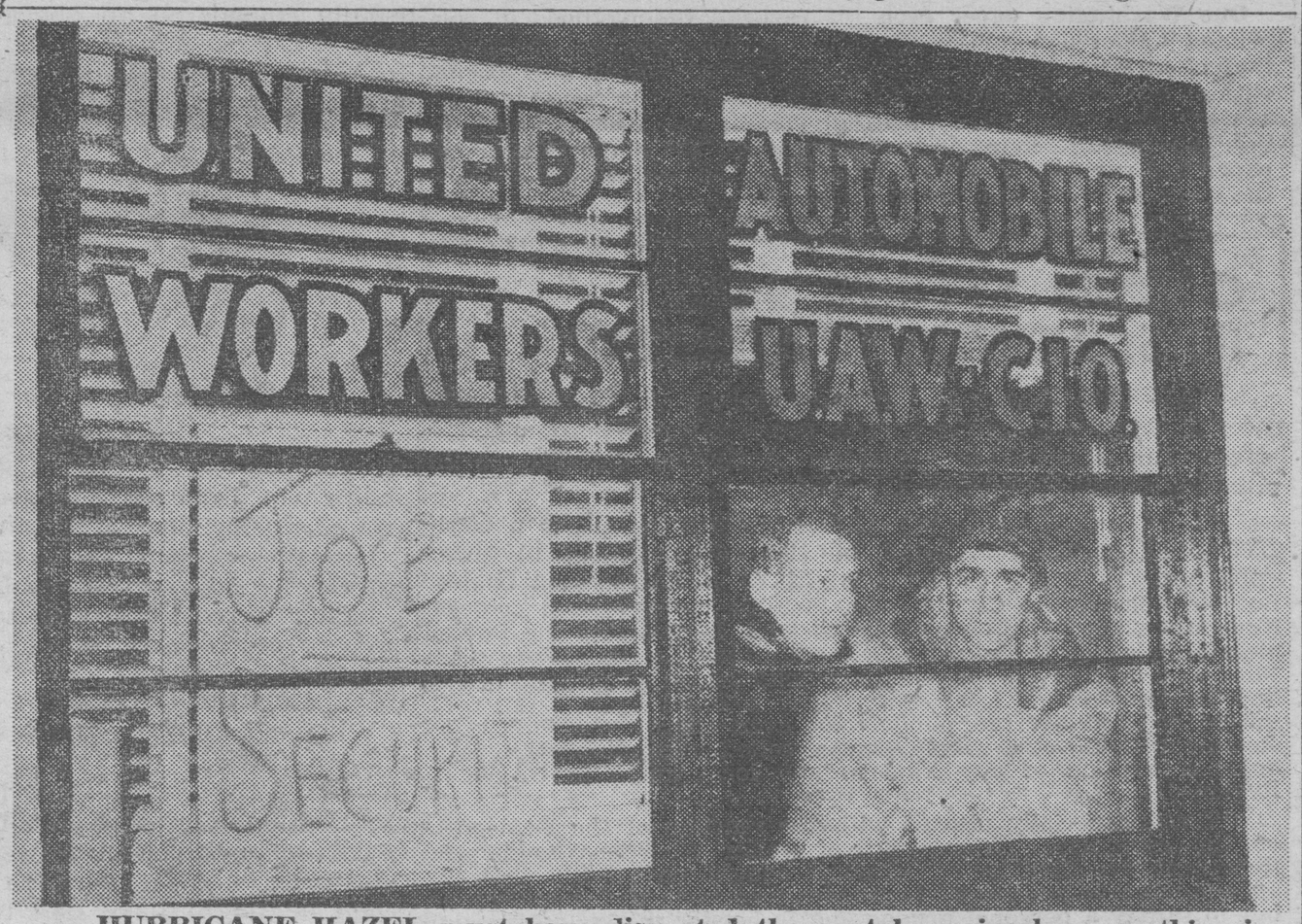
"But," he added, "if we wait until the demagogue seizes upon it to build his personal prestige through a 'popular' position we will find confusion down the road. The difference between these two situations rests with you, the leadership."

Said one GM local president . . . "We'll have 50 cents in the strike fund for every car GM has ever built. That will impress GM with our determination to get a fairer share of the returns from their next 50 million."

The result of the meeting . . . every Flint-Lansing GM leader went out of the meeting in full accord with the program, aware of its difficulties but what is more important, aware of its necessity.

Message from Moscow

Moscow Screw Company workers in Lake County, Illinois, voted for UAW-CIO on September 30, reports Region 4 Director Pat Greathouse who headed the organizing drive which brings to a total of six the number of UAW-CIO locals unions in Lake County.



HURRICANE HAZEL must have disrupted the postal service because this picture did not arrive in time for last month's Auto Worker. However the hurricane did not disrupt the conduct of the strike by workers at the Ford assembly plant in Oakville, Ontario. These two strikers took refuge in the Local 707 office and watched anxiously while the big wind began tearing up trees and buildings.

Plight of Unemployed Workers More Dramatic than Soap Operas

By RUBY McDONALD

If the laws governing the labelling of products applied to journalists as well, a lot of embryonic scribblers would wind up looking out of pin striped windows.

I refer, students, to the (ha ha) "labor writers" of the big dailies who generally address their remarks to the non-callused set consisting of Hoover Republicans, bilious bankers and maiden aunts. With a few exceptions, they are masters of the acrobatic tongue-in-cheek routine and they could not do a better job of ridiculing labor if they were paid to do so . . . and whom am I to say they aint.

NO SOAP OPERAS

One such mis-labelled laddy who thinks originality is spelled CORPORATION, expressed surprise recently at labor's entry in the fields of TV and radio. Citing Union news programs as "taking a page from management's book," he piously hoped they would spare the "long suffering public" by avoiding soap operas and begged them to retain their quote "rough and tumble" self respect unquote.

Like so many of his brothers, 'lil Inky regards labor as a cross between the village idiot and a partially trained gorilla. The way he refers to the guy who builds his buggy and keeps his typewriter clicking, you'd think Joe Worker was a slob who ate his peas with a knife and indulged in street fighting for relaxation.

The baby analyst is the victim of two errors. He's still trying to ridicule birth pains when the kid is grown up and the word 'labor' gives him a picture of some amorphous, shadowy thing instead of the everyday individuals it actually is. Men are adaptable critters who can fight with brass knucks or butterfly wings. Which, children, is why labor is still kicking though slightly scarred.

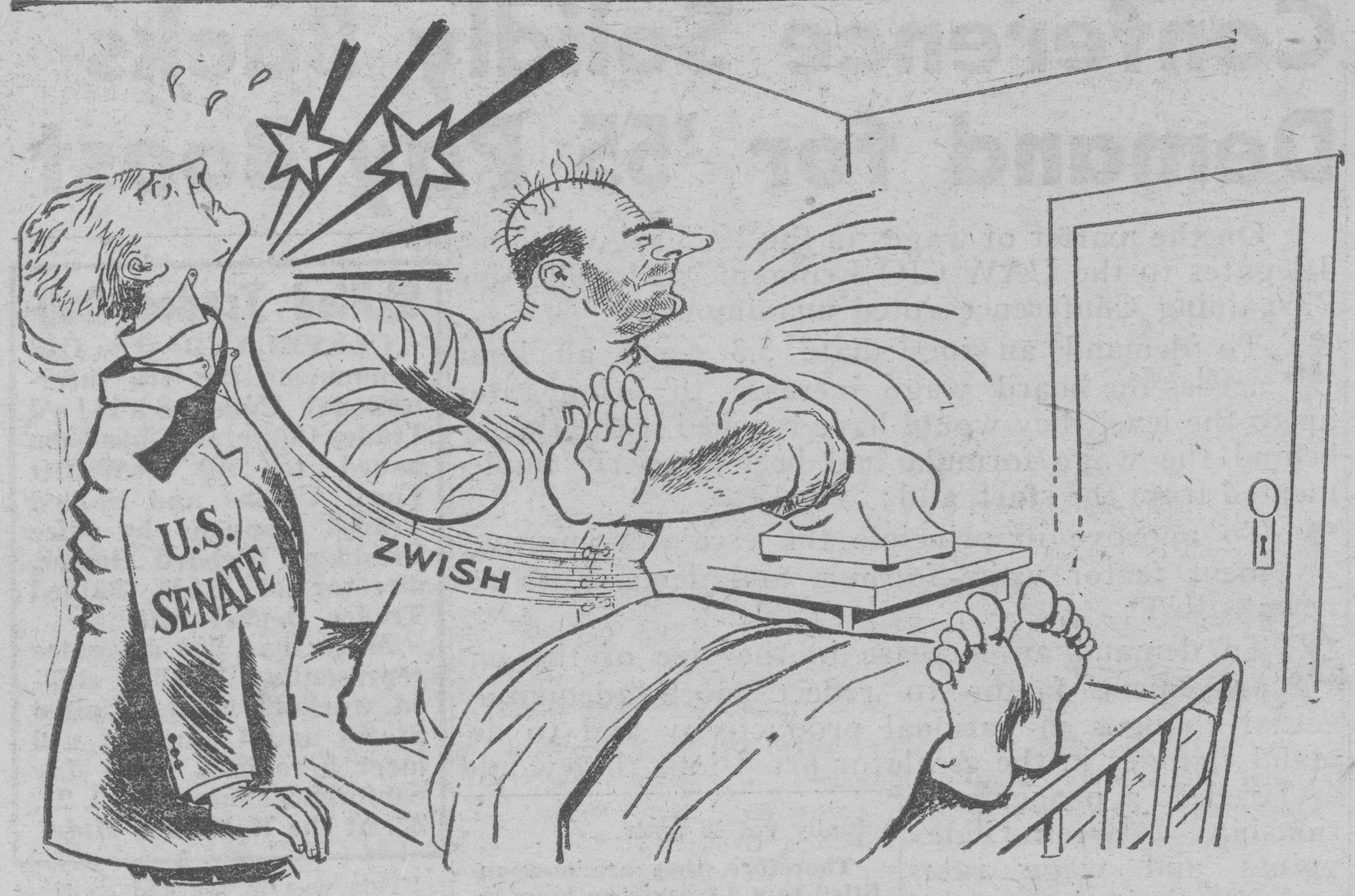
DOUBLE STANDARD

Lil Inky's nostalgia for the rough and tumble days is laughable considering the fact that everytime a Union calls a strike, his boss, together with every editor from hades to hog holler, screams that labor is undermining the country, taking bread from 'lil children and sending the price of tripe up. Let a corporation lay off 5,000 poor saps and the same editors launch optimistic explanations on a sea of printer's ink.

There is nothing new about labor's much quoted new look. They were using a system of public information when management was still using tear gas and billy clubs. They have not yet descended, and I don't believe they will, to the practice of selling millions of listeners and viewers that after them comes the deluge. Propaganda, even when it's disguised as a Berle or a bleached blonde, is still malarky

As for soap operas, if labor ever does enter that field, it can save the price of a script writer. All it has to do is pictorially record the tribulations of today's worker battling speed-ups, layoffs, higher prices and lower incomes.

It would make "John's other wife" look like a musical comedy.



Newspapers Help Kit Clardy Smear Carter with Subpoena

The innocent person who is called before the professional Red-hunters in the U. S. Congress is up against a stacked deck, so far as public opinion is concerned. Take the case of Robert A. Carter, UAW-CIO Region 1C Director in the Flint-Lansing area of Michigan.

Carter is the first member of the UAW-CIO Executive Board ever subpoenaed before a Red-hunting committee. He got there because an irresponsible Republican congressman needed a political issue to cover up his voting record in the 83rd Congress. It didn't work. He lost.

POISONED SANDWICH

But take a look at what lame-duck Clardy tried to do to Carter.

ROBERT A. CARTER

He went ahead with the threatened subpoena and set the hearing of his un-American Activities sub-committee for November 17. Clardy also subpoenaed five persons from Flint whom he was accusing of being communists. He subpoenaed others from Detroit and from Toledo.

The smear technique used here was unbeatable. Carter, a UAW-CIO officer, would be sandwiched in between known or suspected communists. The newspaper reports of the hearing would lump him right along with the rest.

Other members of the committee must have caught on to Clardy's smear-by-subpoena attempt. They called the full House un-American Activities Committee to hear Carter's testimony.

They put Clardy in a back seat on the questioning. The committee counsel made an opening statement in which he said that Carter was in no way suspected by the committee of being a communist or a communist sympathizer. They put Carter on first before the full committee, then let Clardy convene his sub-committee in a different hearing room to hear the rest of the witnesses he had subpoenaed.

NEWSPAPERS AID SMEAR

But when the newspapers came out, there was Carter's picture alongside those of persons Clardy was naming as communists. Although Carter answered every question asked him forthrightly and fearlessly, the headlines over the stories related to the other witnesses who took the 5th Amendment and were highly uncooperative.

One Washington paper even printed Carter's picture beside that of an accused communist with a big arrow pointing to a story that didn't even mention Carter's testimony. The paper had run out of room for the story, so it was chopped off before it got to Carter's role in the hearings.

Not a single newspaper noted that the full committee heard Carter, that the committee counsel made it plain he wasn't suspected of being a communist or any of the other facts that set Carter apart from the rest of the witnesses.

Carter issued a statement explaining his role in the hearings which was used in part by the Flint press, but generally ignored.

There is talk in Washington of revising the methods of conducting congressional hearings. After Carter's smear-by-subpoena, there is every reason for the American people to demand a change. In the public press, Carter bore the taint of the communist conspiracy.

CARTER STRIKES BACK IN SCATHING STATEMENT

UAW-CIO Regional Director Robert A. Carter made the following statement to the press after his appearance before the House Un-American Activities Committee in Washington on November 17, 1954:

"I have just made my first appearance before a Congressional committee. Most of the congressmen involved apparently figured it was a waste of my time and theirs. But Republican Kit Clardy, who lost his congressional seat on November 2 in Michigan's Sixth District, is probably the unhappiest of them all. I think I made it plain that his attempts to paint Flint as a hotbed of communist activity and a place where reds had taken over our local unions was a fraud against the committee and against the public. Not even Clardy challenged my statement that not a single person called a communist by him holds a position of any kind in any local union in UAW-CIO Region 1C.

"I was especially pleased with the reaction of the Democrats on the committee. Representative Walter of Pennsylvania and Representative Moulder of Missouri caught on quickly that my appearance was not meant to furnish new facts to the committee, but to satisfy a personal grudge and to bolster the stale campaign oratory of Kit Clardy.

DEMOCRATS HIT BACK AT CLARDY

"Although I had two attorneys at my side to prevent Clardy from trapping me with trick questions, I actually didn't need them. When Clardy, or Representative Scherer, the Ohio Republican, threw a loaded one at me, one of the Democrats would step in and catch it and throw it back.

"Representative Walter upheld my refusal to call anyone a communist when I had no legal or probative proof of Communist Party membership. He said that if I had reason to believe a person might be a communist, that was my business and not the committee's. He said the committee had no right to probe my thoughts about a person. That pretty well killed Clardy's and Scherer's attempts to make me a party to smearing anyone who might be innocent of their charges.

"One reason Kit Clardy subpoenaed me to appear at this hearing was, I feel, to try to link me in the public mind with communists and fellow travelers. I know how Clardy operates, and he realizes that anyone called before this committee is automatically lumped with those who might actually be subversive. The committee counsel made it clear when he opened his questioning of me that there was absolutely no question as to my loyalty or patriotism. He said that the committee knew that I was not a communist or a fellow traveler, and that the only reason I was there was to find out if I knew more than the committee did about communist activity in the Flint-Lansing area. I didn't, of course.

UNION'S RECORD CLEAR TO ALL

"I told the committee under oath what I have told Auto Workers and the public when Clardy threatened to haul me before the committee last summer. Number one, I have no proof of any person's Communist Party membership. And number two, those persons Clardy calls communists hold no position of influence in any local union in my region of UAW-CIO.

"I know our membership is going to resent the time and expense Clardy has forced our union to assume to put me in front of the committee. And I think the public should resent Clardy's use of a congressional committee to settle his personal grudges and to play his sordid kind of politics."

Battling McCarthy Gives Senate A Smashing Right (Elbow) to Chops

Like the villain in a TV wrestling match, Senator Joe McCarthy claimed to be hurt when the much-abused Senate started to strike back.

As every wrestling fan knows, the villain isn't really hurt when he starts to beg for mercy. That is only a standard trick to get the hero to lower his guard so the villain can grab his hair and start clobbering him again.

Cast in the hero role for this particular match is the United States Senate, and few senators doubt that when the junior senator from Wisconsin started yelling to the galleries about his injured elbow he was just trying to get himself out of trouble.

McCarthy claimed that an admirer shook his arm so hard that his elbow was injured. That stopped the censure proceedings against him.

NO QUESTIONS, PLEASE

It sounded like a phony excuse then, but no one demanded to see the x-rays. McCarthy appealed to the referee, in this case the American public, that he was really hurt. To prove it, he got himself admitted to the Bethesda Naval Hospital.

