utility reporter

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NOVEMBER, 1971

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Phase II Facts Outlined Below

PHASE II

THE NEW ECONOMIC POLICY

At 12:01 A.M. on November 14, 1971, Phase II of President Nixon's New Economic Policy began.

A part of Phase II is to establish rules and standards to stabilize wages and salaries. This article will deal with this part of Phase II as it has a major effect on the members of Local 1245.

THE PAY BOARD

"Pay Board" means the Board established pursuant to Section 7, Executive Order No. 11627, October 15, 1971. The Pay Board is composed of 15 members (i.e., five representatives each from labor, business, and the general public), and they are appointed by the President of the United States. The members are as follows:

Labor

George Meany, President AFL-CIO

Floyd E. Smith, President International Association of Machinists and Aerospace Workers Union

Frank E. Fitzsimmons, President International Brotherhood of Teamsters

I. W. Able, President United Steel Workers Union

Leonard Woodcock, President United Auto Workers Union

Public

George H. Boldt, Chairman of the Pay Board, Chief Judge of the U.S. District Court, Western District of Washington State

Neil H. Jacoby, Professor of Business Economics and Policy at UCLA

Kermit Gordon, President of the Brookings Institute

Arnold Weber, was Executive Director of Cost of Living Council

William Caples, President of Kenyon College, Gamblier, Ohio

Business

Rocco Siciliano, President of T.I., Inc., Los Angeles

Robert Bassett, Chairman and President of Bassett Publishing Co. and Vertical Marketing, Inc. of Chicago, Ill.

Benjamin Biaggini, President Southern Pacific Co.

Virgil Day, Vice President for Business Environment of the General Electric Co.

Leonard F. McCollum, Board Chairman of Continental Oil Co.

This Pay Board has adopted regulations governing pay adjustments to be effective after the 90-day general freeze.

PAY STABILIZATION

Pay Adjustments

The regulations define "Pay adjustment" to mean a change in wages and salaries which includes all forms of direct or indirect remuneration or inducement to employees by their employers for personal services, which are reasonably subject to valuation, including but not limited to: Vacation and holiday payments, bonus, layoffs and severance pay plans, supplemental unemployment benefits, night shift, overtime, production, and incentive pay, employer contributions for insurance plans (but not including public plans, e.g., old age, survivors, health, and disability insurance under the Social Security system, Railroad Retirement Acts, Federal Insurance Contributions Act, Federal Unemployment Tax Acts, Civil Service Retirement Acts and the Carriers and Employees Tax Act); savings, pension, profit sharing, annuity funds, and other deferred compensation and welfare benefits, payments in kind, job prerequisites, housing allowances, uniform and other work clothing allowances (but not including employer-required uniforms and work clothing whether or not for safety purposes), cost-of-living allowances, commission rates, stock option, and other fringe benefits, and benefits which result in more pay per hour or other unit of work or production (e.g., by shortening the workday without a proportionate decrease in pay).

General Wage and Salary Standard

On and after November 14, 1971, the general wage and salary standard shall be applicable to new labor agreements and, where no labor agreement

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This photo shows some of the 250-plus crowd at the dance sponsored by the San Jose physical and clerical units. See page seven for more photos and story.

YOUR *Business Manager's* COLUMN

Convention Report and News Distortion

L. L. MITCHELL

Arriving in Bal Harbour, Florida on Wednesday, November 17, I found the weather hot and the delegates to the 9th AFL-CIO convention hotter over problems all had been experiencing due to the wage freeze. The fixed limit of increases for wage costs and the uncertainties of Phase 2 of the wage and price stabilization program had many delegates advocating a work holiday or a general strike to demonstrate their feelings over the lack of equity in the program.

The convention officially opened Thursday morning with the usual welcome by State and local dignitaries, after which the temporary Chairman turned the gavel over to AFL-CIO President Meany. Mr. Meany then delivered the keynote address which was centered on the economic state of the Nation and particularly the faults of the wage freeze and the fallacies of Phase 2 of the wage stabilization program. He explained the differences between labor's beliefs and those of the rest of the Pay Board and pointed to the backgrounds of the so-called public members of the Pay Board.

As a delegate to the convention I was privileged to be invited by President Pillard of the I.B.E.W. to sit with the I.B.E.W. delegates and was able to discuss with them many of the problems we face, which they also share.

I was also privileged to be invited to a breakfast honoring visitors to the convention from foreign lands scattered throughout the world. There were some 101 foreign visitors from 55 Nations in all. It was of real import to me to discuss with those I met the respect for leadership which they look to from the American Labor Movement.

The credential committes report showed 879 delegates representing 112 National and International Unions, 6 departments, 48 State Bodies, 168 Central Bodies, 12 directly affiliated Local Unions and 3 official fraternal delegates. This body representing some 20 million American workers reviewed some 170 resolutions ranging from issues involving health care in the U.S. to discrimination in Northern Ireland. They also were called upon to pass on the policies of the AFL-CIO for the next two years. These cover many issues such as internal disputes, foreign and domestic policy, organizing activities, legislative action, education, ecology and the environment. There were many others which covered practically all phases of activity relating to the welfare of all mankind.

As a delegate, I was most disturbed by what I believed to be a misuse of the public news media to overplay the rift between organized labor and the Administration over the wage and price policies now in effect. I do not

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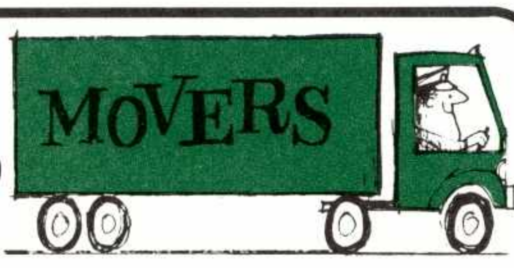
... HAVE YOU MOVED?



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STREET ______

CITY ______ STATE ______ ZIP ______

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YOUR *Business Manager's* COLUMN

Convention Report and News Distortion

L. L. MITCHELL

(Continued from Page One)

know what the West Coast was treated to in the way of discourse through the press or what selected excerpts were put on the T.V. screen. Neither do I know what commentary accompanied these reports of the convention. However, at the close of each day's sessions and upon returning to my hotel, I would read or view on T.V. an exaggeration of all that had occurred from the floor of the convention. In reading the reports and listening to the commentators on T.V., I wondered if I had been attending the same event being reported.

Everyone should have been aware of the AFL-CIO position stated as early as 1966. Organized labor has been and still is in support of a program of controls—that is, "We will cooperate with fair, equitable, across-the-board mandatory controls on all costs, prices and incomes including profits, interest rates, dividends and executive compensation, as well as workers' wages and salaries." The dispute is over President Nixon's program not meeting the test of equity and the dictational right to abrogate and nullify contracts based on the give and take of free collective bargaining.

I am sure that all knew of labor's attitude toward the current Administration's economic policies which have created the highest unemployment rates and the highest cost of living in some 15 years. This rancor is heightened by the establishment of a wage freeze for 90 days by the simple expedient of a speech made by the President, and no sources for answers to the problems which the freeze created. Even now, Phase 2 is perplexing as was the freeze.