He even claimed that "splinters" were taken out of the elbow in a "serious" operation. Doctors denied operating. When that became a little embarrassing all around, one doctor finally explained that "some fluid was drawn out of the elbow with a needle."

The doctor said that wasn't usually considered an operation.

Faking injuries is an old McCarthy trick. To get votes,

he claimed to carry 10 pounds of shrapnel in his leg. The phony war hero even limped around during one campaign.

His service record shows he got the leg injury falling off a ladder aboard ship during hazing ceremonies while crossing the equator.

OLD McCARTHY TRICK

When McCarthy touched off an uproar by sucker-punching the State Department in 1950, he conveniently packed himself off to a hospital with a "sinus attack" when he might have had to do some public explaining.

In 1952, during his campaign for re-election, he rushed to the hospital again. Campaign foes claimed he was just making a bid for public sympathy. He left his "sick-bed" just in time to make a dramatic appeal for votes.

During his campaign this year, Joe was on the spot again. The Republican National Committee wanted to keep him from speechmaking, and that was going to be humiliating. Joe conveniently got "sick."

So far, Joe hasn't been able to turn up a witness to the elbow-injuring "accident." Not even his staunchest backers, Senators Jenner of Indiana and Knowland of California, have been able to say where it happened or who did it.

TIME OUT FOR TEA

But the Senate, which could be spending its time grappling with problems like the decline in national income or the growing Communist strength in Asia, agreed to the recess until he "recovers."

McCarthy's friends tried to use the time to work on a "compromise" on the censure motion. They wanted their man free for another sneak punch at the Senate.

The Senate could very well have demanded that McCarthy prove his elbow injury, for a fake would be one of his gravest offenses against Senate dignity.

THOSE TV TANTRUMS

The American public—with good grounds to think the villain was just faking again—was disgusted with the spectacle.

Nearly a dozen times Joe has been sick at convenient moments politically which is a lot of sickness for a guy with the hairy chest of a gorilla.

People are saying things like: Quit faking Joe. Quit hiding behind the tape-and-gauze curtain. If you had any defense at all, why didn't you stand up and defend yourself like a man?

Why is it the TV wrestling villains are always yellow?

167-Day Strike Won by CWA

TONAWANDA, New York — The CIO Communications Workers ended their 167-day strike against the Western Electric plant here last month with a clear-cut victory.

The workers won all their basic objectives, the company none. This was especially true on seniority, the item on which the firm provoked the strike June 7. Instead of a weakened clause, the new contract is improved in this respect as well as others including wages.

The walkout actually was prolonged an extra month because Western Electric wanted the right to fire strikers after they returned to work.

Agreement was reached on contract terms October 6, but this dispute dragged out the strike. The firm's resistance melted after a rump organization was trounced in a representation election.

Weary Dr. Einstein Gets Plumbers Offer

NEW YORK—Dr. Albert Einstein, world famous scientist, was offered an honorary membership in the AFL Plumbers Union after he had declared in a letter that if he had to live his youth over—in the present state of the world—he would "rather choose to be a plumber" instead of a scientist.

The *Wall Street Journal*, daily bible of big business, tried hard to tout Einstein away from plumbing. "As a plumber," said the newspaper, "Dr. Einstein might have ended up as Secretary of Labor. And Mr. Durkin can tell him that sometimes plumbers have as much trouble in Government as scientists."

Turning Out Votes Key To Turning Out GOP

ANN ARBOR, Michigan—Democrats outnumber Republicans about 3 to 2 but GOP candidates are able to win the elections they do because a higher percentage of Republican voters goes to the polls consistently.

That finding and a number of others have just been made public by the Survey Research (SRC) at the University of Michigan. The Center, under the direction of Dr. Angus Campbell, conducted a nationwide study of voting attitudes among 1,100 scientifically selected persons.

'56 OUTLOOK BRIGHT

The 1954 study followed a similar survey conducted during the 1952 and previous elections. The poll is unique in that the results of the study are not made public until after the election. SRC is the only group in the nation that makes a continuing study of political behavior of voters.

Campbell said the survey's results indicate that the Republicans will have a difficult time in the 1956 elections if President Eisenhower decides not to run for re-election.

He attributed Eisenhower's 1952 victory to the fact that the Democrats switched party lines to give him about 25 percent of his total vote. "But Eisenhower does not have a natural majority and he apparently has not reversed permanently the Democratic majority that exists," Campbell said.

NEED MORE VOTERS

"In the recent elections this party-switching was much less frequent and was offset in part by some Republican support of Democratic candidates," Campbell said. The Democrats would have won a bigger victory had their voters turned out in the same proportions as Republicans.

In October the survey indicated that 58 percent of the persons who called themselves Democrats were planning to vote in November while the figure for Republican voters was 68 percent. Another factor which keeps Democratic representation in the Congress and state legislatures far below the party's actual vote strength are outmoded systems of reapportionment which in every case favor Republicans.

The survey exploded the myth of the so-called power of the independent voter. It found that the so-called independent voters have a relatively poor voting record. "Although they can apparently be stirred into action during critical elections, such as the 1952 election, they are not as consistent in the exercise of their franchise as the regular party followers," the report found.

Labor union members increased their previous Democratic majority. Farmers moved from a Republican majority to a Democratic one. The survey indicated that voting patterns more closely followed 1948 than 1952.

Secretary Stump Solid Candidate

INDIANAPOLIS—The National Truck, Trailer, Bus and Trackless Trolley Wage-Hour Council held its semi-annual meeting here last month. The delegates heard an address on political action by Walter Madrzykowski, administrative assistant to Vice President Richard Gosser.

Officers elected were: president, Ed Fallis, Local 175, Detroit and Harry Stump, Local 594, Pontiac, Michigan, as Secretary-Treasurer. Stump has held the post continuously since establishment of the Council in 1939.

The election of a vice president was postponed until the next meeting to give the Canadian delegates an opportunity to propose a candidate.

Dixon-Yates Santa

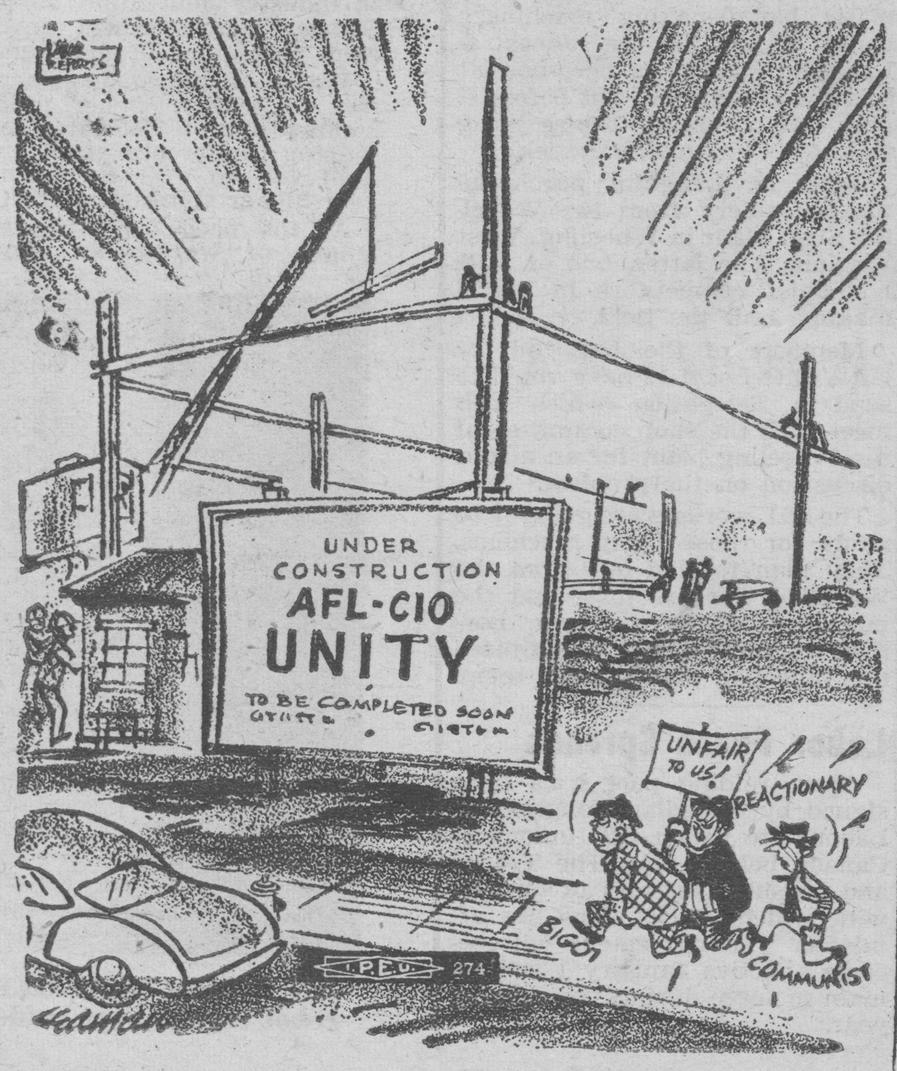
WASHINGTON—President Eisenhower has personally asked the Joint Congressional Committee on Atomic Energy to waive the 30-day waiting period and to approve the Dixon-Yates contract immediately.

That would give neither the House nor Senate a chance to go over terms of the TVA power-giveaway as is required by law. It would complete the deal before the Democratic majorities chosen by the people get a chance to look further into the power scandal.

When Senator Albert Gore (D., Tenn.) heard about Ike's request, he grumbled, "The gift tag on the Dixon-Yates deal now has President Eisenhower's name on it."

Merry Christmas, Mr. Dixon! Happy New Rates, Mr. Yates.

"LOCKED OUT!"



THE LADIES MANNED THE PICKET LINES while members of UAW-CIO Local 439 told off Massey Harris at a mass meeting in which they voted almost unanimously to reject one of the company's early offers. Holding the line were members of the Oshawa, Brantford and Toronto, Ontario, UAW-CIO Auxiliaries and wives of Massey Harris strikers. The distaff side of the union can rightfully claim part of the credit for the final, victorious settlement reached late last month.

Unemployment Can Be Halted, Says ILO Metal Trades Meet

GENEVA, Switzerland—Delegates to the International Labor Organization's Metal Trades Conference here asserted in a memorandum by an overwhelming vote that "Sharp economic crises resulting in widespread unemployment are avoidable through appropriate action."

Sustained full employment "can be built only on a solid foundation of adequate consumer purchasing power, of steadily rising living standards, of greater economic security especially for the lower income groups, and of rapid economic development of underdeveloped countries," the group maintained.

Great importance was attached to measures promoting the rapid growth of real income and expanded employment. Further, the memo declared, programs for developing economically underdeveloped countries should be planned and executed in close cooperation with the United Nations and its specialized agencies.

Victor G. Reuther of the UAW, and head of the CIO Department for International Affairs, was elected president of the workers representatives at the ILO Conferences. Being a tri-partite organization, the ILO sessions were attended by delegates from more than a score of nations, representing labor, management and government.

Among the UAW-CIO delegates were Edward Cote, co-director of UAW Region 1A; Ray Ross, director of UAW Region 2A; and Cyril V. O'Halloran, director of UAW Region 6.

Guild Signs Pact

The CIO Newspaper Guild was authorized at the recent meeting of its executive board to sign the CIO-AFL no raiding pact. The Guild had withheld its endorsement until its effect on the union's operations could be clarified.

Big Blow Off

TOKIO, Japan — Japanese union members blew the whistle on their employers—but literally—for the first time in Nippon's labor history. The National Railway Workers Union demanded a pay raise which was refused. They continued negotiations but made no headway. It was then that they decided to blow the whistle—in fact, 5,000 whistles on 5,000 locomotives, all at one time. So for one full minute the 5,000 whistles screamed.

"It's easy to understand why we're always financially embarrassed—We're so shy every payday!"

Cleveland Ford Workers Win Seniority, Recognition Gains

CLEVELAND, O.—Recently concluded negotiations covering the Ford workers employed in the Cleveland plant, members of UAW-CIO Local 1250, provide for recognition of the UAW-CIO as collective bargaining agent for the newly constructed engine plant facility, as well as seniority provisions which allow Ford workers to exercise their seniority in all three plants at this location.

This means that Local 1250 members now have interchangeable seniority covering the two engine plants and foundry which go to make up the entire Cleveland installation, thus eliminating possible imbalances in the seniority within the three buildings.

Workers with seniority in the Appendix C groupings (production and non-production) can exercise their seniority in conformity with the agreement on some classifications that are interchangeable. This grouping has been placed in a seniority class known as the General or Common Labor Pool.

The agreement further provides for seniority "bumping" from one engine building to another.

In the Appendix D groupings (skilled trades), the agreement provides for the exercise of seniority throughout the three buildings. Also, it defines the skilled trades term "journeyman" and establishes an apprenticeship ratio to journeymen at time of lay-off.

Negotiations leading to this agreement were carried on by Ken Bannon, Director of National Ford Department; Ed Schultz, International Representative, Region 2; and Al Granakis, President of Local 1250.

'Operation Reindeer' Is Rolling

CIO's "Operation Reindeer," which is making Christmas food packages available for overseas trade unionists, picked up speed as new contributions came in from a number of international and local unions.

The UAW-CIO contributed 10,000 packages to be assigned to various countries.

The CIO Utility Workers have arranged to send 400 packages to Indochina, Korea, Greece, Italy and Guatemala, while the CIO Furniture Workers contributed 100 packages.

Various Locals of the CIO Textile Workers arranged for distribution of 740 packages in 16 different countries; the CIO Packinghouse Workers sent 200 packages to Haiti; and the CIO Free World Labor Fund, directly, is sending 2000 packages to Honduras for flood victims.

Other CIO union including the Clothing Workers, the Comunications Workers and the Oil Workers are soliciting their locals for contributions.

* * *

THE SOLICITATION PRODUCED one individual contribution, too. One of the CWA office employes who was stuffing envelopes with the mimeographed solicitation letters, picked one out of the stack and forwarded it to the CIO Dept. for International Affairs with her check for $5 to pay for 10 packages.

The food packages, which cost 50c each, contain from 13 to 15 pounds of basic foods from U. S. surplus food stocks. CARE distributes the parcels to free trade unions which, in turn, distribute them to individual members.

Checks should be made payable to the CIO Free World Labor Fund and sent to the CIO Dept. for Intl. Affairs, 718 Jackson Pl., N.W., Washington 6, D.C.

Need Money? GM's Got It

General Motors, which has been selling less and earning more, is taking better care of its stockholders than of its employees —as might be expected.

The country's largest manufacturer boosted profits 29 percent in the first nine months of the year while "suffering" a 9 percent drop in business. Last week it increased its quarterly dividend to shareholders by 100 percent — from the $1 it had been paying every three months since the start of 1951 to $2.

GM stockholders, including the duPont Company, thus collect $5 per share in 1954, second only to the $6 paid in 1950. Their total kitty for the year is $435 million.

Wrong Kind of Record

LITTLE ROCK—A new record has been established for unemployment compensation payments in Arkansas. Already, payments for the first nine months of 1954 are running higher than the entire year of 1950, the previous record year. **And the Republicans said the workers never had it so good!**

HOBBY SHOW for retirees held this month at Hudson Local 154 Drop-In Center was a huge success with more than 150 entrants. Here is J. Van Buehler demonstrating his hobby of woodcarving.

Region 2 Wins Seven Plants

CLEVELAND—Director Patrick J. O'Malley, UAW-CIO Region 2, reports the winning by the UAW-CIO of seven NLRB-conducted elections within the past few months.

Among the new UAW additions were the following: W. Bingham Company, Cleveland Hydraulic, H & L. Machine, and Die Supply Corp., all of Cleveland; Buffalo Weaving and Belting and Wade Youman Company, both of Alliance, and Davey Compressor Company of Kent.

Ford Now 100% UAW

CLEVELAND — Ford factory workers in the United States are now organized 100 percent in the UAW-CIO with the winning of the new Ford stamping plant located in Walton Hills, a suburb of Cleveland. Announcement of this latest addition to the ranks of Ford plants in the UAW was made by Ken Bannon, Director of the Union's National Ford Department, and Pat O'Malley, Director of UAW Region 2.

Results of the National Labor Relations Board election were overwhelmingly in favor of the UAW. A complete tabulation of the votes follows: 1527—UAW-CIO; 20—No Union; 4—Void; 6—Challenged. A total of 1,796 Ford workers were eligible to vote in the NLRB election.

The UAW-CIO has already gained bargaining rights for three new Ford assembly plants being constructed at Mahwah, New Jersey; Louisville, Kentucky; and San Jose, California. These plants are covered by a Union-Company agreement providing for the transfer of Ford seniority workers from one Ford plant to another.

Projected plans for the new Ford stamping plant, one of the largest and most modern of its type in the country, call for an eventual employment of more than 4,000 workers.

"Now Don't Be Afraid To Speak Frankly"

President's NLRB Choice Denounced by CIO Officer

Urging members of organized labor to protest the nomination to the National Labor Relations Board of former Senator Robert W. Upton (Rep., N. H.), CIO Secretary Treasurer James B. Carey pointed to Upton's "wrong" voting record in Congress, compiled by both the AFL and CIO on the basis of key issues.

"We should, right here and now, start a campaign of letters and telegrams to both President Eisenhower and to the Democratic members of the Senate Labor Committee —yes, to the Republican members, too—that we don't want a man of this stripe on the NLRB," Carey declared.

"On the record of his Senate voting," said Carey, "Upton is a reactionary whose sympathies and attitudes are those of big business and management."

BEESON'S RECORD

Organized labor's fight last year against Senate confirmation of Albert C. Beeson, to whose seat Upton has been nominated, was recalled by Carey. He pointed to the record of Beeson, a management representative all his career, who joined with other Eisenhower appointees to the NLRB in many of the 3-2 decisions against labor.

Ironically, Carey noted that Upton had been soundly beaten in the New Hampshire primaries by Senator Cotton, the only GOP senatorial candidate endorsed by CIO-PAC. "We of labor," Carey asserted, "helped defeat a reactionary in the Senate only to have him thrown at us in an even more crucial position — the NLRB.

Carey said it had been hoped that President Eisenhower would "this time nominate somebody not pro-labor, but somebody impartial, somebody without heavy prejudices . . ."

Old China Hand Gets Axe As Loyal 'Security Risk'

John Paton Davies devoted 23 of his 46 years to serving his government. In less than four years, he would be entitled to a pension.

Last month he was fired as a "security risk." Secretary of State John Foster Dulles personally informed the career diplomat of the axe job.

Dulles made it clear, in a public statement, that there was no question about Davies' personal loyality to the United States.

Dulles said, "The security hearing board did not find, nor did I find, that Mr. Davies was disloyal in the sense of having had communistic affinity or consciously aiding or abetting any alien element hostile to the United States."

Dulles gave the reason for the "security" firing as "lack of judgment, discretion and reliability."

What really was the reason for his dishonorable discharge from the foreign service?

Old China Hand Davies once reported that the communists were beating Chiang Kai Shek when that was an unpopular (but true) view. He once reported that U.S. arms sent to help Chiang were being taken to the communists by deserting soldiers.

He once urged that we seek a "preventive showdown" with Russia. Still an unpopular opinion.

The point is not that Old China Hand Davies was always right in his views. Likely he wasn't. The point is that he did give an honest report of his views—which was his job.

Eight times Davies' enemies went to bat against him in Loyalty Board hearings, each time he was cleared. The ninth time, he was fired.

But he wasn't fired for being "disloyal." Apparently his sin was thinking.

Ike Slipping

PRINCETON, New Jersey—Latest Gallup Poll figures reveal that President Eisenhower has dropped to an all-time popularity low. The recent survey shows Ike approved by 57 percent compared to 70 percent last August, prior to the recent Congressional campaign.

Toledo Unionists Look Down Barrel Of Barrel Machine

TOLEDO—The fancy new automatic barrel-making machinery being tested at the Jones & Laughlin Steel plant here doesn't scare workers a bit, but before it goes into operation they're going to know what makes it tick.

Jones & Laughlin purchased the machinery from the Wheeling Steel plant in Wheeling, West Virginia. The latter, one of J. & L's. chief competitors in barrel making, quit the field.

Members of the J&L unit of UAW-CIO Local 12 have voted to send a delegation which will meet with the shop committee of the Wheeling plant for an all-out discussion on the problem.

The J&L workers are going to be ready for those fancy machines. They plan to find out from the Wheeling workers just what the machines meant to them, how they worked out, and what caused the Wheeling plant to sell them.

Labor Peace Spreads

A no-raiding pact has been signed by Canadian Congress of Labour—to which CIO unions in Canada belong—and The Trades and Labour Congress of Canada with which AFL unions are affiliated. The agreement will become effective January 1 and remain in force during the ensuing year.

Automat

Some production workers foundry in Cleveland never to

A 14-unit transfer machine 179 operations. It reduces m chining cylinder heads by more

Five operators working on two that required drilling, reaming and pieces an hour. Now one man ope that combines all the operations pieces an hour.

That's automation in action.

The dictionary, as yet, does not cont mation." Experts disagree on exactly wh examples of what it can mean to worker machinery enabling one man to do the way.

CAN BE BLESSING OR CURSE

Experts don't agree on how fast what it will mean to the country. They it will be a blessing or a curse. A report or for the UAW-CIO Economic and Colle ence makes the point that the effect d pend on what we do about it.

One of the first things to do to use the new machinery to make prosperous America . . . instead of profits. One of the chief persuade anteed Annual Wage.

Actually the use of automatic machi for a long time. The twin needs of war a guised the impact during World War II duction, America made vast quantities o with a constantly rising labor supply an machines increasing, automation must be standards.

It is certain to affect the welfare of e

The UAW report on Automation po 10,000 men in the foundry and engine company now turn out the same produ quired more than 23,000 men. Only a output prevented wide-scale layoffs."

AUTOMATIC MACHINES IN ACTIO

Other samples: According to News engine plant turns out twice as many eng with one-tenth the manpower."

Also from Newsweek, ". . . a radio produce 1,000 radios a day, with only tw the line (is replacing) standard hand ass labor force of 200."

A spokesman for the oil indu average refinery which would emp out instrumentation would employ strumentation utilized to the fulle

A key question is, "How rapidly i automatic machinery?" A Harvard ec industry may be fully automated within points out, "If accurate (this) would mea could match the present ouput of the n the automobile industry."

It continues, "The possibility of dr

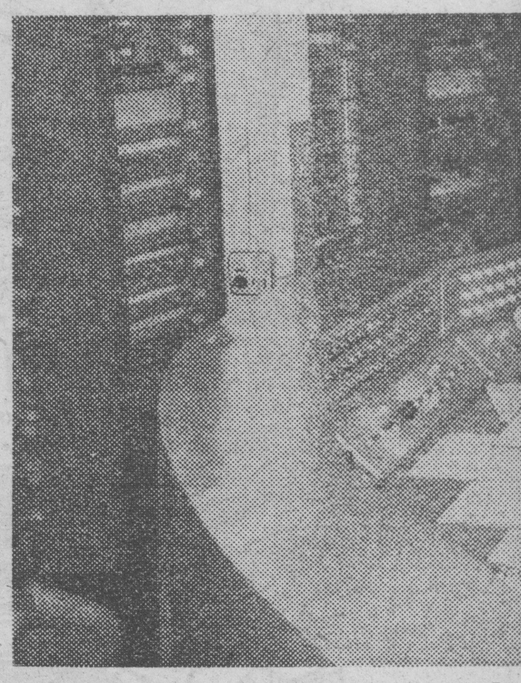
Shorter Cont

The factory of the future is on it under the catch-all term of "autom One of the by-products of the fancy ma will be shorter contracts.

Experts disagree on how quickly in will convert to automatic machinery, b in industry doubt that the pace will in Shorter contracts will enable the Un keep abreast of developments.

While many managements will b tent to seek a higher profit per unit smaller output, delegates to the UAW gaining Conference pledged themselves fight for an ever increasing output a ever higher standard of living.

As the need for manpower decrease length of workweeks may also dec



AN INSPECTION DEPARTMEN robot checks over guided missiles.

...ion Makes Guaranteed Wage A MUST!

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vances emphasizes the need for an expanding economy built upon the broadest possible purchasing power base. Automation will increase productivity, but increased productivity without increased total production is a formula for depression.

"If productivity is increased within a framework of full production and full employment, the nation will prosper . . . The radical productivity increases which will accompany automation make it necessary to intensify the fight for an economy based on full production and full empoyment."

INCREASES NEED FOR GUARANTEED WAGE

Automation clearly increases the need for a guaranteed annual wage. Workers must be assured of a rising, steady income to buy the goods which the robot machines can produce.

It passes much of the cost of disrupting the economy onto managements. A company will be less likely to introduce a new, gadget-filled seeing-eye operation into a plant at a time when that would mean major layoffs. Since they'll have to pay those workers any way, they'll be more likely to bring in the new machines when markets are expanding.

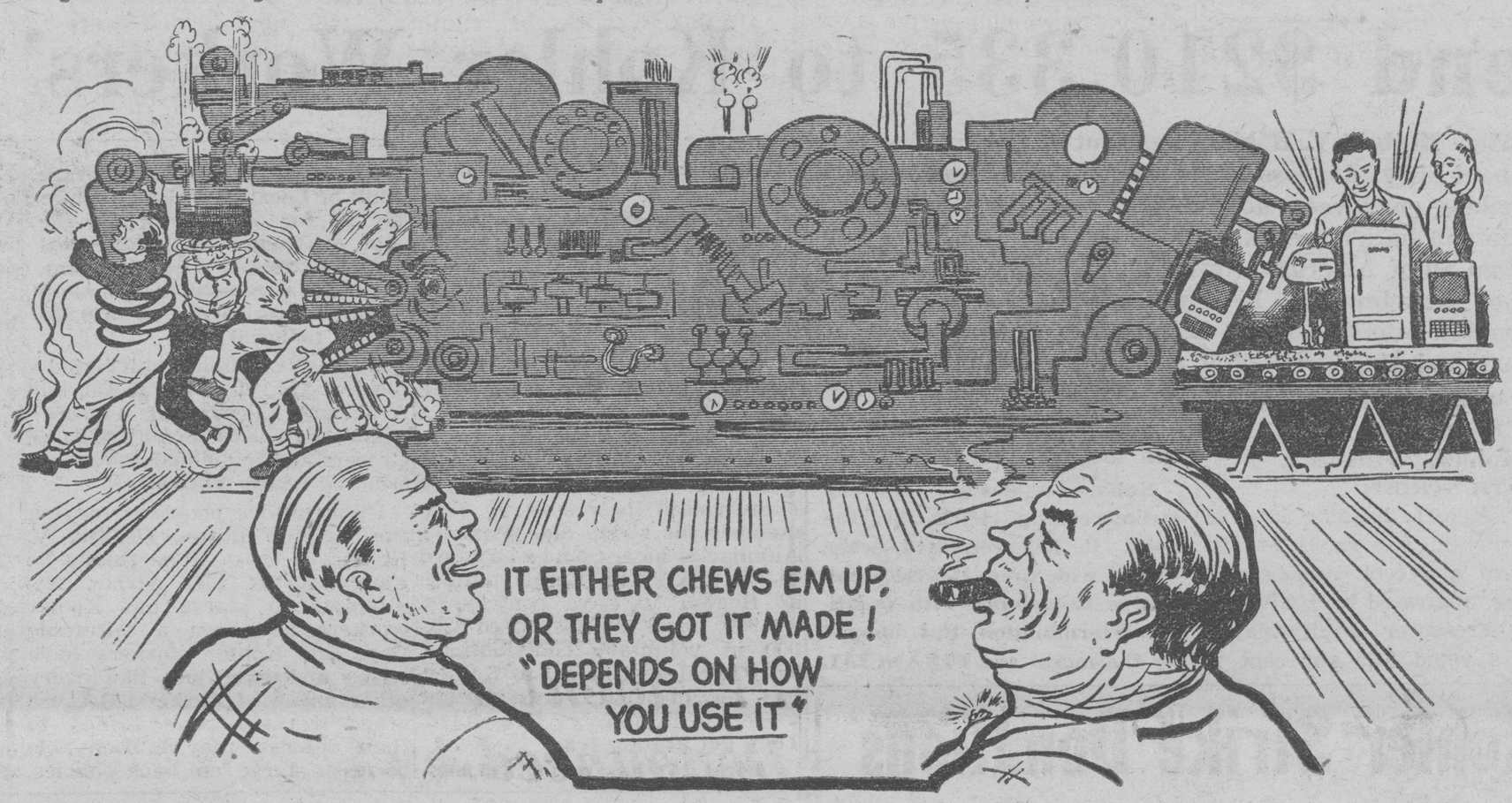
The guaranteed wage will exert considerable pressure on employers to build automatic plants at places where they would not lead to mass layoffs in existing plants. "In most cases," the UAW report observes, "it is more economical to install automation in new plants than in old ones. Moreover, corporations prefer to employ, on automated processes, workers who have had no experience with older production methods."

With a choice between hiring a new work force for automatic operation while paying a laid-off force its guaranteed wage and providing work for its present employees, profit-minded companies naturally will be reluctant to take on a double payroll.

A guaranteed wage also will give empoyers considerable incentive to provide other jobs or other aid to workers displaced by machines. In extreme cases, it will help cushion the shock of layoff for workers.

Automation can produce huge profits for a few — and widespread layoffs, or it can lead to a standard of living higher than was even dreamed of when Franklin D. Roosevelt was president.

The guaranteed annual wage will help make automation serve the needs of all the people instead of having working people made obsolete by automatic machines.



WHO'S IN IT?

Everybody, Ford, GM, Chrysler, the Independents, Suppliers all are getting more automatic machinery.

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without any drop in workers' purchasing power.

The Guaranteed Annual Wage will lay the base. Managements will be less likely to move entire operations from under their work force. They'd have to pay heavily for leaving workers stranded.

Once the Guaranteed Annual Wage has been secured, the UAW report on "Automation" observes, "the shorter workweek will take its place at the top of our collective bargaining agenda along with the continuing fight for higher living standards. The fight for the shorter workweek and for higher living standards must go hand in hand. The strategy which will determine the timing and relative emphasis of the struggle for these two objectives must, of necessity, remain flexible at this time."

—While a Navy representative looks on, an electronic

Future Workers May Wear Neckties BUT . . .

Fully Automatic Machinery Creates Special Set of Bargaining Problems

The production worker of the future may wear a necktie on the job.

The typical auto worker may be a skilled maintenance man, an engineer or an analyst. He's likely to work with buttons and dials instead of wrenches and drills.

"In the factory of the future," the magazine *Factory Management and Maintenance* reports, "lubrication will be a utility service just like water, steam and electricity . . . You won't see oilers running around with oil cans or pushing lubrication carts . . . Instead lubricants will be pumped through pipes to each machine from a central source . . . Measuring units . . . will feed the lubricant to each bearing in the right amount and at the right time by time clock control. You won't have to stop the machines."

Power sweeping devices, operated by one man, will clean floors better than a crew of sweepers. Electronic machines will do a more thorough job than inspectors. Rocker arms will feed presses and painting machines. All these developments already are beyond the talk stage.

Whole groups of skills are almost certain to be virtually discarded; whole new sets of skills will be needed.

In order to protect the human beings affected most by the coming changes, workers will need even stronger contracts.

Some of the needs of the near future outlined in the UAW-CIO report on "Automation" are:

● **BROADER SENIORITY.** With whole sections affected by new machinery, old seniority groupings give workers less protection. Workers must have the right to move into new operations.

● **PREFERENTIAL HIRING** clauses must be won requiring all plants under contract with our Union to give preference to workers laid off by other companies in the same industry or area. That becomes increasingly important with the rising number of mergers to take advantage of new equipment.

● **RETRAINING AT COMPANY EXPENSE** must be provided for workers whose skills are no longer needed by a company for these workers can learn new skills which will be used. The Guaranteed Annual Wage will help make this possible.

● **INCREASED SKILLED TRADES PROTECTION.** A Ford spokesmen told *U.S. News & World Report* that automation " . . . greatly increases the need for electricians, mechanics, pipe fitters, toolmakers and others skilled enough to do maintenance work on the mechanical slaves."

Exactly how many skilled workers will be needed isn't known just yet. It's a cinch, however, that managements will attempt to overlap classifications and in general try to dilute apprenticeable trades. This will have to be resisted.

● **HIGHER PAY FOR AUTOMATED JOBS.** Managements likely will try to use old classifications for the new-type jobs created by automation. With the higher investment per man on the new jobs, workers will have more responsibility; should get more pay.

"The immense productivity gains of automation should be assessed and then shared equally by all workers," the UAW observes. The annual improvement factor must be increased.

A management official told *Fortune*, in a discussion of automation, "I don't think we are consciously trying to ease the burden of workers, nor consciously trying to improve their standard of living. These things take care of themselves."

The only way they can "take care of themselves" is for unions to be fully prepared for the more complex bargaining problems ahead. The UAW-CIO is taking steps right now to meet those automation problems head on.

CYNTHIA KOHLS, eight-year-old daughter of Herman Kohls, has some definite ideas of her own concerning the Kohler strike.

"It's been a long strike, but we don't mind. The way everyone is helping out, we're bound to win in the long run."

"Just think. All those nice people from the UAW and the Auxiliaries sent money to help our strike against Kohler."

"Thanks a million. We really appreciate your kindness. Some day maybe we can help you out the same way."