Mr. Nixon was well aware of the position of organized labor and had been the subject of criticism before the freeze, due to his efforts to nullify the Bacon-Davis prevailing wage law and his establishment of the construction Industry Stabilization Board along with his tight money and high unemployment policies to control inflation. He at no time has sought for or heeded the advice and the warnings of labor on the economic crisis being faced by this Nation.

As President, he can ignore labor's pleas, but by the same token, labor does not, as expressed by the Executive Council of the AFL-CIO, have "to be a party to deceiving the American public into believing that the President's program is fair, equitable or workable."

Now to the President's appearance at the convention. Mr. Meany had invited the President to address the convention some considerable time before the convention program was set. Mr. Nixon failed to respond either way until a few hours before the convention opened. His security force, as they should, particularly in view of events of recent history, set down very stringent rules regarding his appearance. There were numerous Secret Service Men disbursed throughout the convention floor, and Police were at all entrances screening those entering the convention along with the regular convention's sergeants-at-arms. The entry way to the stage was roped off and guards placed so no one could get into the area where the President would make his entrance. Mr. Meany was instructed to leave the podium at 10:28 A.M. and meet the President at an office off a side entrance to the hotel where the escort committee would accompany the President to the rostrum.

This was done and the President entered the convention at 10:30 A.M. He was given the seat of honor, which was the same as that used by all former Presidents who had addressed the convention in the past. Mr. Meany introduced Mr. Nixon as President of the United States and the delegates rose and applauded. I will agree that the reception was not one of acclamation, but he was treated courteously and with deference due the man and the office he holds. At no time, before, during or after his speech, did anyone in the audience boo, jeer or raise any ruckus. He was applauded at least 8 times during his speech and only once did the audience openly reflect any feeling of disfavor. That was when the audience laughed at the President's reference to the lowered cost of living, and suggested that the delegates check with their wives if they didn't believe this to be so.

At the conclusion of his speech, the President, while Mr. Meany was thanking him for his appearance, walked off the platform without waiting for his escort committee, and despite the rope barrier which had been erected to keep him isolated from the delegates, went out onto the floor of the convention. This, in breach of all security measures which had been outlined prior to the President's arrival at the convention. In fact, persons in the delegation whom I knew, had been restricted by either the sergeants or secret service men from going to the front of the hall to try to take pictures of the President while he was speaking.

When President Nixon came onto the convention floor, a number of delegates started moving toward the area. Mr. Meany rapped the gavel and ordered the delegates back to their seats. This appeared to me to be the only course of action which could have been followed, bearing in mind the precautions which had been arranged, to maintain the security outlined by the President's security force.

I have a tape of the President's speech and have played it several times to try to find any untoward activity by the delegates. I find none. In reviewing the text, I found no explanation for the action he is taking on the domestic economic front, nor any discussion or justification on the basic need for rigidity on the wage front with voluntary enforcement on all other forms of income.

We, in labor, disagree with the program and the method of its enforcement. This is our right in a free Nation. Time will tell who is right. In the meantime, it seems to me that making labor the scape goat and distorting facts is not going to make our problems disappear. **All of the ills of our society cannot be blamed on one Administration, but neither should they be placed on the doorstep of the House of Labor.** However, economic justice—whereby any and all peoples have an equal and fair access to the bounty of the Nation's capacity to produce—is the basic purpose of the labor movement.

The record of the labor movement in being on the right side, in the majority, in seeking economic justice, is a well known historic fact. It seems to me that despite the criticism levied at labor, and though they will be blamed regardless of success or failure of the present proposed solution to our economic ills, that those in positions of responsibility must speak out. It is the time of hope and promise for the labor movement and the working men and women of America. We must examine the rhetoric of those who would destroy this hope and relatively examine the cliches of the critics who have not been paying attention to the concentration of wealth in the hands of a few.

1972 will see economic issues boom large as we, the workers, get short shrift from a program designed for the elite. It will be a time of testing for all who believe in social and economic democracy. **The mobilization of the labor movement must be achieved if the trend of conglomerate mergers and multinational corporations doing business in foreign countries with low paid workers and selling in America at inflated prices is to be controlled along with the gouge by bankers and insurance companies, to name a few.**

Perhaps some may feel that organized labor is making much ado about nothing. That this is just a feud between a crochety old man and the President of the United States. This is not so. It is not even a dispute limited to the labor movement and a governmental body set up by the President of the United States. It also involves some 54 million people who are not members of the trade union movement who are suffering more than we are, and industry being the watchdog will see none exceed guidelines.

It involves business too, because our whole societal structure is based on the sanctity of contracts. If one segment of that structure can have its contracts voided by a speech, then no contract can have any meaning, and this could spell the end of the American dream.

It is not difficult to see the difference of improved standards in a 5.5% wage increase to the 1.75¢ per hour worker earning $3,640.00 a year—if he can find work all year—and that of the $60,000.00 per year executive who will gain $3,300.00 per year as against the $200.20 per year for the low wage earner.

the utility reporter

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Right to work states show lower incomes

Right to work doesn't guarantee anyone the right to work but it plays hob with working people's wages, the Commerce Department's nationwide report on per capita income discloses.

Of the 19 states with anti-union shop RTW, 18 continue to fall behind the personal income parade and only one has income above the national average.

The national average is only $3,921 a year.

The only RTW state above the national average is Nevada whose important entertainment industry is highly organized. It, unlike other RTW states, has shown an increase over the national average but only of $44 in 19 years.

Five RTW states are firmly at the bottom of the income list. They are North Dakota, South Carolina, Alabama, Arkansas and Mississippi.

The RTW bunch is generally below in wage rates for production workers as well as in overall personal income.

It is also behind other states in per pupil funds available for public education.

Only three of the 19 RTW states are above the national average in hourly rates of production workers —Nevada, Iowa, Utah.

As in per capita income, the five states at the bottom of the wage-rate list are RTW states.

The U.S. Department of Health, Education & Welfare reported for 1969 that only one open-shop state

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How Supers Outwitted Price Freeze

buyers' bailiwick

By Sidney Margolius, Consumer Expert for Utility Reporter

The almost-price freeze on food and other necessities that was supposed to end Nov. 13 now is expected to continue for a while until the new Price Commission appointed by President Nixon tries to figure out what to do next.

The "freeze" was never a real freeze except on wages, and as we predicted, stores found many ways to get around the regulations. Actually food prices should have gone down in recent weeks because prices of farm products did go down in September, including livestock prices.

Yet our own study of supermarket ads in August right after the freeze went into effect compared with prices advertised at the end of October shows scores of increases.

These increases are confirmed by market reports from several cities showing that stores often eliminated lowest-priced offerings during the freeze. Many readers also complained of increases.

There really has been very little initiative or experienced effort by the government agencies involved to try to roll back the increases except when consumers actually complained of specific instances they observed. Ironically, many of the increases have been right out in the open; advertised in the papers, in fact. Nor is there any way to tell if these are all actual violations since the original price-freeze order had a built-in loophole. It permitted stores to charge the highest prices at which they sold various items during the month before August 15. They can always claim that the new prices were what they charged at least once during the month before the freeze.

In all honesty, this has been the worst-planned, worst-managed price-control effort of the three that this reporter has followed since 1941.

There have been some price reductions in recent weeks, too, especially on eggs which are unusually cheap for this time of the year. But on the whole the increases in advertised prices have far outnumbered decreases.

Now we're in for real trouble. Not only does the Administration plan to gradually loosen whatever freeze there was, which means that an accumulation of delayed increases will go into effect, but food prices, and especially meat, are due for an increase in any case in the months ahead.

You're going to have to be your own price warden. Several local unions, notably District Council 37 of the State, County, and Municipal Workers Union, have set up their own price-policing programs using their own members. The national AFL-CIO now is planning a policing program as are several statewide labor councils.

It is revealing to see what the supermarkets have done to outwit the price freeze. Knowing what they are doing can help you protect yourself from both hidden and open price increases.

In general, judging from our survey, increases have been most frequent on meats, cheese, poultry, fish and margarine, and in cases, on coffee.

One of the most frequent ways many stores have bypassed the purported freeze is to eliminate sales of low-priced items, and feature high-priced versions of the same food. Thus, they offer fewer specials on broilers at 29-37 cents a pound, and more "specials" on chicken quarters at 43 cents and boneless chicken cutlets at $1.29 and $1.39 a pound. Since a ready-to-cook broiler yields about 50 per cent meat, the stores get about twice as much for the actual meat on a chicken by boning it for cutlets.

Similarly, stores have been featuring more sales of "California roasts" which are really chuck, at 85-95 cents; more boneless steaks such as "chicken," "fillet" and "side" cut from chuck at $1.09 to $1.29; fewer sales of ordinary bone-in chuck at 69. Sales of ordinary hamburger and chopped beef at the earlier 59-69 cents are hard to find. Now the specials are on ground chuck and round at 89-99 cents.

Another way stores have raised prices is by juggling the quantity offered. In August one leading chain offered rolls at four bags for 95 cents. That's 24 cents a bag. Late in October it offered a "special" at 26 cents a bag. Another chain which advertised 12-ounce package of sliced American cheese at 59 cents subsequently offered a "sale" of eight-ounce packages at 49 cents. Another supermarket juggles its packaging the opposite way, offering a special on eight-ounce packages of Swiss slices at 59 cents ($1.18 a pound) instead of the previous six-ounce packages at 43 cents ($1.12 a pound). A New York hotel worker complained to the Hotel Worker's Council that previously he could buy two pounds of cottage cheese for 75 cents. Now he is told it has not been delivered and he must buy half-pound containers for 33 cents. That's at the rate of $1.32 for two pounds.

Another way the supermarkets have bypassed the freeze is by featuring in some cases higher-priced brands: a 55-cent brand of margarine instead of 49; a $1.49 cent brand of coffee instead of the $1.29 for a two-pound can it had previously advertised; and expensive brand of franks at $1.09 a pound instead of the private brand previously on sale at 75 cents; six-ounce packages of sliced salami and bologna at 49 cents ($1.31 a pound) instead of the whole salami or bologna at $1.09 a pound advertised in August; sliced muenster cheese at $1.10 a pound instead of stick muenster at 99 cents.

But many times the supermarkets have not bothered with even these subterfuges. They have simply raised prices openly. One of the largest chains that offered California steak (chuck, bone-in) at 89 cents in August featured it at 95 cents the end of October. Another chain had boneless sirloin and porterhouse on sale at $1.19; by late October the "sale" price was $1.39. Pork loin that was 69 cents a pound became 77; center cut chops went from 89 to 97. A "discount" supermarket that advertised chuck steaks and ground round at 59 cents marked up the tags to 98 cents—an increase of 66 per cent.

Several facts you ought to know for your own use:

—Not all supermarkets have raised their prices as often or as much as others. In the region where prices were checked, two chains juggled prices most noticeably; a third, quite often; one changed prices very little and its featured items actually often were lower than when the "freeze" started.

—During the rest of the "freeze," which now enters what the Administration calls Phase II (Phase III is all soap), better not depend on supermarket advertised "sales" as very reliable. They are never wholly dependable, of course. But on the basis of the juggling of prices and packages that took place during Phase I, at this time a "sale" may not be a sale at all but merely a different weight, brand or cut that really costs more. Your better value may be in the store itself, unadvertised and unfeatured, or at another store. There still is the occasional real sale of chuck and ordinary chopped beef at 49-59 cents, and broilers at 29-33 cents.

How to Buy a Range

By Sidney Margolius, Consumer Expert for Utility Reporter

As with many of the things you buy nowadays, the proliferation of new features, types and slightly-differentiated models has made buying a cooking range a real puzzle for consumers.

At a rough estimate there are over 500 models, brands and makes on the market, counting both electric and gas, at prices ranging anywhere from $150 to $600. Even a single large retailer will offer 30 or more different models of just one brand.

One reason for the great array is that manufacturers and retailers use variations in features to "step up" customers to more expensive models. Some features, however, do have genuine usefulness.

Perhaps the most desired feature is the self-cleaning oven. In a recent survey, we found that prices of self-cleaning ranges have come down substantially in recent years and are now available for as low as $250 and in some cases even less.

But it is important to know the difference between the two kinds of self-cleaning ranges on the market.

The "pyrolytic" ovens clean by very high heat. You set the controls yourself when you want to clean the oven. This method cleans effectively. Sometimes, however, women are concerned about the high temperature despite the safety devices provided. Too, the additional insulation required because of the high heat tends to reduce the actual oven space. On the other hand, the additional insulation makes for fuel economy.

The second type is the "catalytic" or continuous cleaning. Ranges with this feature cost less than those with pyrolytic cleaning. In this method there is a constant oxidation of oven debris. However, it is necessary to clean a heavy spillover. Nor does the oven have the shininess that the pyrolytic cleaning method provides.

While the pyrolytic method does provide more effective cleaning, neither is perfect. Continuing improvements can be expected, perhaps through a combination of both methods, manufacturers themselves believe.

Improved glass-ceramic tops now also have made possible smooth-top ranges. The seamless top is waterproof which prevents spillage from penetrating to the inside. The advantage is that there are no exposed burners or coils and the top can be simply wiped off. For safety, the glass-ceramic top changes color from white to yellow when hot, as a warning.

Smooth-top ranges are available for under $400. One disadvantage is that the glass surface must be removed to replace elements when they burn out. This kind of range surface also requires sensitive thermostats to prevent the surface surrounding the cooking vessel from overheating.

Microwave ovens also have come down in price and a race is on to sell them to the general public. But there are problems with these fast-cooking ovens, even though they can cook a meat loaf in 15 minutes.

One problem is in the need to learn new cooking methods. Too, microwave ovens can be considered at best as only an auxiliary since there are foods requiring long cooking that cannot be done properly in them. Third, and most important, there have been evidences of radiation leakage in microwave ovens used commercially. This problem may occur because of lack of proper care when built-up deposits interfere with tight door closure.