UAW-CIO Locals, Rest of American Labor Send $210,335 to Kohler Workers' Defense

When Herbert V. Hohler, president of Kohler Co., testified about his willingness to use tear gas, guns and clubs on his striking employees, he detonated an explosion.

He still hasn't been able to use tear gas or fire a gun, but from all of America aroused workers have come to defense of their brothers. Nearly a quarter of a million dollars poured into Local 833, UAW-CIO, and the UAW-CIO International Union, all of it earmarked for assistance to those embattled workers and their families in Sheboygan and Kohler, Wisconsin.

8-MONTH STRIKE

The strike is heading into its ninth month. The ranks are intact. At a recent membership meeting, addressed by UAW Secretary-Treasurer Emil Mazey, workers voted 98.5 per cent in favor of continuing the strike until they get justice.

Kohler Co. has used every strikebreaking trick in the book. It has recruited scabs over a wide area. It avoids collective bargaining with fanatical determination. But, buoyed by the moral and FINANCIAL backing of the UAW-CIO and the rest of American labor, Kohler workers are even more determined to bring him to terms.

As of November 22, a total of $210,335.83 has been donated to Kohler workers. Unquestionably at the time the accounting was made, more donations were in the mail.

CAN'T BREAK SPIRIT

As of then, UAW Locals in Wisconsin had raised $74,253. Many raised their dues by $5 a member for strike aid. Women's Auxiliaries have contributed $1,208. UAW-CIO Locals outside of Region 10 have contributed $80,900. Local 155 has raised $30,000 in voluntary contributions. This Local sent $3,000 to Kohler, has already paid out another $9,600 to 48 strikers it adopted. They get $25 a week.

Local 157 has raised $15,000. The Briggs Plumbing Ware Unit of Local 212 raised its dues by $4 for one month for the aid of Kohler strikers. Local 212 contributed a similar sum, and at a recent membership meeting forwarded a $10,000 check to Local 833.

Other CIO unions contributed a total of $24,177 to Local 833, and AFL and independent unions nearly matched this with $19,010. Grocers and individuals have contributed nearly $10,000.

Up at Kohler, people are saying the Bathtub Baron, Herbert V. Kohler, is crazy if he thinks he can break the strike. His attempts to starve out Kohler workers has been a miserable flop. But Kohler workers have wives and kids just like every other group of workers. Because other workers have rallied to their defense, they've been able to resist starve 'em back policies. Nobody in Local 833 is going hungry. American labor in general and UAW-CIO Locals in particular have seen to that.

WILSON STRIKEBREAKING

As the final incentive to strike breaking, Secretary of Defense Charles Wilson got into the act. He's just awarded Kohler Co. a $2 million contract to produce 155 millimeter shells.

Apparently Wilson's definition of a scab is a "bird dog." But Wilson's contribution to scabherding failed completely. It made workers angry, but it did not sap their courage.

Mazey dispatched an angry note to Wilson accusing the government of strikebreaking. Wilson's action showed how important winning this strike is to the whole labor movement. If government strikebreaking worked, it would be a threat to every working person.

Kohler Strike Donations

REGION #1

Local	Donation
3	$ 499.00
51	500.00
155	12,600.00
190	250.00
212	10,000.00
212*	30.00
212**	175.00
250	**50.00**
272	100.00
280	100.00
306	500.00
314	50.00
329	500.00
355	216.00
368	**200.00**
410	250.00
490	25.00
601	25.00
889	100.00
TOTAL	**$26,170.00**

Flying Squadron
**Huck Unit

REGION #1-A

Local	Donation
15	$ 50.00
22	500.00
36	100.00
49	200.00
84	100.00
157	14,005.00
174	**300.00**
412	100.00
600	6,000.00
600*	50.00
608	200.00
656	65.00
684	200.00
656	65.00
684	200.00
851	150.00
896	50.00
899	200.00
900	200.00
942	100.00
983	500.00
1166	200.00
TOTAL	**$23,270.00**

*Star Bldg.

REGION #1-B

Local	Donation
103	$ 270.00
196	500.00
228	2,500.00
268	50.00
327	100.00
353	350.00
437	25.00
540	**210.00**
568	300.00
594	100.00
630	200.00
660	**50.00**
653	500.00
767	100.00
830	25.00
849	**100.00**
873	250.00
878	100.00
909	10.00
938	200.00
1121	15.00
1133	30.00
1159	25.00
TOTAL	**$ 6,010.00**

REGION #1-C

Local	Donation
524	$ 50.00
599	2,027.80
651	1,000.00
728	25.00
TOTAL	**$ 3,102.80**

REGION #1-D

Local	Donation
90	$ 50.00
135	50.00
137	500.00
362	50.00
452	25.00
460	355.00
522	**50.00**
537	306.00
539	100.00
637	50.00
703	25.00
730	50.00
778	25.00
804	**25.00**
812	50.00
828	10.00
949	35.00
1184	25.00
1231	25.00
TOTAL	**$ 1,806.00**

REGION #2

Local	Donation
290	$ 50.00
TOTAL	**$ 50.00**

REGION #2-A

Local	Donation
17	$ 25.00
66	485.00
120	50.00
233	100.00
500	25.00
521	10.00
533	**100.00**
667	100.00
696	100.00
926	50.00
947	100.00
955	500.00
1077	25.00
TOTAL	**$ 1,670.00**

REGION #2-B

Local	Donation
12	$ 1,000.00
105	50.00
106	300.00
643	200.00
711	50.00
750	100.00
775	**100.00**
854	250.00
959	50.00
975	250.00
990	25.00
1037	100.00
1120	50.00
TOTAL	**$ 2,525.00**

REGION #3

Local	Donation
9	$ 500.00
156	50.00
178	100.60
285	50.00
287	100.00
292	300.00
305	**100.00**
340	25.00
370	50.00
371	50.00
426	50.00
495	100.00
523	50.00
532	**100.00**
555	125.00
612	10.00
662	500.00
663	75.00
721	50.00
729	50.00
748	**200.00**
764	100.00
766	100.00
825	200.00
933	500.00
941	100.00
995	10.00
1042	**25.00**
1073	25.00
1118	50.00
1123	40.00
1139	25.00
1210	100.00
1220	25.00
TOTAL	**$ 3,935.60**

REGION #4

Local	Donation
74	$ 100.00
79	100.00
81	100.00
158	66.00
166	25.00
310	115.00
385	**10.00**
434	100.00
453	500.00
470	100.00
510	25.00
592	100.00
734	100.00
997	**200.00**
1011	100.00
1138	50.00
1160	20.00
1163	25.00
1205	165.00
1217	200.00
TOTAL	**$ 2,201.00**

REGION #5

Local	Donation
25	$ 500.00
213	25.00
249	10.00
415	15.00
431	10.00
710	40.00
819	**100.00**
885	10.00
986	25.00
1000	100.00
1091	100.00
1107	50.00
1168	100.00
1270	15.00
TOTAL	**$ 1,100.00**

REGION #6

Local	Donation
216	$ 75.00
232	50.00
406	100.00
506	250.00
560	50.00
567	10.00
TOTAL	**$ 535.00**

REGION #8

Local	Donation
53	$ 100.00
149	75.00
187	160.00
319	70.00
344	200.00
404	**100.00**
435	100.00
473	200.00
678	250.00
695	100.00
842	500.00
903	**100.00**
970	100.00
1004	150.00
1110	25.00
1155	500.00
1198	100.00
TOTAL	**$ 2,830.00**

REGION #9

Local	Donation
33	$ 25.00
143	50.00
229	50.00
260	100.00
425	250.00
491	100.00
501	**50.00**
571	25.00
574	100.00
644	300.00
672	50.00
713	25.00
732	100.00
774	**50.00**
950	50.00
918	200.00
930	100.00
1097	1,000.00
1128	50.00
1180	**30.00**
1189	25.00
1206	25.00
1238	25.00
1462	200.00
1604	50.00
1668	193.55
TOTAL	**$ 3,223.55**

REGION #9-A

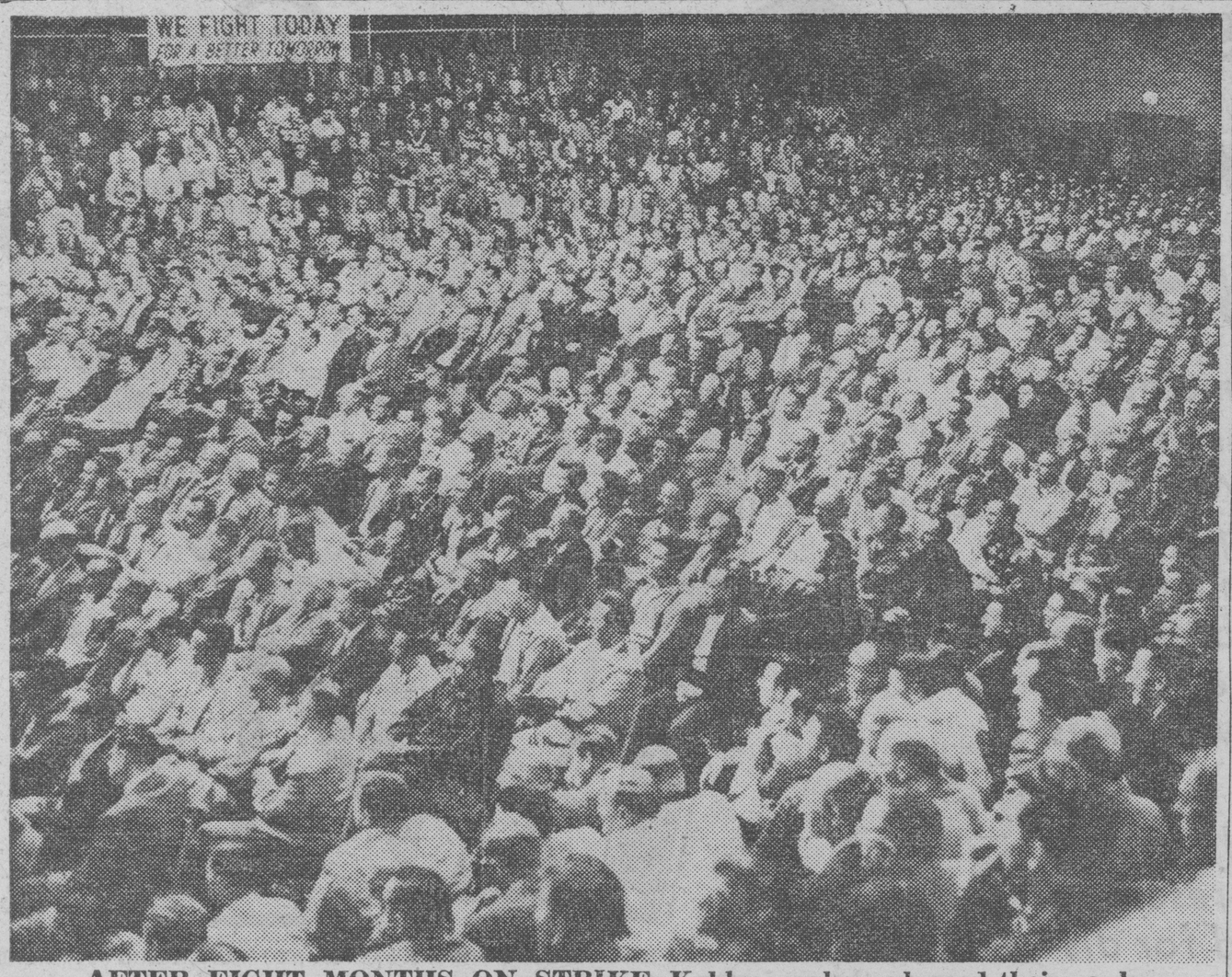
Local	Donation
133	$ 100.00
168	50.00
197	100.00
365	250.00
405	**50.00**
626	1,000.00
671	200.00
712	25.00
858	100.00
1048	**100.00**
1234	100.00
1565	50.00
1645	200.00
1849	10.00
Reg. Dir.	236.10
TOTAL	**$2,471.10**

REGION #10

Local	Donation
37	$ 1,163.00
41	50.00
60	1,019.50
72	4,053.54
75	9,035.00
77	50.00
82	**5.00**
85	.25
95	8,930.00
100	602.00
102	561.00
115	636.50
121	4,738.00
124	**470.00**
125	25.00
129	10.00
172	363.00
173	32.00
175	254.00
180	817.00
184	**125.00**
234	1,028.00
244	1.312.87
248	4,732.71
261	75.00
283	1,083.50
291	887.00
307	**5.00**
309	100.00
316	400.00
335	10.00
336	391.00
345	1,000.00
352	89.55
371	**25.00**
391	1,100.00
395	3,200.00
396	3,893.00
401	3.350.00
407	1,070.00
409	50.00
438	**100.00**
443	190.00
469	25.00
476	154.00
535	10.00
553	2,805.00
556	382.25
557	**26.00**
561	56.50
575	407.00
577	1,736.00
578	212.00
606	20.00
627	110.00
642	**300.00**
722	20.00
756	516.50
841	325.00
867	100.00
879	75.00
904	102.65
960	**553.50**
1019	25.00
1076	104.50
1083	52.00
1092	171.00
1102	189.50
1111	33.00
Int. Rep. Region 10	745.00
TOTAL	**$74,252.82**

WOMEN'S AUXILIARIES

No.	Donation
2	$ 40.00
8	20.00
27	50.00
29	5.00
41	10.00
45	**10.00**
48	10.00
60	5.00
69	5.00
203	10.00
233	292.29
263	**25.00**
264	50.00
270	25.00
273	250.63
284	10.00
296	10.00
299	10.00
313	**50.00**
314	50.00
321	15.00
324	5.00
1166	200.00
7750	25.00
WISCONSIN STATE CIO AUX.	25.00
TOTAL	**$ 1,207.92**



AFTER EIGHT MONTHS ON STRIKE, Kohler workers showed their ranks are actually stronger than they were the day the strike started. More than 2,200 of them attended this membership meeting in the Sheboygan, Wisconsin, Armory. After listening to an analysis of the situation by UAW-CIO Secretary-Treasurer Emil Mazey, they voted 98.5 per cent in favor of continuing the strike until they get a just contract.

Blue Cross Proposes Plan To Double Cross Workers

The new Blue Cross "Cooperative Insurance Plan" puts the "burden on the consumer for the failure of the Blue Cross, hospitals and doctors to provide economy" and "was developed at the instigation of employer representatives over the objection of our organization," Michigan regional directors of the UAW-CIO charged in a letter made public to all Michigan locals of the union.

Under the new program, "every patient will have to pay directly for hospital services which are now completely covered by Blue Cross," the UAW officials said.

SAVING TO COMPANIES

"At the present time," the Michigan directors stated, "approximately 400,000 UAW members and their families are enrolled under Michigan Blue Cross. Generally, the employers pay about half the cost. If the cooperative scheme is adopted, the employers stand to save about $2½ million a year in premiums."

"Under the present comprehensive contract, most people who go to the hospital pay no extra charges except for a few items such as some x-rays, private rooms, telephones, etc. Under the so-called cooperative contract, there will be additional charges whenever a person goes to the hospital.

"It is true that an individual who selects the cooperative plan rather than the comprehensive contract would pay about $6.00 less a year in premiums. It should be pointed out, however, that if he or a member of his family is faced with hospitalization in Detroit, he would have to pay even for a two or three day stay approximately $35.00 more than he does at the present time. Those faced with a long stay could pay approximately $150.00 more than they do at the present time.

WHY GOUGE PATIENT?

"Those advocating co-insurance and deductible provisions such as contained in the cooperative contract, defend them on the grounds that a family should normally pay the small cost of illness and that such provisions reduce unnecessary hospitalization. These arguments are medically and economically unsound," the UAW charged.

Openly critical of the Blue Cross, the letter declared, "The Michigan Blue Cross if it is desirous of stabilizing costs, should force the doctor and the hospital to act directly in avoiding unecessary use of hospital service . . . The Michigan Blue Cross has approached this problem as though it were selling automobile insurance . . . we strongly urge the Michigan Blue Cross to step up its responsibilities to program economy on the hospital and doctor front . . . "

Here's Where $$ Came From

FROM	DONATION		
Region 1	$ 26,170.00	Region 6	535.00
„ 1A	23,270.00	„ 8	2,830.00
„ 1B	6,010.00	„ 9	3,223.55
„ 1C	3,102.80	„ 9A	2,471.10
„ 1D	1,806.00	„ 10	74,252.82
„ 2	50.00	Women's Auxiliaries	1,207.92
„ 2A	1,670.00	UAW-CIO Councils	1,045.66
„ 2B	2,525.00	CIO Unions	24,176.78
„ 3	3,935.60	Other Unions	19,009.93
„ 4	2,201.00	Grocers and Individuals, Etc.	9,762.67
„ 5	1,100.00	**Total**	$210,355.03

CIO Seeks Best Methods For Handling Welfare Funds

NEW YORK—CIO pioneered again recently when its ethical practices committee held a two-day hearing in the handling of union-negotiated health, welfare and retirement funds.