The Food and Drug Administration reports that 10,000 of the approximately 100,000 ovens in use last year had a "strong potential" for radiation leakage in excess of the industry limit. In most instances, the FDA said, excessive microwave oven leakage was traced to "user abuse and inadequate servicing." Maladjustment of safety interlocks — devices designed to shut off the ovens when doors are opened — was a frequent cause of excessive radiation.

In one of the most recent cases, the FDA found four units of an older Amana "Radarange" model had defective interlock switches. This was the model RR-1. As a

(Continued on Page Seven)

President Meany Outlines Wage and Price Fre

Editor's note: The following article is the exact text of George Meany's address to the delegates attending the AFL-CIO Convention in Miami. His speech is the most factual and concise account of all the circumstances and events surrounding the grave economic crisis we face today that the workingman has had available. It may appear to be lengthy, but you will find it to be easy reading. **Your own economic future** is likely to be adversely affected by Nixon's wage and price freeze and you ought to know the facts.

Chairman Ed Stephenson, Reverend Gracida, Governor Askew, Mayor Clark, my good friend Charlie Harris, fraternal delegates from Great Britain, Members of the Executive Council of the AFL-CIO, delegates to this convention, ladies and gentlemen: On your behalf I want to express my deep appreciation to Ed Stephenson, to Governor Askew, Mayor Clark, Charlie Harris, for the very wonderful welcome they have given us here this morning. I am sure that I can say in your behalf that we are very proud to be back in Miami and look forward to a useful and constructive stay here.

A great deal has happened since our last convention in Atlantic City in the early days of October, 1969. At that time we were much concerned with the attempt of the President to put a racist on the United States Supreme Court, an attempt that was repeated a few months later. And I can tell you that I am proud beyond words of the part the AFL-CIO played in bringing about the rejection of Mr. Carswell and Mr. Haynsworth for that great honor.

At our last convention, the same as today, we were very much concerned with the economic health of the nation. We were then in the eighth month of President Nixon's and Dr. Arthur Burns' Economic Game Plan No. 1. At our convention we pointed out that the restrictive fiscal and monetary policies of the Administration, tightening up on the money supply, creating high interest rates, had boosted unemployment and had reduced homebuilding to a shadow. We pointed out that the 8½ per cent prime rate that banks were then charging their most favored customers was a major inflationary item in itself. And keep in mind that the main purpose of the Economic Game Plan No. 1 which was inaugurated in February, 1969 was the same as the stated purpose of the present plan, to fight inflation. And recall also that in February, '69, President Nixon promised the American workers in writing that he was going to bring down prices—and these are his words—without causing the workers to pay for it through increased unemployment.

At the time of our convention in '69 the results were crystal clear and it was quite obvious that there was more to come. The cost of living had gone up and up. There was a widespread increase in unemployment, causing suffering to millions of workers. Small business was badly hurt by the high interest rate, 10 per cent mortgage money for the purchase of homes was commonplace, and it was obvious to all that Economic Game Plan No. 1 was a complete, miserable failure. What did the President say then? He said the plan was working, success was just around the corner. And he continued to say this month in and month out until August of '71. Yes, we heard him say '71 is going to be a good year and '72 is going to be a better year, and there's going to be no change in the Economic Game Plan of the President.

This plan, as you know, was the brainchild of Dr. Arthur Burns, and he gave an indication in January of 1971 of what we now are experiencing. Like all bureaucrats, when failure looms they look for a scapegoat. In an address in California, at a little college called Pepperdine in January of this year, Arthur Burns spoke about the economy. He didn't apologize for the failure of the economic game plan number one, nor did he attempt to explain that failure. He just turned his attention on labor and said, "Our problems come because of the high wages demanded by the workers of this country."

This from a fellow who was the architect of two recessions during the Eisenhower years, and who was the architect of the Nixon recession of '69, '70 and '71, and is the architect that is leading us into the first year of the Nixon depression of 1971-72.

What happened to Arthur? You know, if he was working in the USSR, he would have been sent to Siberia. But no, he got promoted. He is now Chairman of the Federal Reserve Board where he can do a whole lot more mischief. So this is where we are.

Then came the big flipflop. Positively no controls to a wage price freeze. Again no apology from the President, no explanation, no mea culpa, nothing like that. It just didn't happen. It reminds me of the years in the Soviet Union, the 20's and 30's, where they had the Five Year Plan to bring more consumer goods to their people, to make life a little better. Of course, you know they rewrite history, those people; they even rewrite the arithmetic tables. They had five Five Year Plans in 10 years.

So now we have a new plan to curb inflation after two and a half years of failure. Of course, in the Soviet Union nobody dares ask what happened to the old one. But this is America and we want to know what happened to the old one.

So on August 15 the President put on one of his usual, scintillating performances, a very, very beautiful act. The market went up. He inaugurated Nixon's new prosperity. He didn't explain what the hell was wrong with the old prosperity, because when he came in we only had three percent unemployment. We now have six, and 2,200,000 more people are unemployed.

Yes, the market went up and then it went down. It reminds me of the story of the farmer who went into town to hear a new minister preach and came back and told the neighbors, he said, "Oh, what a beautiful sermon. This man is terrific. He is wonderful." The neighbors said, "What did he talk about?" The farmer hesitated and said, "You know, he didn't say."

That is what happens to the market. It goes up, you know, when his performance is terrific. It goes up and they say, "What did he say?" And then it goes down.

Well, the President talked that night about equity. We had told the President time and time again that we would cooperate in any program to meet these economic problems that was equitable. It is a very simple thing, equity. It is described as the quality of being equal and fair in any and all circumstances.

So on the 15th of August, the President proposed a program. We got to looking at that program and, very frankly, we were looking for equity. What we found was rank discrimination against those in the lower economic circumstances in favor of big business. It was just as simple as that.

The proposed wage freeze was very simple to enforce. Every employer was an enforcer and happy to be an enforcer.

The price freeze—no plans for that except the Internal Revenue Service and they enforced it over the telephone.

In fact, after the freeze was on a month, the New York office of the IRS reported they got thirty-eight telephone calls in one day and that they disposed of them by thirty-eight outgoing calls.

But when we looked at this program, we saw a three billion dollar investment tax credit for business. This was on top of four billion dollars he gave them in May of 1971, retroactive to January. Retroactive, remember that. It was retroactive to January of 1971. Accelerated write-offs. He had planned to balance off this three billion dollars he was giving them in investment tax credit.

He did quite well. In fact, he made money on this deficit, according to his own figuring. He took one billion three hundred million dollars out of the pockets of the Federal employees and they are here and they can tell you about it. He took away a raise he had given them under the Comparability Law from January 1, 1972, to June of 1972. One billion three hundred million dollars.

Then he postponed his Welfare Reform program, which was his number one domestic program. He postponed it and therefore saved another one billion one hundred million dollars.

Then he cut back on his revenue-sharing plans to the tune of another one billion dollars, and then he provided for layoffs of Federal employees which would save him five hundred million dollars.

So here it is, robbing the poor, starving the cities. His heart was bleeding for the cities earlier in the year. In welfare reform, something had to be done. He put that on the back burner. He put the revenue-sharing back there, because he had to find three billion dollars for big business.

Make no mistake about it, this is this man's innate philosophy. Whatever philosophy he has is based on the idea that if you make the fat cats a little fatter, somewhere along the line the poor simpletons are going to profit by it. His slogan is "Profits, profits, profits."

On the 19th of August the Executive Council met and we looked at the President's program and we stated very simply, with a great deal of finesse, that we have absolutely no faith in the ability of President Nixon to successfully manage the economy of the nation.

Despite the obviously inequitable nature of the President's so-called wage-price freeze, we again said that we would cooperate with a fair and equitable program for the period following the freeze.

Shortly after August 19 a group of labor representatives, members of the Productivity Council, were invited to the White House to see the President, Mr. Connolly, Mr. Schultz, Mr. McCracken, Dr. Burns, Dr. Stein, Jim Hodgson and all of these other fellows who make a career of managing other people's lives. In response to the President's desire for what he called some kind of fair mechanism to curb inflation without rigid government controls, we told them that we would suggest the establishment of an independent voluntary agency free from government control, of a tripartite nature, similar to the War Labor Board of World War II.

We told him very simply that we would not accept government control under the camouflage of an agency that pretended to be voluntary and independent, and we urged him to study the history of the War Labor Board, the tripartite setup, and also a similar setup that was in existence for a short time during the Korean conflict.

In the meantime, he created what was known as the Cost Of Living Council under the chairmanship of "Big John," the big oil man from Texas. And they continued to hand down decisions restricting every type of activity of workers and their unions while prices were being controlled by the IRS over the telephone. We were getting new rulings every day from the Cost Of Living Council, and the hatchet man there was a fellow by the name of Webber, John Connolly's assistant.

He made all sorts of rulings. Oh, some of them were contradictory, but there were none of them friendly, I'll tell you that. He said we couldn't get our money that was due to us under our contracts during the freeze. He said we could not negotiate for it after the freeze.

Just think of that. He was not only going to control it during the freeze; he was going to tell us what we could do after the freeze, that we couldn' negotiate for it.

He made seven or eight rulings on the teachers, and we kept a little box score on him. It was no, no, maybe, yes, no, yes, no. And I don't think he knows yet what those rulings were.

So then came the birth of Phase Two. Obstetricians, I think, would refer to it as a breach presentation.

And surely it was a case of confusion confounded. October 5th, came a bearer of good news, Brother Hodgson. The President had agreed to our plan for an independent voluntary agency. They wanted five, five and five: Five industry, five labor, and five public.

They specified that two of the five labor, one would be Teamster, one would be Auto. I said "Fine, that's okay with me." I said, "Jim, will you put this in the form of a memo? Because I would like to get these fellows together and let them see what this is. I think it is all right." So he said yes, he would do that.

Then he said, "When are you going to get them together?" I said, "I will let you know."

And I called up Leonard Woodcock, I called up Fitzsimmons of the Teamsters; I called up Abel of the Steelworkers and Red Smith of the Machinists, and I arranged for a breakfast meeting on the morning of October 7.

That is the day that the President made the announcement over the television. That was quite a day.

On the morning of October 7 we met and Jim Hodgson brought over his memo and distributed it. This was a setup and we read it very carefully. There were a few words there that bothered us. So we said, "Jim, does this mean that the Pay Board has got to be—?"

"No, no, no."

"Well, how about that word review?"

"No, doesn't mean anything."

"Well, can they veto the standards?"

"Oh, no." He was very convincing.

He reminded me of a Little League umpire I see around the neighborhood. He makes every decision with the same gestures. The trouble is, you can't tell whether one is safe or out.

Well, that was very good; we were convinced.

Then we were invited over to the White House to the meeting of the Productivity

...eze Problems to AFL-CIO Convention Delegates

Council and we listened to Mr. Shultz and he gave us no cause for believing that Mr. Hodgson was wrong.

The five of us came back to the AFL-CIO office and we drew up a short statement in which we said that, under these conditions, we would cooperate and try to make the President's plan work.

Then the radio and the TV and the newspapers started to come out and they all contained the same language—Cost-of-Living Council veto power over the so-called Pay Board.

This caused us some difficulty. We waited and waited for the President's speech and we decided we would not issue the statement, we had to get more clarification. We talked to Shultz the next morning, tried desperately to get him to say do or do they not have a veto power and, of course, we thought we were talking to the head man, but we found out we weren't. He had evidently been demoted, and he advised us to listen to Secretary Connolly's TV show on Friday, the 8th of October, that we'd get some information there.

We told Shultz, of course, that we were not going to be used to provide a front or a facade for an agency that really was not voluntary, that it was under government control. We were assured that Connolly would clear it all up. So we watched the press conference and three times during that conference Mr. Connolly was asked point blank to clear up the question about the Cost-Of-Living Council's veto power over standards set by the Pay Board.

Of course, bear in mind that the regulation could say the Cost-of-Living Council would not veto decisions of the Pay Board, and that would be meaningless if the Cost-of-Living Council would set up the standards. In other words, that would mean that the Pay Board would operate within certain limitations set by the Cost-of-Living Council, so there would be absolutely no need for the Cost-of-Living Council to veto. But Mr. Connoly did not clarify and did not answer the question.

So then I called a meeting of the Executive Council for Tuesday morning, October the 12th and I invited the President of the Teamsters and the President of the Auto Workers to come, and they attended. Late in the evening of October 11th at home I got a call from someone on Hodgson's staff who asked if I would be available to meet him and Mr. Shultz early in the morning. So I met them early in the morning at my office, and they had a new memorandum from the President. And this one had the President's signature on it—no, not his signature, just his initials, R.N. And it said—this is one of the sections—the Cost-of-Living Council "will not approve, disapprove or serve as an appeal level for case decisions made by the Pay Board and Price Commission and it will not approve, revise, veto or revoke specific standards or citeria developed by the Pay Board and Price Commission."

Well, this was quite definite and it had the initials on it, and I guess they knew damn well I wouldn't take anything from them after what I had been through, so they brought in this. So we made a simple decision: We will try to help make the President's mechanism to control the cost-of-living work; we will serve on the Pay Board; we will establish our own watch-dog units to monitor prices; we will continue to oppose the President's tax measures in the Congress; we will continue to fight for full employment.

Well, I received a phone call of appreciation from the President that afternoon. Boy, I should have known better, that should have really made me suspicious.

Then on Saturday night, I received a phone call from Jim Hodgson. Now they are getting ready to set up the Pay Board. I was out having dinner when I received the call. One of the reporters happened to be talking to me at the table, and he is here today and can verify that I did get the call. It came from the White House, you know, very impressive. This business of the Cabinet people using the White House, somebody comes up and says, "Mr. Meany, the White House is calling." You think you are going to get the President and you wind up with Hodgson.

So he asked me if I knew a Judge by the name of Boldt out in the State of Washington. I said, "No." He said, "Well, try to get some information on him. He is being considered for Chairman of the Pay Board."

I said, "Well, I will see what I can do. I will get back to you maybe by Tuesday. I am not going to get any information on Sunday."