The hearings opened with a statement by committee chairman Jacob S. Potofsky, who is president of the CIO Amalgamated Clothing Workers of America. He said "it is our belief that corruption is not widespread among CIO unions" in the welfare-retirement fund field.

"If we do find corruption, we shall attack it without mercy," said CIO president Walter P. Reuther, "there is no room for crooks in the CIO."

Potofsky expressed pride that his own organization, the ACWA, has done "pioneering work in welfare activities," and said that the Amalgamated's banks and insurance funds have "always been operated at the highest ethical levels."

He added that the "much newer welfare programs of the other CIO unions have also been operated in the public interest and in the interest of the membership. The few cases of maladministration or malfeasance are the exceptions—and are extremely rare.

Potofsky reported that a survey showed that 3,283,000 CIO members are covered by pension and retirement programs; 4,549,000 are protected by life-insurance programs; 4,500,000 are covered by sickness and accident and hospitalization benefits.

Gosser Outlines Right Procedure For Journeyman Card Applications

The UAW-CIO Skilled Trades Department has been so swamped with requests for the new Journeyman cards that additional help has been put on to process the flood of applications, according to Vice-President Richard Gosser, departmental director.

The processing, however, has been slowed up by improperly prepared applications or inadequate work records. Too many applicants are also sending their applications directly to the International instead of to the regional councils.

Following is the procedure which should be used to obtain a Journeyman card:

1. The applicant must be a member of the UAW-CIO and be working in a UAW plant, except for full-time union representatives and members on layoffs who are subject to recall.

2. Applicant must be a member of the Regional Skilled Trades Council in his region. In an area where no Council exists, the Skilled Trades Department will refer the applicant to the proper Council.

3. Applications must be filled out completely, in ink and in duplicate, properly signed and returned to the Regional Skilled Trades Council.

4. Each application must be accompanied by: (A) Work records showing 10 years' experience at the trade or a certificate of graduation from a bona fide apprenticeship plan that meets UAW Skilled Trades Department standards. The records or certificate must be submited in duplicate and in the case of work records should be on company letterhead. One copy is retained by the Regional Council; the other goes to the International Union (photostatic copies may be used). (B) Two passport type photos, 1 inch wide by 1¼ inches long (exact measurement). (C) A $5.00 fee for new applicants. A $2.00 fee for converting from a Regional Council Journeyman card to the new International Union Journeyman card. (Fee will not be refunded if applicant fails to prove Journeyman status.)

5. The applicant's Regional Council journeyman card must accompany his application when converting to the new card.

6. Letters from companies showing work records must be specific and indicate actual type of work and dates this work was performed. If the company is under UAW-CIO contract, the letter should be signed by a local union officer, steward or committeeman. If the plant is not under UAW-CIO contract and the work record cannot be verified by a local union officer, it should be in affidavit form. The verifying local officers or stewards should state local number, office held, and department or zone he represents.

7. Applicants using military service time to substantiate Journeyman status must have detailed records of their actual military assignment and the job performed during that assignment. Discharge certificate is NOT sufficient.

8. Rejected applicants have the right to appeal through the Regional Council to the International Skilled Trades Department.

Unfair Stiff

NEW YORK CITY—Leaders of the AFL Hotel and Restaurant Union reported the best strike publicity in years when union employes of the Louis XIV Restaurant starting picketing. To the amazement of onlookers, the strike placards read: "Louis XIV Unfair To Organized Labor." Wonder when the Bakery Workers will resurrect Marie Antoinette?

LOCAL 933, UAW-CIO has brought the Philip Murray Fund in Indiana $15,000 nearer its goal. The President of the Indianapolis Local, H. K. "Clody" Clodfelter, is shown presenting the final payment to Mary M. Francis, fund director, as Richard S. Paul, 933's financial secretary, smiles his approval. In 1949, the Indiana CIO promised to raise a permanent endowment fund to help carry on Riley Hospital and Riley Memorial Associations program of medical research in childhood diseases. The fund was named in honor of Philip Murray who was President of CIO.

60 Questions And Answers On Guaranteed Wage

Ever since the 1953 Convention, members of the Union have been asking questions about the UAW-CIO Guaranteed Annual Wage or Guaranteed Employment Plan. These questions have been collected at conferences of the Union and at Union meetings and education classes. Questions asked most frequently and answers to them have been put down in this supplement for your information.

As additional questions are raised answers to them are being added to those presented here and a new booklet will be printed for distribution throughout the Union.

The new booklet will be available to you from the UAW-CIO Education Department, Solidarity House, 8000 East Jefferson, Detroit 14, Michigan. It will be UAW-CIO Education Department Publication No. 330.

Prepared for
UAW-CIO
Economic and Collective Bargaining
Conference
November 12-13, 1954
Detroit, Michigan

1. How will the Guaranteed Employment Plan protect UAW members?

The plan will give employers an incentive to schedule production so as to avoid short workweeks. If an employer fails to do so, it will protect the workers by assuring them 40 hours' pay for such weeks.

It will stimulate employers to plan production so as to provide stable employment the year round, and to eliminate avoidable layoffs. It will protect the workers by guaranteeing them an income sufficient to maintain their living standards during layoffs lasting as long as a full year.

2. How will the Guaranteed Employment Plan help all the people?

By providing steadier purchasing power, the plan will help the butcher, the baker and all those who depend on the ability of workers to buy. By encouraging companies in our industries to stabilize production, it will help to promote steadier employment in all the other industries supplying UAW plants.

The plan will encourage employers to work for improved unemployment compensation, thus benefiting all workers who may become unemployed.

It will stimulate employers to support rather than oppose national policies that will help maintain full production and full employment to the benefit of everyone.

3. Who will pay for the Plan?

The purpose of the plan is to stimulate employers to provide steady, full-time employment. Costs arising under the plan are essentially penalties for failing to provide steady work.

The plan, therefore, will be financed by the employer alone. Workers will not pay for the plan by payroll contributions, giving up rights to overtime pay, or in any other way.

4. What is really "guaranteed" by the Plan?

It is a plan to guarantee employment — to guarantee that a worker will have steady, full-time work.

It stimulates a company to *schedule full weeks of work* for all employed workers by requiring the company to guarantee 40 straight-time hours of work or pay for all workers able and available for work unless they are notified in advance that they are to be laid off for the entire week.

Furthermore, if advance notice of layoff is given, seniority workers will receive guarantee payments for each full week of layoff in amounts sufficient to enable them to maintain the same living standards as when fully employed. This will stimulate the company to avoid layoffs and *provide steady work the year around.*

Extent of Coverage

5. Is every worker protected under this Plan?

Yes. Everybody in the bargaining unit, including probationary workers, is covered by the guarantee against short workweeks with short pay checks — the 40-hour week guarantee.

The 40-hour guarantee can be applied to probationary as well as seniority workers because it is essentially an extension of call-in pay which applies to probationers under our present agreements.

All workers, except probationary employees, are protected by the guarantee of income during full weeks of layoff. As soon as a worker goes on the seniority list he begins to build up protection—a guarantee of income for weeks he may be laid off in the future.

Every seniority worker is covered by the guarantee against full week layoffs because each of them needs the protection of the guarantee: low seniority workers bear the brunt of the hardships imposed by the ups and downs in employment; high seniority workers suffer along with those who have the least seniority when the entire plant is shut down, whether temporarily (for model change, inventory, etc.) or permanently. In addition, older workers face the greatest difficulties in finding new jobs when their plants move or close down permanently.

6. Why will probationary workers not receive guarantee payments for full-week layoffs?

By definition, a probationary worker holds his job only on a trial basis, and the employer can therefore terminate him at any time during the probationary period simply by claiming that his work is not satisfactory. If the plan provided for guarantee payments to probationary workers for full-week layoffs, the employer would terminate those workers instead of laying them off with the prospect of a future recall to work. The job security of probationary workers would be endangered rather than increased.

There is a danger, of course, that employers may attempt to evade their obligations under the plan by terminating probationary workers before they have completed the probationary period. This would be a flagrant abuse of the probationary provisions of our agreements which are intended solely for the purpose of enabling employers to evaluate the capabilities of newly hired workers.

We will have to take steps in negotiations to prevent such abuse.

7. Why should low seniority workers be interested in the Guaranteed Employment Plan?

Low seniority workers bear the brunt of the hardships imposed by ups and downs in employment. They are the first to be laid off and the last to be recalled. They will benefit particularly from the incentives which the plan gives to the employer to stabilize employment and eliminate avoidable layoffs. When layoffs do come, low seniority workers will receive guarantee payments to maintain their standards of living for a period based on the length of their employment as seniority workers.

8. Why should high seniority workers be interested in the Guaranteed Employment Plan?

High seniority workers suffer along with the rest when short workweeks are scheduled or when the entire plant is closed down, either temporarily or permanently. In the last year or two, tens of thousands of high seniority workers have suffered short pay checks, or no pay check at all for many weeks, just as they did in pre-war years.

When plants move or close down permanently for other reasons, it is the older workers, most of whom have relatively high seniority, who face the greatest difficulty in finding new jobs. The guaranteed employment plan assures them up to a full year of guaranteed income so that they may seek suitable employment elsewhere without being panicked into taking unsuitable jobs.

9. How long is a worker covered by the "40-hour week" guarantee?

The 40-hour week guarantee will be effective for every week in which the worker is called in or for which no previous notice of a full-week layoff has been given him. A worker, who receives forty hours pay under this guarantee one week, will be just as eligible under it the next week, or at any other time in the future.

This 40-hour pay guarantee will operate like the call-in pay clauses now in our agreements except that employers will not be excused from paying 40-hour pay checks on the ground that the cause of a short workweek was an "act of God" or the result of circumstances beyond the control of the company.

The cost of maintaining the income of workers in these situations is simply one of the costs of doing business, just as are the other costs that management expects to pay when such interruptions to production occur. Employers do not expect to be relieved of the cost of rent, or taxes, or bond interest, or other similar costs that go on whether the plant operates or not. They do not ask the landlord or the bondholder to do without his money. They should no more expect the worker to go without the pay check he needs to meet his own continuing costs of living.

Duration of Payments

10. If a laid-off worker can't find work, how long do his guarantee payments continue?

The number of weeks a worker will receive guarantee payments while he is laid off will depend on three factors:

(1) if he has seniority at the time the plan goes into effect, the length of time since the date on which he acquired seniority;

(2) the number of weeks following the effective date of the plan

(Continued on Next Page)

for which he received compensation other than guarantee payments for full weeks of layoff;

(3) the number of weeks of guarantee payments he has used up in previous layoffs.

Once a worker is on the seniority list, he begins to build up his weeks of protection against future layoffs.

Under the 1 for 2 ratio, workers who had acquired seniority two years or more before the date the plan goes into effect, will automatically have 52 weeks of protection —a guarantee of income for 52 weeks of layoff—as of that date.

Workers who had acquired seniority exactly one year before the date on which the plan goes into effect will have protection for half that long, or 26 weeks. Other low seniority workers will have a corresponding number of weeks' protection on the basis of one week guaranteed for each two weeks since the date they acquired seniority.

As new workers are placed on the seniority list they will begin to build up their weeks of protection on the basis of one week of income guaranteed during layoff for each two weeks for which they are compensated by the company (except by guarantee payments for full weeks of layoff).

A worker's guarantee payments will begin the first week he is laid off. He will receive a payment every week he is laid off and is not working on another job, as long as he complies with the rules of the plan, until all of his weeks of protection are exhausted or he is called back to work.

11. Why not guarantee 52 weeks of income as soon as a worker acquires seniority?

If the employer had to accept the obligation of guaranteeing 52 weeks of income to each worker as soon as he acquired seniority, the employer would be reluctant to hire new workers if he were not sure he had a full year's work for them. He might prefer to schedule excessive overtime, or even turn down orders. By graduating the number of weeks a worker can receive payments for full-week layoffs in accordance with the number of weeks he has worked since acquiring seniority, the plan removes an obstacle that might otherwise reduce job opportunities for workers seeking jobs.

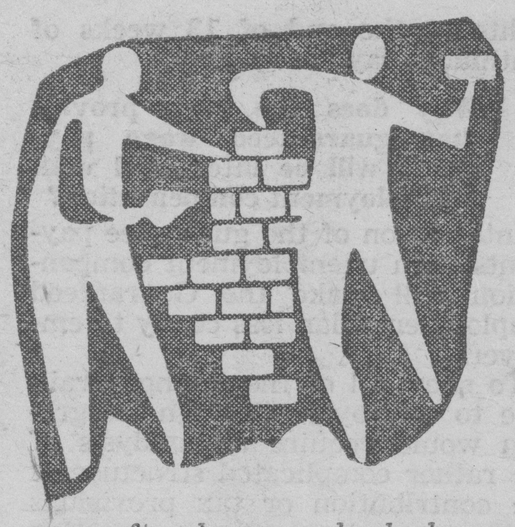
For the same reason, the duration of a worker's guarantee depends on the number of weeks he is employed after he acquires seniority. He does not get credit for the weeks he worked as a probationary worker. If he did get such credit, then on the day he acquired seniority the employer would have to accept the obligation of guaranteeing him several weeks of payments in the event of a layoff. This would give the employer an incentive to seek excuses to terminate him near the end of his probationary period, and would result in less security for him, rather than more.

12. What if a man is called back to work before he has used all of his weeks of guaranteed wages?

When a worker, who has been on a layoff, is recalled to work before he has used all of his guaranteed income weeks, he will be entitled, in case he is laid off again, to the unused balance of guarantee weeks at the time of his recall, plus the number of weeks of credit built up after he came back to work.

Take, for example, a worker recalled from a layoff after he had received just 10 weeks of payments out of 52 weeks guaranteed him at the time he was laid off. If he were laid off again, he would be entitled to income from the Plan for 42 weeks, in addition to the weeks he had built up after he returned to work.

If he were laid off after he had been back at work for 10 weeks, he would be eligible for 47 weeks of income (42 weeks plus 5 weeks credited for the 10 weeks worked after recall). If he were not laid off



soon after he came back, he would again build up his rights to guarantee payments for full 52 weeks of layoff. In the example we have chosen it would require 20 weeks of work (or other compensation by the company) for him to build his remaining 42 weeks up to 52 weeks of protection.

13. Why not restore the full 52-week guarantee to workers recalled after a layoff?

The same reasons that make it necessary to graduate the guarantee for new workers require graduation for workers recalled after layoff. If a worker, originally entitled to 52 weeks, had used up his guarantee, the employer would be reluctant to recall him if compelled to guarantee the same worker another 52 weeks immediately upon his recall.

Instead of recalling such workers, the employer would schedule excessive overtime for workers remaining on the payroll or would turn down orders to avoid heavy potential guarantee liabilities.

Graduation of the guarantee based on employment after recall improves the possibility that laid-off workers will be recalled.

'1 for 2' Ratio

14. What is the basis of the "1-for-2" ratio?

The object of the plan is to give workers as much protection as possible as quickly as possible.

An employer can increase production either by scheduling overtime and increasing his hourly wage costs by 50 percent during overtime hours, or by hiring additional workers. The fact that a worker gets one week of guarantee against full-week layoffs for every two weeks worked means that the cost to the employer of increasing the number of workers to whom he must give the guarantee will never be more than the cost of scheduling overtime. In fact the maximum possible cost to the employer resulting from adding new workers or recalling laid-off workers will be less than the cost of overtime work.

In the first place instead of the definite and certain cost of overtime, the hiring of a new worker or the recall of an old one will not add to the cost at all if they are not subsequently laid off.

Second, the cost will be less than the cost of overtime if such workers, when laid off, are laid off for less than the full number of weeks for which they are entitled to guarantee payments.

Third, in the case of new workers, there is no added cost at all during their probationary periods since they do not build up guarantee credits while on probation.

Fourth, the cost under the 1-for-2 ratio will be less than the cost of overtime in the case of any worker who is entitled to unemployment compensation when he is laid off.

The 1-for-2 ratio therefore protects job opportunities, not only for workers newly seeking jobs, but for workers who have been laid off and have exhausted their guarantee rights, by making it cheaper for the employer to recall laid-off workers and to employ additional workers rather than schedule overtime when business improves.

15. Under the 1-for-2 ratio, what effect will repeated long layoffs have on the worker's security?

That depends on the length of the layoffs.

In any company that is not steadily reducing the number of workers employed, the plan provides reasonable assurance that once a worker has built up 52 weeks of guarantee credit, he will rarely, if ever, lose a week's income. For example, under the 1-for-2 ratio, such a worker could be laid off for as many as 17 weeks in every year, year after year, and never go without either a pay check or a guarantee check. In the remaining weeks of each year (35 in number) the 1-for-2 ratio would enable him to build back credits for the 17 weeks used up.

16. What effect do short workweeks have on the worker's protection against full-week layoffs?

None at all.