If I knew what I know now, I would have sent a glowing letter recommending that fellow in the highest terms, and then he would have surely been turned down.

But on Tuesday morning, Jim called me. He said, "You know that fellow Boldt?" I said, "Yes."

He said, "Forget him." Then he said a rather odd thing, he said, "He would be 'long gone in a short time' "—I don't know just where that expression comes from—"He would be long gone in a short time. He is totally and completely unfit for this job. He has absolutely no experience in this field and he just couldn't handle it at all. He knows nothing about it."

I thought, "Well, that is the end of Boldt."

Thursday night I was informed by Hodgson that Boldt was going to be Chairman. I said, "What the hell are you talking about? He is going to be Chairman after your description?"

He said, "Well, there are some people around there that don't agree with my estimate of his abilities, and besides, we couldn't get anybody else."

Now, this is the Chairman, this is the Chairman of the Pay Board, supposed to be composed of five representatives of employers, five representatives of labor and five people representing the public who are neutral as to labor and management, and who under no circumstances are supposed to represent the Government.

Well, the Judge is on the Federal payroll, and he certainly is neutral in the sense that he doesn't know a damn thing about labor and management. But he has someone right at his elbow who takes care of him and answers all the questions.

We were there for ten days with this guy and he answered no questions. Every time we asked him a question, in comes Mr. Webber. So Mr. Webber is the second public member of the Pay Board. He has been on the Government payroll since January of 1969 and he was on the Government payroll up to the night of October 21st. On October 22nd, he became a public member of this Board. He is the fellow that wrote the nice things that the Cost of Living Council got out. He is the hatchet man. He is the fellow that has been doing all the dirty work. He is on as a public member of the Pay Board.

Then we move to a gentleman, quite a nice man, by the name of Caples. His whole life has been spent in industry, executive vice-president, Inland Steel Company; entire career spent on management's side of labor-managment relations, a former vice-president of the National Association of Manufacturers. The last two years, however, he is the president of Kenyon College. He has retired from his business life.

This would be like taking one of our oldtimers who spent his whole life on the labor side and give him a title of Emeritus and say now he is neutral, he can be a public member now.

This is Mr. William Caples.

As I say, I have no quarrel with these people except that they are in the wrong spot and they do not represent the public. They certainly provide an unbalanced Board.

Then we have Mr. Kermit Gordon, who is from Brookings Institute and the one-time Director of the Budget.

Then we have Dr. Neal Jacoby, a conservative economist from the Council of Economic Advisers under Arthur Burns in the Eisenhower Administration, and he helped us to fashion those two recessions that we had in those days.

For the past 12 years and up to the present moment a Director of the Occidental Petroleum Company. How is that for a neutral?

On the 27th of October, according to the Los Angeles Times, Dr. Jacoby said there was no need to control profits, that profits were not income to begin with, and there would be no need to control prices. Just keep wages down and that will take care of profits and prices.

So there are the public members of your Pay Board. And of course it adds up to a stacked deck. It adds up to playing with loaded dice, just as simple as that. There is no hope, or very little hope, for equity.

But we undertook to keep our promise to try to make this program work. The Pay Board had its first formal meeting, I think, October 28th. I discovered within two minutes that Hodgson was right. We discussed organizational matters and we adjourned in about an hour. Then we met the next morning and again discussed organizational matters and then we adjourned for four or five days, to November 2nd, in order that the government statisticians could come up with some economic facts that we might need.

They came up with some facts. Specifically we wanted some information on the number of contracts, the number of people adversely affected by the freeze, the size of deferred increases in percentages, in dollars and so forth. They came up with some statistics but only on large contracts. They gave us no information on small contracts at all. It was all the big stuff and we never got the information on the small contracts. Of course, I want to point out that while there are hundreds of thousands of people who are parties to large contracts, represented by large unions, there are millions of people who work in small shops of 100, 200 or 300 people. As far as the AFL-CIO is concerned, they are all equal. There is no difference as far as they are concerned.

Then there came four days of complete frustration. I want to tell you, I have been around a long time. I don't have to tell you that; you read that in the paper. But I have been around a long time and I will tell you in all my experience never have I gone through a more frustrating, debasing experience, I would say. I have been insulted by experts in my time.

The employer section was run by Mr. Roger Blough. He wasn't the spokesman but he was running the show. I have a suspicion he was running the public group, too. This is the fellow who was Chairman of the Board and President of United States Steel Corporation, who in 1962 was accused of double-crossing the President of the United States, of double-crossing the Steelworkers Union, and of double-crossing the steel industry officials who negotiated with the Steelworkers Union. They signed what was supposed to be a non-inflationary contract. It was sold to the union on the basis of being a non-inflationary contract. As soon as the union ratified it, Mr. Blough went off with his so-called Price Committee of U.S. Steel and he raised prices. So this is the fellow who is now retired.

But he has a labor of love. He has a large staff in Washington and he has been working on this in conjunction with the NAM. He is well supplied with money. He runs an organization that is dedicated to bringing wages down. That is the purpose of his organization, to keep wages down and bring them down. In other words, he has the philosophy that the future of this country can best be served by a low-wage economy, so he is the fellow who was over here running this show. There was a pip-squeak by the name of Day from General Electric who was his mouthpiece, but Blough was the boy.

To give you an idea of what we went through, we adjourned on Friday evening, a week ago last Friday, and we were to meet at 11:00 A.M. This is in the minutes. The minutes are something to see. We were to meet at 11:00 A.M. They had delayed us all week calling for caucuses and conferences. We never got to a vote. We kept asking for a vote and the old judge said: "No, I have got to study these things. I don't agree with the labor proposal and I don't agree with the industry proposal." He was asked if he would please tell us what he didn't agree with in our proposal or even in the industry proposal. He said no, under no circumstances would he divulge his disagreement.

We adjourned Friday night somewhere around 6:00 o'clock and were to meet at 11:00 A.M. We were asked to have a caucus with the employers at 10:00 o'clock. There was no caucus. The employers were coming in with new proposals that we had never seen before. They brought in one proposal and submitted it one day and after we read it all over and said, "Is this your proposal?" they said, "No, this is the one we have been working on but we are in disagreement among ourselves." What the hell they brought us a proposal for, that they disagreed on among themselves, I don't know.

But the minutes will show that we were to meet at 11:00 A.M. They don't show much, but they at least show this. We were sitting in this room, all the labor members and the people working with us there, and the old judge stuck his nose in the door about a quarter after 11:00 and said, "If you need me, I will be around." Then he and the industry members went to lunch and they didn't even tell us they were going to lunch. We didn't see the judge again until 4:00 o'clock that afternoon. We just sat in his room. This was deliberate. This was deliberate. I think they were trying to goad us into walking out. At least I got that impression. When they finally got to the meeting at 4:00 o'clock that afternoon we requested a vote and we couldn't get it.

We informed them that no matter how long they delayed it, we were going to be there. They knew that I was due to come here to attend the Building Trades meeting, and I told them I was cancelling that and I was going to stay there, and I would stay there until midnight on December 13th if that is what they wanted. Well, I guess they understood they weren't going to force us to walk out.

So when we got there on Monday night, they were ready to vote. They had a very simple agenda: We vote on one, two and three.

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Meany explains labor's opposition to Nixon's economic program

(Continued from Page Five)

Number one was the labor proposal. Number two was the industry proposal. And, of course, that was really unnecessary because it was practically identical with the so-called public proposal. You have these pamphlets in front of you; I am sure you can see them and understand them.

The big difference in the proposals was in regard to the on-going contracts and the so-called freeze money. Our proposal was that the contracts be honored in all of their terms, just as simple as that.

But the public people came in and said that existing contracts will be allowed to operate except, and then they came in with a section known as 4(c). And 4(c) is divided ino three subsections: (c)1, (c)2, (c)3.

(c)1 is that you can get your freeze money if your prices were raised in anticipation of the increase. In other words, you would have to be a little bit of a mind reader to get that one, but you could get it. Or, if a wage agreement made after Auust 15 succeeded an agreement that expired and so forth; and where retroacivity was an established practice.

Then was (c)3, such other criteria as the Board may hereafter establish to remedy severe inequities.

By a 10-to-5 vote they defeated our proposal. Then they went through the charade of defeating the employers' proposal. Then the employers voted with them and they approved the public proposal.

After that, we had about a half hour of discussion asking Mr. Webber how this would work. And it was very, very interesting.

He was sitting there with the proposal in front of him and we said, how is this going to affect the West Coast longshoremen? He says, they will be taken care of under (c)2.

How about the railroads? Oh, they will be taken care of under (c)2.

How about aerospace? Oh, they will be taken care of under this, that, and the other thing. And he went on down the line: Railroads, aerospace, me too contracts, so on and so forth. Finally I said, hell, what about the little guys? You are taking care of all the big guys.

Well, he said, we take care of anybody who fits into these particular qualifications.

Oh, yes, and the Teamsters were taken care of, everything, freeze pay because they had gotten some contracts oh, a little over that five and a half. Maybe three times over, something like that. But they are all right, they are going to be taken care of.

All the big unions are going to be taken care of, but not all the members of all the big unions. All the big unions that have the big contracts, so on and so forth.

Now, after Webber had gone through this for about a half hour, the Judge issued a press statement. He said all wages are frozen except in the very, very few specific instances where they will be waived.

Then the minutes came out. There was nothing in the minutes, nothing at all in the minutes about this.

We also had some other trouble with the minutes. We found out that we made several motions and they were defeated and the public members made some motions and they were passed, and when the minutes came out the next day the only motions recorded were the ones that were passed. They didn't even give us credit for getting a licking.

This was really an exercise in futility. And I can tell you there was a deliberate attempt here to divide the labor movement, because on the Monday before the vote was taken they sent an individual public member to see every labor member to try to tell that particular labor member not to worry, not to worry.

One of the public members came to me and said he could assure me, without putting it in the record, that they would not challenge any contract that was not over eight percent. He said, "We can't put that in, but I give you that assurance." In other words, he was going to give me a little under-the-table deal.

I can tell you, about dividing the movement, that I personally spared no effort from the very start of this whole maneuver to try to see to it that labor stayed together. I brought in the Auto Workers, the Teamsters, and I want to say they worked with us; they didn't buy this idea that they were going to be taken care of. In fact, they stated very, very simply that they didn't care who was taken care of; unless everybody was taken care of, there was no deal.

So here we are face to face with some problems. Labor-management relations in this nation have developed over the years, along with the expansion and the development of this great economy we have got. Our system of collective bargaining has become part and parcel of the American economic way of life. It has been developed over many years, after some bitter struggles. And it has brought about an economy that is able to out-produce any other nation on earth.

This has been accomplished over the opposition of the right-wingers and surely of the left-wingers. And the cardinal principle of the bargaining mechanism is the commitment—both moral and legal—to honor the terms agreed upon without reservations of any kind.

To put it more simply, when you make an agreement, you keep your word; you do not under any circumstances repudiate your commitment, and you expect the other party to do likewise.

Without this, collective bargaining would be meaningless. It would be a sham and a snare.

Now, the action of President Nixon and this Pay Board in nullifying contracts without even consulting the parties to these contracts threatens the future of collective bargaining. But, more, it threatens the future of our whole economic system.

If collective bargaining contracts, legal contracts, can be nullified by the terms of a Presidential edict, then no contract is sacred. No mortgage, no bond, no payment on a business loan or installment credit or any other type of normal commercial commitment is safe.

You know, the big business people like the idea of the sanctity of contracts. In fact, I haven't met anybody who doesn't like the sanctity of contracts. The old Judge is for the sanctity of contract, but he says there is a vital principle here involved. And I said, "What the hell is the vital principle?"

He says, "We've got to go along with the President."

In other words, the sanctity of contracts is not a principle. We have got to go along with the President; that is the principle.

As you know, there is a Government agency to help in overseas private investments. They get private investment to try to expand overseas and perhaps help other peoples to develop a more modern society.

This is known as the Overseas Private Investment Corporation, a United States Government agency. It is not private, that is the title, a United States Government agency. So the New York Times reports on Friday, November 5th, that the ITT, International Telephone and Telegraph Company, said that they filed a claim from the Overseas Investment Corporation for the paying of $100 million because the Government of Chile has run out on the contract with the ITT. So they like their contracts honored. They believe in the sanctity of their contracts. The trouble here is that the Overseas Private Investment Corporation has only $18 million in the till, and ITT wants $100 million. But Congress will most likely give them the rest.

We are really at a historic moment in the life of this nation, whether for good or evil only time will tell. This is the first time in the history of America that any President ever set out to control the economic life of the nation in peacetime. It is no disrespect to the President to say that, on the basis of his track record, we don't have very much confidence. He would most likely to 20 to 1, and on Arthur Burns, on the basis that he has run, he would be about 60 to 1. But it is obvious that if the present program doesn't work, and there is no sure indication that it will work, the next step would be more stringent and oppressive measures that could destroy our American institutions.

If Phase Two fails, political expediency demands a scapegoat. The man in the White House never says, "It is my fault." No politician ever says it is his fault. It demands the scapegoat, and we have no doubt as to who that scapegoat will be, just as we have no explanation as to why the Nixon-Burns original economic game plan failed so miserably. There will be no explanation and no apology if Phase Two happens to fail. Harsher measures will be promulgated, surely, directed against the nation's workers and their unions, and we can expect anti-strike edicts and injunctions and all the other harassments that have been the lot of labor in the authoritarian countries in recent history.

There is somehing ironic about this business. In the Wall Street Journal the other day there was a little quotation, "A highly-placed Nixon Administration economist says we have got labor just where we want them now. They either help in making the program work or get blamed for its failure." Well, whether we help or don't help, if it fails we get blamed anyway, I can assure you of that.

But it is ironic to note that in this instance big business is applauding and promoting the President's crackdown on labor. It might be well for the businessmen of our country, who have traditionally and fundamentally in the past indicated their abhorance for government control, to realize that the history of political domination of the means of production has in all cases eventually included business as well as labor.