The two guarantees operate independently, although the short workweek — 40 hour — guarantee is necessary to prevent employers from escaping their obligations under the other guarantee by cutting back to a 4-day or 3-day week in order to avoid laying off workers for full weeks.

A worker who is given less than 40 hours' work in any week will not only receive full pay for that week but will also be entitled to full credit for the week in building his guarantee rights up to the 52-week maximum on the basis of the 1-for-2 ratio. Furthermore, pay received by the worker under the 40-hour guarantee will not reduce the number of weeks he is guaranteed against full-week layoffs.

17. Do you have to be available for work if you are laid off?

Yes. Workers laid off from a plant that has the Guaranteed Employment Plan must be available for work in order to receive guarantee payments. Laid off workers will be required to register with the State Employment Service and to accept suitable employment. However, the standards of suitability will be specified by the plan itself and not by the State Employment Service so that no worker will be forced to take a job on which wages or working conditions are substandard or which is not suitable for other reasons.

Questions of suitability, when they arise, will be settled by a Joint Board of Administration composed of equal numbers of union representatives and management representatives with an impartial chairman who will be available to break deadlocks.

If the job is considered "suitable" under the State law, but unsuitable under the Guaranteed Employment Plan the worker can refuse it without losing his rights to guaranteed payments. If, as a result, the worker is ruled ineligible for unemployment compensation benefits, the employer will have to pay the full amount guaranteed to the worker, including the amount he would otherwise have received in unemployment compensation. This provision will give employers a strong incentive to work for the removal of unreasonable disqualification provisions from state unemployment compensation laws — provisions which in many cases were put there at the inisistence of employers who wished to cut their unemployment compensation contributions at the expense of unemployed workers.

If You Get A New Job

18. What happens to a laid-off worker who has found a suitable job before he has used up his guarantee weeks and is then laid off from that job?

A laid-off worker who takes a suitable job with another employer still has a right to receive guarantee payments if and when he is again unemployed. His guarantee rights are frozen during the period of employment elsewhere.

While working in another plant he does not use up his guarantee weeks. Therefore, he still has a right to his unused weeks of guarantee if he is laid off from that other plant.

Taking another job while he is laid off extends the period of security to which he can look forward. In other words, a guarantee against 52 weeks of layoff can provide security for a period longer than 52 weeks if he finds suitable work elsewhere.

Take, for example, a worker who has 52 weeks of guarantee credit when he is laid off. If he remains without work for 10 weeks and then takes another job, he still has 42 weeks of guarantee payments waiting for him. If he is laid off from that other job after three months, the 52-week guarantee plus the three months on the job would enable him to provide for his family over a full 15-month period.

The right to unused weeks of income during layoffs after long periods of employment outside the guaranteeing company, will need to be limited in some reasonable way. Otherwise, in plants where the worker's right to be recalled extends for a time equal to his seniority at time of layoff, employers might be held liable for guarantee payments for an individual worker 25 or 30 years after he had left the plant. This would be costly and impractical.

19. If a laid off worker who has not yet used up all of his guarantee weeks gets a job in another company which also has a Guaranteed Employment Plan, which company provides him with income if he is laid off by the second company?

He will draw his guarantee payments first from the employer who laid him off first. That employer had the primary responsibility to provide the worker with work. If the worker had not been laid off by that employer in the first instance, he would never have gotten the job with the second employer and have been laid off from it. When he has used up all the weeks of guarantee payments that he is entitled to from the first employer, the worker will begin drawing against his credits with the second employer.

This feature of the plan will reinforce our Union's drive for preferential hiring provisions which is one of our Union's bargaining objectives for 1955. The employment manager of any company, faced with two workers applying for the same job, will be more apt to hire the man who has the right to guarantee payments from some other plant in case he is laid off.

20. What happens if a laid-off worker takes a job in another plant where wages are not as high?

If the laid-off worker takes a suitable job with another employer and fails to earn as much as his earnings with the guaranteeing employer, the guaranteeing employer will make up the difference.

"Make-up" payments are necessary to assure equity among the workers. In their absence, a worker who took another job might, in

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some cases, be less well off than other workers who were not working at all.

"Make-up" payments will encourage a laid-off worker to seek work.

"Make-up" payments will be made only where the new job is determined to be "suitable" by the Joint Board of Administration. This assures that "make-up" payments will not be used to subsidize sweatshop employers and thus to undermine wages and working conditions.

21. When a worker receives "make-up" pay, will that reduce the number of weeks for which he is entitled to guarantee payments?

No. The probabilities are great that, by taking another job, the worker is reducing the cost of the guarantee to the employer. Such a worker will receive in "make-up" pay much less than the employer would have to pay him if the worker remained without work.

If the worker's other job lasts for any significant period, the chances are great that he will be recalled by the guaranteeing employer before he has used up all the weeks of guarantee to which he is entitled. It is therefore to the advantage of the guaranteeing employer to provide "make-up" pay even though such pay does not reduce the number of weeks for which the worker may be entitled to full guarantee payments.

22. What happens if a laid-off worker goes to work some place else and refuses to come back to his old job when he is recalled?

The employer's first obligation under the plan is to provide suitable work. At the point when he recalls a laid-off worker, he has met that obligation.

Under our present agreements, a

worker breaks his seniority and quits his job if he fails to respond to a recall without good reason. He therefore could not expect at some later date to claim the right to receive guarantee payments. By failing to respond to recall he will lose his guaranteed wage rights just as he loses his seniority rights.

Amount of Payment

23. How much will I get in guarantee payments per week?

In any week in which you are called in, or are laid off without prior notice, you will get 40 times your regular straight-time hourly earnings, including any shift premium. If you are a piece worker you will get 40 times your average straight-time hourly earnings for the period immediately preceeding that week.

If you are laid off for one or more full weeks, you will get a weekly guarantee payment sufficient to maintain the same standard of living you enjoyed while at work.

The exact amount cannot be stated now because it will depend, among other things, on the success of the drive that will be made this winter by our Union, together with National CIO and AFL, to increase unemployment compensation benefits. Such benefits are not subject to income taxes. Therefore the more that is paid by unemployment compensation, the smaller the total amount needed by the worker to maintain the same living standard he enjoyed while working.

For example, if you are a married worker with one child, earning $90 a week, your take-home pay after deduction of income tax is $80.50 per week. Suppose you are laid off and draw, say, $30 in unemployment compensation. If your employer paid you another $60, the tax deduction would be $4.10 and your total take-home pay would be $85.90. This would be $5.40 more than you had received while working, and your standard of living would actually be improved. If you receive more than $30 in unem-

ployment compensation benefits, you would pay even less in taxes on the amount received from your employer to bring the total up to $90.

This is the kind of factor that will have to be taken into account in determining the amount of guarantee payment that will actually be necessary to assure you the same standard of living. Because these factors have to be taken into account it is impossible to do more at present than to establish the principle that the amount of the guarantee should be sufficient to maintain your regular living standard.

24. Will the guaranteed wage payments be a flat amount or will they be related to the wage rates?

Guaranteed wage payments will be based on individual hourly wage rates or, in the case of piece workers, on the individual's average hourly earnings. Higher paid workers will receive higher weekly payments than those with lower wage rates.

The objective of the plan is to enable workers to maintain the same living standards when laid off as they enjoyed while working. This objective would not be achieved if all workers received the same flat amount. If a flat amount were based on the earnings of higher paid workers, or even the average for the entire plant, then the lower paid workers would enjoy better living standards when laid off than they had while at work. To demand this would put our Union in an untenable position. On the other hand, if the flat amount were based on the earnings of the average worker or the lower paid workers, then the higher paid workers would not have the same standard of living while on layoffs as they had while at work.

Holiday pay, and in most plants vacation pay, are determined on the basis of hourly wage rates or earnings. Guaranteed wage payments will be determined on the same basis.

25. Will the amount of a worker's weekly payment depend on his seniority?

No. Workers who receive the same hourly wage rate or earnings while at work will receive the same guaranteed wage per week when laid off, regardless of seniority. However, low seniority workers will not be eligible to receive the guaranteed wage for as many weeks of layoff as will higher seniority workers.

Suppose two workers, receiving the same hourly wage rate, are laid off. One had acquired seniority more than two years before the layoff, and the other had acquired seniority only 26 weeks before the layoff. Neither has previously used up any guarantee rights. They will both receive the same amount of guaranteed wage, but the high seniority worker will be eligible to receive it for 52 weeks if he is laid off that long, while the low seniority worker will have exhausted his rights at the end of 13 weeks of continuous layoff.

26. Why does the Plan provide that guaranteed wage payments will be integrated with unemployment compensation?

Integration of the guarantee payments with unemployment compensation will make the Guaranteed Employment Plan less costly to employers.

To show all of the savings available to employers through integretion would require an analysis of the rather complicated structure of the contribution or tax provisions of the unemployment compensation laws. It is easy to see, however, that, since compensation benefits received by the worker are not taxable under the income tax laws, it costs less to provide a worker with a given amount of take-home pay through such benefits than it would to provide the same amount in payments made directly by the employer.

Such savings, and the fact that they will be greater as the unemployment compensation laws are improved, will give employers an incentive to work toward increasing the amount and duration of unemployment compensation and removing unreasonable disqualification provisions, and to join with us in seeking the removal of administrative or statutory obstacles to integration where they exist.

Integration is consistent with our philosophy of making progress with the whole community, since improvements in the unemployment compensation laws resulting from integration will benefit every worker who may become unemployed and will strengthen the stability of the entire economy.

27. Just how will guaranteed wage payments be integrated with unemployment compensation benefits?

The size of the guaranteed payment that the employer must pay to a laid-off worker will be reduced by the amount of the basic state unemployment compensation benefit the worker is entitled to receive for that week.

Special provisions will be made with respect to the dependent's allowances paid under some state laws.

If a laid-off worker is denied unemployment compensation benefits under the state law but is eligible for guarantee payments, he will receive the full amount guaranteed under the plan, except that all of it will come from the employer rather than part of it from the state unemployment compensation fund.

28. Can we integrate guaranteed wage payments with unemployment compensation benefits without changing the state laws?

You will hear the argument that integration of guaranteed wages and unemployment compensation is impossible under present state laws.

Actually, integration is definitely possible under the laws of some states, and in most of the others there is a strong probability that integration can be achieved without amending the laws. In most cases all that is needed is a favorable administrative ruling or interpretation of the laws.

This is indicated by a report prepared by a Committee of the Interstate Conference of Employment Security Agencies in September, 1953. (The Interstate Conference is an organization composed of the administrators of the state unemployment compensation laws.) The report submitted in September, 1953 said, "the Committee does not believe that it should, at present, formulate definite and specific policy recommendations regarding the relationship of guaranteed annual wage and employment plans to unemployment insurance." It recommended that a committee be assigned the responsibility for "a continuing appraisal and evaluation of this problem and bringing in recommendations as developments in the field may require."

The extent to which new developments may alter the thinking of state authorities is shown by our experience with veterans' benefits. In 1945, when Congress was considering legislation to provide federal supplementation of state unemployment compensation benefits, the majority of states indicated that state statutory provisions would not permit the integration of federal payments with state unemployment compensation payments and would bar supplementation by the federal government. In 1952 the Congress passed legislation supplementing state benefits for veterans. No state found that the provisions which barred supplementation in 1945 were a barrier to integration in 1952. While the statutory provisions involved in the case of veterans' benefits differ from those which are involved in an interpretation of state law with respect to integration with guaranteed wage payments, the results will be the same. State agencies, or legislators where amendment is necessary, will be convinced by employers to whom integration offers a financial advantage that such integration is possible or desirable.

In any case, legal or administrative obstacles to integration will not stand in the way of negotiating the

Guaranteed Employment Plan. The Union has ready an alternative plan to propose for application in any state where integration proves temporarily impossible. It will provide the workers with an equal guarantee of maintenance of living standards, but will prove slightly more costly to the employer. The additional cost will not be enough to bar negotiation of the plan, but it will provide the employer with an incentive to work for the necessary changes at the state level to make integration in that state possible.

29. Why does the UAW-CIO believe stability of employment can be obtained through the guaranteed wage incentive while it continues to oppose the incentives provided by the merit rating provisions of the state unemployment compensation laws?

Merit or experience rating does not provide real incentives to stabilize employment. Its main rewards go not to unstable industries that have made progress toward stabilization but rather to naturally stable industries like the public utilities.

Merit rating gears the employers' taxes to the amount paid out in benefits to his laid-off workers. It therefore provides incentives to employers to connive, cheat and chisel to prevent workers from drawing benefits. The director of unemployment compensation activities for the Packard Motor Car Company, for example, was found by the Michigan Supreme Court to have perjured himself to deprive one of his Company's workers of benefits. The tax dollars saved by such activities are just as attractive to corporations, and easier to get, than the savings possible as a result of genuine stabilization efforts.

The merit rating incentive has led employers to write into the laws outrageously restrictive disqualification provisions — legal fishhooks, barbed wire and bobby traps — under which many thousands of workers are denied benefits each year on the flimsiest of excuses. General Motors and other corporations supported a bill in the Michigan Legislature in 1954 which would have denied unemployment compensation benefits to the unemployed widow of a worker killed in an industrial accident if she so much as applied for survivors' benefits under the Workmen's Compensation Law based on the death of

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her husband. It was not even required that she be receiving the survivors' benefits before she could be disqualified from receipt of unemployment compensation benefits.

Moreover, since employers' taxes under merit rating are affected by the amount and duration of benefits paid under the state laws, merit rating gives them an incentive to fight against improvements in the laws. It is probably the most important single factor causing the serious lag of benefits behind wage levels.

In short, we oppose merit rating because the incentives it provides are misdirected. Instead of promoting employment stabilization it tempts employers to engage in anti-social and even criminal action to deprive workers of benefits and to undermine the effectiveness of the unemployment compensation laws.

Cost to Employers

30. What is the Guaranteed Employment Plan going to cost?

An exact statement of the cost of the Guaranteed Employment Plan cannot be made in advance, because so many layoffs are within the control of management. The extent of layoffs in the past is no guide to what they may be when management has a strong incentive to prevent them. Other factors affecting cost, such as the amount and the duration of unemployment compensation benefits, are also likely to be changed as a result of the Plan.

However, several facts about the cost of the guarantee should be understood.

Representatives of employer organizations, like the Chamber of Commerce and the Manufacturers Association, have tried to scare the public by arguing that a wage guarantee in the industries under jurisdiction of the UAW-CIO would be so costly as to bankrupt the corporations. All these arguments are based either on ignorance of the Plan announced by the UAW-CIO, or on the speaker's or writer's hope that his audience is ignorant of the safeguards provided by our Plan. No one has a bigger stake in developing a Plan that is practical and realistic than the Union and its members.

Some of the safeguards which insure that our Plan will be a workable one are discussed in the answers to other questions.

The UAW-CIO Study Committee has tested out the proposed Plan in terms of what it would cost under various employment and business conditions, including some extreme situations, and has discussed its data also with the Public Advisory Committee of leading economists. The cost, even under highly unfavorable economic conditions, has been found to be realistic in terms of reasonable collective bargaining goals.

These estimates, of course, do not take into account many of the methods management may use to reduce costs under the Plan, or even to make savings. These include:

1. Stabilizing production schedules and employment.
2. Helping to improve unemployment compensation.
3. Helping to secure a sound reinsurance program.
4. Supporting national economic policies designed to maintain full employment.

There will certainly be some cost that management cannot avoid while a reserve fund is being built to take care of heavy layoffs. Even this cost can be reduced through improvements in unemployment compensation and the establishment of reinsurance. In any event, the cost of building the reserve will not be excessive, and once the fund has been built up, the cost of keeping the Plan in operation could be reduced virtually to zero. That would be the ideal as far as our Union is concerned. It is steady work we want, and not pay for idleness.

THE NATION'S PRESS does some deep thinking about the UAW's demand for a guaranteed employment plan during press conference with President Walter P. Reuther (center, right) after the Bargaining Conference in Detroit last month.

31. Would it be possible for management to save money under this Plan?

Yes. If management succeeds in stabilizing employment the savings may actually outweigh the costs of the guarantee. If peaks and valleys in production are eliminated, companies will not need to maintain excessive floor space and equipment that is actually used only to meet peak production loads.

Labor turnover will be reduced; the expense of hiring and training new workers will be cut down. The added security for workers under the plan will reduce the number of workers who quit their jobs.

If management works with us on the legislative front for measures designed to assure a full production-full employment economy, increased profits from stable and expanded markets will far outweigh the costs of the guarantee. Moreover the savings to the whole community through elimination of the tragic waste of unemployment would be many times greater than any direct employer costs involved in financing the plan.

32. How will the cost of the guarantee against short workweeks be handled?

The cost of guaranteeing full weeks of work — the 40-hour guarantee — will be met by the employer on a pay-as-you-go basis. The fact that management can largely avoid short workweeks means that the 40-hour guarantee, like call-in pay, will cost management nothing at all or practically nothing if it plans properly. Management will be required to bear directly the full cost of its failure to plan a full week of work for all the workers it calls in to work in any week. This will provide an incentive for better planning.

The financing of the guarantee against short workweeks is totally separate from the financing of the cost of guarantee payments to workers on full-week layoffs. Costs arising out of short workweek operation will not be credited against the employer's maximum liability for payments under the other parts of the plan.

Unlike most call-in pay provisions of our present agreements, the plan does not contemplate that the guarantee against short workweeks will include "Act of God" provisions or other escape hatches for factors beyond the employer's control. Management can protect itself against such factors either by setting up reserves for the purpose or by insuring itself against such contingencies.

Insurance companies now offer employers policies which not only reimburse the employer for damage to plant or equipment but also for lost profits resulting from machine breakdowns, fires, floods, etc.

It is quite likely that the insurance companies would be willing to extend such protection to cover wage losses resulting from similar causes. However, as indicated in the answer to another question, compensation for wage losses should, in any case, be considered as part of the normal cost of doing business which the employer must bear.

33. How will the cost of guarantee payments to workers during layoffs be met?

The employer will meet the costs of payments to laid-off workers on a pay-as-you-go basis (out of his current income), up to a specific maximum percentage of his current payroll. Requiring the company to pay for full weeks of layoff out of current income penalizes management directly at the point it begins to lay off workers and, therefore, encourages management to avoid such costs by avoiding layoffs.

However, it is necessary to set a limit to the amount of money a company will be required to pay to laid-off workers out of its current income. Otherwise, when there were heavy layoffs the payments to laid-off workers would be an excessive burden to management. In industries like ours an unlimited liability plan would not be practical and could not be negotiated. It is for this reason that the plan sets a top limit for pay-as-you-go payments—a specific percentage of current payroll. Since this top limit is set as a percentage of current payroll the amount of money involved tends to be smaller when payrolls decline; therefore, costs are reduced when business is bad. This is a key feature of the plan.

If many workers are laid off and the demand for guarantee payments exceeds this maximum percentage of current payroll, the payments above the maximum will be paid out of the reserve trust fund.

Trust Fund Plan

34. What is the function of the Reserve Trust Fund in the Plan?

The Reserve Fund will be drawn on whenever the cost of guarantee payments exceeds a specified percentage of the employer's current payroll. This means that it may be used during layoffs which involve large numbers of workers, and it will be used extensively if such layoffs last for an extended period of time.

The time when such such situations develop will be exactly the time when the employer would be least able to meet the heavy obligations that would be involved if the entire cost had to be paid out of his current income. In the event of long and heavy layoffs, a straight pay-as-you-go plan might even drive some employers into bankruptcy. Such a plan would provide no real security for the workers. The Reserve Fund provision of the Guaranteed Employment Plan assures the workers that the money will be there when it is needed to meet the costs of extensive layoffs. At the same time it assures full protection to the employer against back-breaking obligations. In combination with the determination of his maximum liability as a specified percentage of current payroll it actually assures him that he will be required to pay less for the guarantee if his business declines sharply.

The Reserve Fund will be established as a frust fund — that is, money put into the Reserve Fund can be used only for the purpose of meeting costs which arise under the terms of the Guaranteed Employment Plan.

35. How will the Reserve Fund be built up?

The Reserve Fund will be built up through regular contributions by the employer. The contribution rate will be at a level sufficient to bring the Reserve Fund up to the required size within the shortest practicable time.

36. How will the size of the Reserve Fund be determined?

The amount required in the Reserve Fund for a sound Guaranteed Employment Plan will depend primarily on the number of workers employed by the guaranteeing employer and their average wage rates. The goal set for the Fund obviously should not be allowed to fluctuate up and down with every change in current employment. The required size of the Fund will therefore be determined in relation to what is called the employer's "base payroll." This "base payroll" will equal the highest number of man-hours worked in the bargaining unit during any one of a specified number of previous calendar years, multiplied by the current average straight-time hourly earnings. This will mean that if employment moves up to a new peak, the required size of the Fund will be increased to take care of the additional number of workers, and if wage rates are increased the required size of the fund will also be increased to take care of the higher cost of maintaining the living standards of laid-off workers. On the other hand, in a company with steadily declining employment over a period of years, the required size of the Fund can be gradually reduced as the number of workers requiring its protection falls.

The required size of the Fund can be reduced as a result of other factors than a decline in the size of the "base payroll." For example, if unemployment compensation is improved, so that it provides for a larger proportion of the guarantee payments, a smaller Reserve Fund will be required. If the employer enters into a reinsurance plan a smaller Reserve Fund will be needed than if there were no such plan. The Joint Board of Administration will review the situation annually and may redetermine the required size of the Reserve Fund on the basis of changes in the size of the "base payroll," changes in unemployment compensation provisions, and changes in protection obtained through reinsurance.

37. How will the contribution rate be determined?

The "contribution rate," that is, the rate at which the employer will contribute to build up the Reserve

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Fund (within the limits of his total maximum liability) will be determined as a percentage of his "base payroll." Since the required size of the Fund is also a percentage of base payroll, this will preserve a steady relationship between the contribution rate and the size to which the Fund is required to be built up.

38. Why are the required size of the Reserve Fund and the contribution rate related to "base payroll" rather than to current payroll?

Relating the required size of the Reserve Fund and the contribution rate to peak annual employment within a recent period and to current average straight-time hourly earnings insures that the goal set for the Fund and the contributions to build it up will be increased with the long - term growth of a company or with the necessity of reflecting improved living standards in payments to laid-off workers. At the same time, it reduces the possibility that the employer may be discouraged from hiring additional workers when his business is expanding.

For example, if the employer's peak employment occurred some time previously, and his Reserve Fund had already been built up to a size based on that employment level, hiring additional workers would not require any additional contributions to the Fund until the base payroll passed the previous peak. If employment rises above the previous peak, the employer's economic position will be strong enough to enable him to make additional contributions without difficulty.

If the Reserve Fund has not yet reached the required size, relating the contribution rate to base payroll will actually encourage the employer to expand his business up to the peak reached previously. As long as his current payroll remains less than the base payroll, hiring additional workers will not involve any increase in the dollar amount of his contribution to the Reserve Fund, and the fixed dollar amount will represent a declining *percentage* of his growing current payroll. If his current payroll rises above the amount of the previous base payroll, his dollar contributions will increase but will remain a fixed percentage of current payroll.

When to Pay

39. Will the employer have to make contributions to the fund when he has large numbers of people laid off?

He will not have to pay into the fund if the cost of current guarantee payments on a pay-as-you-go basis has reached the percentage of current payroll set in the agreement as his maximum liability.

In order to guarantee to the employer that he will not have to make contributions under these circumstances the plan provides that the maximum per cent of current payroll includes both his pay-as-you-go payments and his contributions to the trust fund.

If the payments to workers on a pay-as-you-go basis are below the maximum level (and if the reserve fund has not yet reached the required size) the employer will continue to make payments into the reserve fund while he meets the cost of guarantee payments to laid off workers.

If pay-as-you-go payments, plus the full contribution rate exceed the limit he will pay less to the reserve—just enough to make his total payments equal to the maximum per cent of his current payroll.

If the pay-as-you-go payments have reached the maximum he will not have to pay into the reserve fund at all. You might say the employer's obligation to contribute to the reserve fund "rides on top" of the obligation to make guarantee payments to workers already laid off.

Reinsurance Provisions

40. What is meant by reinsurance? Why is it important to the Plan?

Reinsurance is simply a method of pooling risks similar to the way in which risks are pooled under other forms of insurance. It is less expensive for you to pay a small premium into an insurance fund for fire insurance, for example, than it would be to keep enough cash on hand to replace your house if it burned down. In the same way, each company with a Guaranteed Employment Plan will need less money in its own reserve fund if there is a pooled fund from which it can draw when it lays off a very large number of workers for a long period of time.

Reinsurance, therefore, is an important feature of the financing of the Guaranteed Employment Plan because it will make possible sound operation of the plans with smaller required reserves and this in turn will result in smaller contribution rates.

There is another important reason for providing for reinsurance in the financing of the Guaranteed Employment Plan. Reinsurance will protect new plans in the early years before the contributions to the reserve trust funds have built the funds up to their required size.

It should be emphasized that the existence of a reinsurance program is not necessary in advance of the negotiation of a Guaranteed Employment Plan. A perfectly sound plan at a cost employers can well afford along with other collective bargaining gains can be established in the absence of reinsurance.

It is probable that reinsurance will **not** be established until some time after the guarantees are in effect. The advantages of reinsurance are so great, however, that we may expect that it will be established after the guarantee has been won.

41. What happens if there is not enough money to pay all guarantee claims?

In the absence of adequate reinsurance, the danger that there may not be enough funds available to meet the full costs of a heavy layoff inevitably arise under any guaranteed wage plan which limits the employer's liability. A limited liability plan, however, is the only kind that it is possible to negotiate in industries like those organized by UAW-CIO.

The danger of insufficient funds would be greatest if heavy layoffs occurred in the early period of the plan while the reserve trust fund is being accumulated.

Under such circumstances, it would be necessary to divide up, as equitably as possible, such funds as are available for payment of guaranteed wage obligations. We would have to have a formula to insure fair distribution of the money available, just as our pension agreements have a formula for fair distribution of the funds if the company should be liquidated or if the pension plan is terminated for some other reason.

The formula for distribution of guaranteed wage funds would have to assure that all the monies available would not be used up in the payment of guarantees to low-seniority workers who would be the first to be laid off. Provision would be made to protect the equity of the higher seniority workers in case they were laid off later.

IT'S FOR THEM. Workers leave a plant after being called back following a long layoff. The Guaranteed Wage is to eliminate that layoff, if possible, provide the pay anyway, if it isn't.

The International Union Study Committee has given careful attention to the development of a practical and equitable formula.

It should be kept in mind, of course, that unless a company closes all its plants completely, there will still be a certain amount of money available every week for guarantee payments as a result of the employer's obligation to pay the specified maximum percentage of his remaining payroll.

In addition, the plan as developed by the International Union Study Committee, provides that monies due to laid-off workers remain a continuing obligation of the employer, subject to the maximum liability ceiling, until the workers are paid. This is reasonable since, in negotiating the guarantee plan, costs will be measured in terms of the average for a whole business cycle regardless of whether the trough of the cycle occurred soon after negotiations or years later. The employer's continuing liability for unmet guaranteed wage obligations, therefore, will not add to the costs which will be estimated for purposes of negotiations but will merely make sure that, regardless of the timing of the low point in the business cycle, we get everything we bargain for.

Thus, so long as the company continues in business, workers who do not receive their full guarantee payments at the time they are laid off may expect to receive them at some subsequent time.

The best answer to this problem, of course, is the establishment of an adequate system of reinsurance which would serve to avoid entirely the danger that there may be insufficient resources to meet all guaranteed wage payments in full at the time they come due.

42. Why are not figures available on every detail of the Plan?

Exact figures cannot be set now for some details of the Guaranteed Employment Plan — for example, what will be the required size of the reserve fund in proportion to base payroll, what will be employer's contribution rate to the reserve fund in relation to base payroll, and what will be the employer's maximum liability as a percentage of current payroll.

These figures will have to be determined in relation to the conditions that will exist in 1955 when we negotiate details of the plan. One of the conditions that may be considerably changed by that time is that the amount and duration of unemployment compensation benefits may be substantially increased. Both the CIO and the AFL will make a determined drive for that purpose this winter.

Obviously, an improvement in unployment compensation will reduce the direct cost to the employer of the Guaranteed Employment Plan. This will mean, for example, that the reserve fund will not be required to be as large in proportion to base payroll as it would have to be with present unemployment compensation benefits. The contribution rate would not have to be as high a percentage of base payroll in order to build the fund to the required size in the same number of years. And because of lower costs, the employer's maximum obligation could be a lower percentage of current payroll. All these factors would make the plan easier to negotiate, and it would not be realistic for the Union to specify figures until the actual amounts that will be available from unemployment compensation are known.

Determining Eligibility

43. Who decides who is eligible to receive payments under this Plan?

Where a dispute has developed the Joint Board of Administration will have the final decision, and will not be bound by any findings or rulings of the State Employment Service.

In most cases, questions of who is entitled to guarantee payments, how much they are entitled to and for how long, etc., will be decided on a routine basis at the plant level in accordance with the terms of the plan. In multi-plant corporations they may be decided by union and employer representatives on regional committees. The Joint Board of Administration will be involved only where the issue cannot be settled at a lower level.

The question of what constitutes suitable work when a worker is offered a job outside the plant of the guaranteeing employer will be settled in the same way. Questions of suitable work when the employer himself offers an alternative job will be settled in accordance with the provisions of the basic collective bargaining agreement.

44. Will a worker who is too sick to work receive guarantee payments?

The basic purpose of the plan is to compel employers to accept their responsibiliy to provide their workers with steady work. Guarantee payments are, in effect, a form of penalty imposed on employers when they fail to live up to that responsibility.

When a worker is not at work because he is sick, rather than because the employer has failed to provide him with work, it cannot be claimed that the employer has failed to meet his responsibility.

For that reason, workers too ill to work will usually have to depend on the sickness and accident benefits provided by our agreements rather than on guarantee payments. (Sickness and accident benefits, of course, need improvement but that is a separate problem from guaranteed employment with which our Union must deal separately.)

However, a worker who becomes ill while he is laid off has a right to expect that his guarantee payments

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will continue even though he is ill. The employer has failed in his obligation to make work available for the worker.

Guarantee payments in such a case would cease, however, if and when the employer, in accordance with the seniority agreement, issued a recall notice to the ill worker. At that point the employer would have met his responsibility to provide work and the worker would fall back on sickness and accident benefits.

Health Insurance

45. Will a worker's health insurance continue while he is receiving guaranteed wage payments?

Yes. The basic principle of the Guaranteed Employment Plan is that the worker's living standards are to be maintained while he is laid off. He is not to be penalized for involuntary idleness. Health insurance, medical and hospital benefits and pension credits, for example, are just as much a part of the worker's living standard as the things he buys directly with his wages. These benefits will be maintained while the worker is on layoff and eligible for guarantee payments just as though he were still at work.

46. Are we asking for pay for idleness?

Company propaganda has suggested that our Guaranteed Employment Plan is "just a demand for longer paid vacations." This is false.

Workers will not receive guaranteed wage payments except as a result of the employer's action in laying them off. The worker must be available for work. Not only can he be recalled at any time, but he must accept a suitable job elsewhere if it is offered him. The Guaranteed Employment Plan will protect eligible workers against the "unpaid vacations" they have to take now when they get laid off, but it will do so chiefly because the prospect of having to make guarantee payments to laid-off workers will stimulate employers to provide steady employment. Workers will draw their wage guarantees only if the employer fails or is unable successfully to respond to that stimulus. In all of these ways, and others, the Guaranteed Employment Plan differs from an extension of paid vacations.

We are not asking for pay for idleness—we are asking for steady jobs. But when employers fail in their responsibility to provide steady work, they have a moral obligation —which will be implemented under the Guaranteed Employment Plan— to see that the workers and their families do not suffer.

47. Will high seniority workers want layoffs to come by reverse seniority under the Guaranteed Employment Plan?

No. The effect of the Guaranteed Employment Plan will not be to turn the seniority clauses of our agreements upside down. There will still be many reasons why a worker will prefer remaining on the job rather than being laid off.

This will be true both in widespread recessions and in situations when an individual plant is laying off workers while others are hiring.

In a widespread recession, the high seniority worker will know that he is safeguarding security for himself and his family by remaining at work until layoffs finally reach up to his place on the seniority list. If and when that happens, he will still be guaranteed maintenance of his living standards for up to 52 weeks. If he is not yet entitled to 52 weeks, he will be building up his security by increasing the duration of the guarantee an extra week for every two weeks he is at work. Once he is laid off, he will be using up that security instead of adding to it.

If a layoff takes place in one plant while general conditions in the industry are good, the laid-off worker will very likely be offered a suitable job somewhere else. He must be available for such work. He is not on a paid vacation. But the job a worker gets while he is on layoff will probably not be as desirable as his job in his own plant. It may be farther from his home, it will involve working among strangers rather than the friends he has known, it will very likely involve learning new tasks and so on. Most workers would prefer to keep their regular job.

In some short-term layoffs, such as layoffs for taking inventory, the employer may prefer to keep low seniority workers on the job and lay off high seniority workers. Details like this can be worked out in the negotiation and administration of the Guaranteed Employment Plan.

Pooling Seniority

48. Will the Plan encourage pooling of seniority by employers?

Yes, it will. If guaranteeing employers in an area agree that each will give preference in hiring new workers to the laid-off employees of the others, each employer will reduce the costs of the Guaranteed Employment Plan to himself, because in the event of a layoff his workers will have a better chance of obtaining a job in one of the other plants.

The plan will also encourage employers to give such preference in accordance with seniority, because the higher seniority workers will be those who are entitled to draw guarantee payments for the longest period, and it will be to every employer's advantage to see that they have the first opportunity for other jobs.

In this respect also the Guaranteed Employment Plan will reinforce our Union's drive for preferential hiring provisions. We did have such provisions coverings multiplant corporations in certain areas during the Korean defense emergency. The Guaranteed Employment Plan would certainly stimulate such corporations to revive those agreements, since under the plan it would be senseless for the companies to hire new workers in one plant while their other plants in the same area had workers laid off and drawing guarantee payments. The Guaranteed Employment Plan, in addition, would stimulate the creation of areawide seniority pools cutting across individual company lines.

49. Will the Guaranteed Employment Plan eliminate boom and bust cycles in our economy?

The Guaranteed Employment Plan *in itself* will not eliminate boom and bust cycles. The UAW-CIO has never said it would. Widespread negotiation of Guaranteed Employment Plans will, however, help to smooth out and in some cases to avoid dangerous ups and downs in production and employment in the whole American economy, and will serve in a major way to cushion the shock of recessions and depressions.

For example, if we look at the American economy as a so-called "inventory recession" gets under way, we notice that goods are piling up on the shelves because they are not being sold. Business men who have these surplus goods on hand reduce their orders and workers are laid off. The laid off workers have less money and are able to buy less than before. They cut down their purchases, more goods pile up and more workers are laid off. And so it goes, down the spiral.

The guarantee of income during layoff will help put the brakes on this kind of depression spiral. If workers who are laid off as a result of accumulated surpluses have incomes maintained while they are

laid off, their purchasing power can help to wipe out those surpluses quickly and assure their speedy recall to work.

This is one of the purposes of the Guaranteed Employment Plan, and this is the way in which it helps prevent depressions. It helps get the economy back on the track by providing purchasing power when it is most needed.

50. Will the Guaranteed Employment Plan end layoffs?

The Plan will in time eliminate many kinds of layoffs, and will reduce the number and duration of others. It will not end layoffs altogether.

As managements learn to operate under the Guaranteed Employment Plan, many thousands of workers who in past years have been laid off because of model change-overs, inventory taking and similar interruptions of work will not be laid off at all for these purposes—just as such layoffs were largely avoided in the immediate postwar years when the demand for goods made it in management's interest to keep production rolling.

Layoffs due to seasonal fluctuations in sales will be sharply reduced, if not eliminated altogether, by sales and production policies designed to reduce seasonal highs and lows, and by all the methods that managment ingenuity will devise when they have to pay a financial penalty for failure to do so.

Layoffs due to interruptions of work from such causes as material shortages, breakdown of machinery, etc., will be largely eliminated by better management planning.

In making technological changes, in mergers, in transfers of work to new locations, etc., managements will also be compelled to plan how such changes can be made with the minimum dislocation of the workers involved.

As Guaranteed Employment Plans become more wide-spread, and as corporations become financially more interested in national full employment policies, there will be a stabilizing effect on purchasing power which will help to prevent layoffs due to wide swings in our whole economy.

And, of course, when workers *are* laid off under the Guaranteed Employment Plan they will continue to receive income to maintain their living standards and their purchasing power. This will make the layoffs that may still occur less of a threat to the worker, and less of a loss to the economy.

End to Short Weeks

51. Will the Plan end short workweeks and short pay checks?

The elimination of short workweeks is almost wholly within the control of management and the Guaranteed Employment Plan should virtually eliminate 2-3-and 4-day schedules. In particular it will put an end once and for all to the vicious practice of unscrupulous corporations that schedule short workweeks with the deliberate intent of giving the workers just enough in earnings to make them ineligible for unemployment compensation benefits.

Short workweeks now are costly to the worker. He receives a short pay check. For one or more days a week his productive ability is wasted and he receives no pay. Under the UAW Plan the short workweek will not be costly to the worker, but to the employer. If it costs the employer more money rather than less money to operate a short workweek, he will operate a full workweek.

This "40-hour pay" guarantee is like an extension of the 4-hour call-in pay clause, which we now have in most UAW agreements. The call-in pay clauses eliminated the old practice of calling people into work when there was no work available. Once the union contract shifted the cost of this kind of irresponsibility from the worker to the management the practice ended.

Short workweeks will also become a thing of the past once their cost has been transferred to the employer, where it belongs.

52. If the big corporations negotiate the Guaranteed Employment Plan, how will this affect the supplier plants?

Supplier firms will immediately benefit from the stabilization of production in the plants which buy their products. Leveling out the peaks and valleys in the assembly corporations in our industries will provide a measure of stability for the steel industry, the glass industry, the textile industry, the rubber industry, the parts industry and others from which the assembly corporations are major purchasers.

The suppliers will have a higher degree of security; they will know that the demand for their products will be even, rather than irregular. Workers in supplier plants will have more regular work as a result of negotiations of the plans in the major firms.

Because of its stabilizing effect on the whole industry, and the pattern which it will establish, negotiation of the Guaranteed Employment Plan with the major corporations will also make it easier for the Union to win the guarantee in the plants of the supplier companies.

53. Will the Plan cause the large corporations to contract out more or less of their work to supplier firms?

It has been argued that if the large companies negotiate a Guaranteed Employment Plan they will farm out to smaller firms some of the work they now do themselves. This is an argument which management has spread among workers in large corporations. At the same time the workers in the smaller companies are told that the Plan would result in the large corporations gobbling up their suppliers in order to make sure that irregularities in the flow of parts from supplier plants will not result in layoffs in the large corporation.

Both of these management arguments are false. If a company now finds it profitable to make some of its own supplies, the production of these parts will still be profitable after the Guaranteed Employment Plan goes into effect. And if a company now finds it profitable to purchase some of its parts from suppliers, the introduction of the Plan will not make it unprofitable. By stabilizing production schedules, in fact, the assembly corporation may be able to negotiate supplier delivery contracts on a firmer basis, and the supplier, knowing that demand for his products is levelled out, will be in a better position to quote lower prices and to make good on stricter delivery terms.

There has been, of course, a long-term trend toward integration in our industries. The big companies have been taking over production of an increasing share of their parts and sub-assemblies. Negotiation of a Guaranteed Employment Plan is not likely to stop that trend. But it will mean that when integration takes place the workers whose jobs are effected will enjoy a degree of security—a period of adjustment without loss of income—that they do not have today.

54. Will employers reduce the number of regular employees when they negotiate the Guaranteed Employment Plan?

Employers have tried to frighten and confuse workers by suggesting that negotiating the Guaranteed Employment Plan would cause them to reduce the size of their working

(Continued on Next Page)

force. Actually, the Plan will not make it profitable for employers to lay off or terminate regular workers.

The Plan, will, however, end the irresponsible and morally indefensible practice of some industries under our jurisdiction, of importing workers from all over the country for only a few months' work. For example, the recruitment of thousands of workers by the auto industry during the early months of 1953 when there was only three to six months work for them is a policy not likely to be repeated once the industry has the Guaranteed Employment Plan. The employment given these workers was of little help to them, since they were soon dumped out on the streets far from their home communities, and it meant that the regular workers of the auto corporations were deprived of work later in the year that they otherwise would have had. If the Guaranteed Employment Plan had been in effect the corporations would have known that by following such a policy they were making themselves liable for heavy guaranteed wage payments to their regular workers, and they would have planned production schedules so as to avoid having to lay these workers off.

The Plan does not discourage employers from hiring new workers when there is a genuine increase in the amount of work available, because new workers' rights to guarantee payments when laid off are only gradually built up. It grants the employer considerable flexibility even when such increased work is only temporary. But it will discourage the kind of recruitment of temporary workers that later leads to layoffs of regular workers.

55. Will the Guaranteed Employment Plan create a group of people in our society who will have no employment opportunity?

No. This notion, which has been dreamed up by opponents of the Plan, goes like this: Since the Plan requires a guarantee of employment to workers, management will cut down the number of workers employed in order to reduce the number of people for whom it must assume responsibility under the Plan.

It should be clear that under the Plan management will operate with as many workers as it can efficiently employ on a full-time basis. There is nothing in the Plan which would give management any incentive to reduce annual production, or to stop expanding production. Thus the number of regular workers could be reduced only by scheduling overtime for those remaining at work. That is why the principle of graduated duration has been included in the Plan, and the ratio of graduation to weeks of employment carefully determined so that it will always cost management less to hire additional permanent workers than to schedule overtime for those already employed.

The Plan will deter management from scheduling production in such a way that it will have to recruit outside workers for temporary employment in one part of the year and then lay off regular workers for weeks or months in another part of the year. Elimination of this evil is one of the goals of the Plan.

By stabilizing the purchasing power of workers the Guaranteed Employment Plan, as it becomes more and more widespread, will increase the demand for goods and thus increase employment opportunities. Rather than "create groups of people who will have no employment opportunities" it will create more opportunities of permanent employment for those who now have to exist from one temporary job to another with long spells of unemployment and hardship in between.

Won't Raise Prices

56. Will the Guaranteed Employment Plan cause sharp price increases?

No. The Guaranteed Employment Plan will not even affect costs as much as a wage increase would, because it will lead to leveling out of production and more efficient use of plant facilities and manpower which will result in savings to counterbalance the costs.

If management takes advantage of all the opportunities available to reduce costs under the Plan, the savings may actually amount to more than the amounts paid out in wage guarantees.

Even though in the early years of the Plan there are some costs to management, while a Reserve Fund is being built up, the price to consumers need not be increased. Management's pricing policies are based chiefly on how much management thinks the traffic will bear. For example, there would have been inflation after World War II even if not a single worker had got a wage increase, simply because consumers had a great need of civilian goods, and had a reserve of war-time savings with which they were able to pay the prices management chose to charge. If unions had not been able to gain some wage increases, prices would still have gone up, profits would have been even more excessive than they were, the workers would have been that much worse off, and the decline in business due to drying up of purchasing power would have taken place that much sooner.

There need not be any long-term increase in costs under the Guaranteed Employment Plan, and although there are some costs in the early years they will be of a size that, under normal conditions, management can very well absorb out of profits without increasing prices.

57. Will the Guaranteed Employment Plan prevent automation?

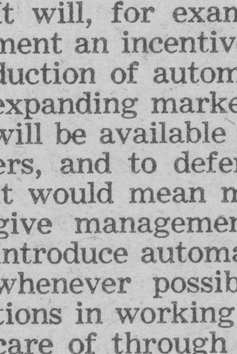
No. The Guaranteed Employment Plan will not prevent the employer from making use of technological progress to increase efficiency of production. It will insure that automation is not introduced in irresponsible ways which would produce hardship and suffering for many thousands of workers.

The Guaranteed Employment Plan will not prevent automation, but it will affect management decisions regarding the timing of automation and the location of automated plants. It will, for example, give management an incentive to gear the introduction of automation to periods of expanding markets when other jobs will be available for displaced workers, and to defer it in times when it would mean mass layoffs. It will give management an incentive to introduce automation gradually whenever possible, so that reductions in working force can be taken care of through normal labor turnover (quits, retirements, etc.).

In the frequent cases where automation can be more efficiently adopted by building a new plant rather than installing new equipment in an older plant not designed for it, the Guaranteed Employment Plan will tend to assure that such new plants will be so located as to facilitate transfer of workers from the former plant. It will place heavy penalties on irresponsible corporate policies that would leave thousands of workers stranded in ghost towns.

In short, the Guaranteed Employment Plan will compel management to exercise a degree of social responsibility in introducing automation by having to bear a large part of the social costs of irresponsibility.

When some dislocation of workers is an unavoidable result of automation, the guarantee payments made to the workers laid off will give them time to make an orderly adjustment. They will have up to find suitable new to a year in which jobs or to enable them, where desirable, to undertake retraining for better jobs. And it will give maximum incentive to employers to assist workers in finding suitable jobs in order to minimize the period for which guarantee payments would otherwise have to be made.



58. Will the Guaranteed Employment Plan prevent decentralization?

No. But it will make employers think twice before moving an operation to another area.

The Guaranteed Employment Plan will not prevent the employer from moving operations from one plant to another, or into new plants, when such changes are economically sound. It will insure that in making such changes the employer will have to take into account some of the costs to the workers and the communities involved as well as the costs that show up on his own financial records.

The Guaranteed Employment Plan will mean that when an employer decides to move an operation or a whole plant out of a community, he will have to make plans for continued employment of the workers affected, or pay the cost of failing to do so. He may meet his obligation by making suitable arrangements to encourage workers to move with the plant. He may arrange to keep the plant in operation making other products, or he may see that it is sold to another manufacturer who will provide suitable employment opportunities. There are many ways in which management can insure that workers and communities do not suffer unnecessarily when a plant is moved. The Guaranteed Employment Plan simply means that the employer is forced to face up the problems created by his move. He will no longer be able to run away and leave the problems behind for others to bear.

Tailor Made for UAW

59. Is the UAW Plan different from existing guaranteed wage plans?

Yes, our Plan is different in very basic ways from any guaranteed wage plan now in operation because it has been designed to solve UAW members' problems. Most of the other plans were designed by employers to solve employers' problems while others were developed to meet conditions in industries much different from ours.

Some of these plans guarantee only that the total amount paid out in wages plus guarantee payments will equal a certain percentage of the company's sales. Thus the "guarantee" fluctuates with changes in production or prices, and is no guarantee of income at all. It does nothing to prevent loss of income due to many kinds of layoffs and short workweeks.

Other plans guarantee a minimum flat amount in annual earnings, or a minimum number of hours per year. They are limited to a calendar year, which means that the workers' security grows less and less as the year goes on. Once the workers have had the minimum earnings or minimum hours guaranteed for that year, they get no further security at all. Workers on layoff when the new year starts are given no guarantee at all until they return to work. The UAW Plan guarantees that workers will receive full pay checks every week they work, and income to maintain their living standards during layoffs up to 52 continuous weeks, starting from the day of layoff and regardless of when the layoff may commence.

Some of the plans that guarantee a total number of hours of work during the year take no regard of when the hours are actually worked. Consequently, they have no effect on week-to-week instability of earnings and would do nothing to solve the UAW members' problems of short workweeks and short pay cheks.

Some of the plans that guarantee a weekly income require the workers to work whatever hours management schedules in any week without extra pay. A worker may be given as much as 53 hours of work a week and receive only the same pay as he would get for a normal work week, provided his total hours for the year do not exceed 2,080. The worker gets no premium at all for overtime work, and even the straight-time pay for overtime hours is "banked" to pay for other periods of idleness.

Many existing plans provide the guarantee only for a limited number or percentage of high seniority workers. The UAW Plan provides security for all workers in the plant.

All these features distinguish the UAW-CIO Guaranteed Employment Plan from others now in operation.

60. Are there problems the Guaranteed Employment Plan does not solve?

The Guaranteed Employment Plan is aimed at one problem only —the problem of steady work and steady pay. It is designed to minimize short workweeks and layoffs and to protect the worker and his family against them when they occur.

Workers have many other problems that the plan does not attempt to solve.

The Guaranteed Employment Plan is not a cure-all. It is a remedy for short pay checks and for layoffs without income.

61. What about the argument that the Guaranteed Employment Plan favors one group of workers at the expense of another?

This old line has been peddled about every major collective bargaining demand of the Union. The same thing was said about our demand for pension plans. It was claimed that only older workers would be in favor of pension plans and that younger workers would want wage increases or other economic benefits instead of pensions. But UAW members stuck together and fought for pensions. The pension plans, which now cover more than a million UAW members, are proof that members of our Union know what's good for them and cannot be divided by company propaganda.

The Guaranteed Employment Plan will not divide our members. It is advantageous for all members: it guarantees full workweeks for every one in the shop. It provides income during layoff for both high- and low-seniority workers.

Graduation of the number of weeks of guarantee rights based on previous employment assures that employment opportunities will be kept open for young workers. Coverage of new workers from the time they acquire seniority assures that protection against layoffs will be available for the low-seniority workers who stand in greatest need of such protection.

The high-seniority workers, on the other hand, know that seniority in itself provides no absolute guarantee against layoffs. In the past few years, members of our Union with 30 years' seniority or more have either permanently lost their jobs or been laid off for extended periods. High-seniority workers were stranded when Ford abandoned the Iron Mountain and L'Anse plants. High- as well as low-seniority workers were affected when Nash shut down some plants for 10 weeks in the summer of 1953, when Hudson worked an average of less than two full weeks per month early this year, when Studebaker worked 4-day weeks, alternating with weeks of shut-down. In addition, the high-seniority worker is in just as much danger as the new worker when a plant burns to the ground, when a company liquidates or merges with another, when technological changes make existing plants obsolete, and when lack of sales leads companies to shut their plants for extended periods on the excuse of model changeovers or layoffs. The rapid growth of automation means that no worker, regardless of his skill or length of service, can be certain that his job will not be entirely eliminated in the future.

The Guaranteed Employment Plan offers security for every one. Every worker needs it.