It is also ironic and interesting to note the new affinity of Mr. Nixon for totalitarian regimes from Peking to Moscow to Athens. The authoritarian mind in government trusts neither the people nor the free and voluntary institutions of the people. The impulse is to control, to direct and to dictate. The only barrier to that impulse, and the only bulwarks of freedom, are our constitutional Bill of Rights, the existence of an effective opposition, free private institutions and the free spirit of the American people. Faced with these impediments, the inevitable tendency of power in such hands is to move to defame and to destroy them. In defending the rights and the freedom of working people as they're constituted to do, the trade unions of America can expect to be objects of such attention and the targets of this type of power, all the more so if labor is to stand alone in the struggle.

So I say to you, we must, therefore, stand united as never before, for never before has so much depended upon the strength and unity of the family of labor.

Thank you.

Right to work states show lower incomes

(Continued from Page Two)

—Iowa—was above the national average for per pupil expenditures in its public school system, $890 per year as against $783.

Alabama, an open shop state since 1953, had the lowest per pupil spending rate to the nation—$438 —with Mississippi only slightly above it in rank at $476.

The Commerce Department listing shows that of all RTW states. North Dakota had the greatest loss in income per resident.

It was only $29 below the national average in 1948, but by 1970 it had fallen to an all-time low mark of $926 below the average, or $2,995.

Despite some growth by RTW states in per capita income during the vast national expansion of the past two decades, the source said, their growth has been slower than that of other states.

The result was that of the seven states which were above the national average before they adopted their RTW laws, six are now below it.

Here is a state-by-state analysis of per capita income in compulsory open-shop states for selected years:

ALABAMA was $680 below the national average when its "work" law was passed in 1953. By 1970 it was $1,068 below, a drop of $388.

ARIZONA was $156 below the national average income a year after its RTW law was passed in 1947. By 1970 it was $330 below, a loss of $174.

ARKANSAS was $555 below the national average in 1948, a year after the law was passed. By 1970 it was $1,130 below—down $575.

FLORIDA enacted a right-to-work law in 1944. By 1948 it was $250 below the national average and by 1970, $279 below—a loss of $29 in relation to the average.

GEORGIA was $462 behind in 1948 but $589 behind by 1970—a loss of $127 based on the average.

IOWA was $160 above the average in 1948 but by 1970 it was $233 below—a drop of $393.

KANSAS passed its RTW law in 1958, when it was $5 above the average. In 1970 it was $98 below, a loss of $103.

MISSISSIPPI was $877 below the national income average in 1954, when it passed its law. In 1970 it was $1,346 below—a slippage of $469.

NEBRASKA was $79 above the average in 1948 and by 1970 was $170 below—a loss of $249.

NEVADA is the only "right-to-work" state that is consistently above the national average. It was $597 above in 1951, when its law was put on the books. By 1970 it was $641 above.

NORTH CAROLINA has slipped from $457 below the average in 1948 to $714 below in 1970.

NORTH DAKOTA was $130 above the average in 1947, when the law was passed. By 1970 it was $926 below.

Other states that lost ground in-

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San Jose Physical and Clerical Units combine for dance

The "Union Dance," the social highlight of the year for P.G.&E. employees in the San Jose area, was another huge success this year. The San Jose Physical and Clerical Units of Local 1245 have turned this annual affair into the "best attended function of the year in that area.

John Gillio, center figure in the picture to the right, was the chairman of the dance and he is shown with his lovely wife Noreen and Gary French, left.

The other photos, above and below, show many of those who support their union with participation as well as their dues.

Right to work states show lower incomes

(Continued from Page Six)

clude South Carolina, from $666 below to $985 below the average; South Dakota from $67 above in 1948 to $756 below; Tennessee from $486 below to $836 below; Texas from $231 below the average in 1948 to $390 below; Utah from $251 below to $708 below; Virginia from $300 below in 1948 to $314 below; Wyoming from $46 below the average to $385 below in 1970, a loss of $339.

East Bay Labor Journal

Buying Ranges

(Continued from Page Three)

result FDA has urged all owners of this model to unplug and not use it until inspected by Amana representatives. This problem was not found among the later models which have three push buttons for even operation instead of the earlier two push buttons.

FDA claims that microwave ovens produced this year "are believed" to meet the industry radiation limit. In any case, frequent and prolonged exposures to microwave radiation have been linked to cataracts and burns in humans, and sterility and blood damage in animals. A particular concern is that restaurant and lunch-counter workers often are in frequent contact with such ovens.

Phase II facts

(Continued from Page One)

is in effect, to existing pay practices. On and after such date, permissible annual aggregate increases will be those normally considered supportable by productivity improvement and cost of living trends. Initially, the general wage and salary standard is established as taking into account such factors as the long-term productivity trend of 3 percent, cost of living trends, and the objective of reducing inflation.

Review of New Contracts and Pay Practices in Relation to the Wage and Salary Standard

In reviewing new contracts and pay practices, the Pay Board will consider ongoing collective bargaining and pay practices, and the equitable position of the employees involved, including the impact of recent changes in the cost of living upon the employees' compensation.

Scheduled Increases in Wages and Salaries for Services Rendered After August 15, 1971, and Before November 14, 1971

Payments of scheduled increases in wages and salaries for services rendered by employees after August 15, 1971, and before November 14, 1971, which were not made because prohibited by the freeze, may be made retroactively only if approved by the Pay Board. The Pay Board may approve such payments in the following circumstances applicable to individual cases or categories of cases:

(a) It is demonstrated that the employer of the employees on whose behalf such payment is being sought raised the prices for his products or services prior to August 16, 1971, in anticipation of wage and salary increases scheduled to be paid to such employees after August 15, 1971.

(b) It is demonstrated that a wage and salary agreement or pay schedule or practice adopted after August 15, 1971, succeeded an agreement, schedule, or practice that expired or terminated prior to August 16, 1971, and retroactivity is demonstrated to be an established past practice of an employer and his employees or retroactivity had been agreed to prior to November 14, 1971.

(c) It is demonstrated that the proposed retroactive payment satisfies such further criteria as the Pay Board may hereafter establish to remedy severe inequities.

Wage and Salary Increases Effective After November 13, 1971

Pay practices previously set forth will be allowed to operate according to their terms except that specific contracts or pay practices are subject to review, when challenged by a party at interest or by five or more members of the Pay Board, to determine whether any increase is unreasonably inconsistent with the criteria established by this Board. In reviewing existing contracts and pay practices, the Pay Board will consider ongoing collective bargaining and pay practices and the equitable position of the employees involved, including the impact of recent changes in the cost of living upon the employee's compensation.

The above pay stabilization regulations are subject to interpretation by the Pay Board, which will be made on a case by case basis.

The Cost of Living Council announced a "three-tiered" system for monitoring post-freeze pay adjustments:

I.	Prior Notification and Approval	—	Adjustments affecting 5,000 or more workers—500 units, 10% of total U.S. employees.
II.	Post-Report (Quarterly)		Adjustments affecting 1,000-5,000 workers —4,000 units, 7% of total U.S. employees.
III.	No Report—Subject to Spot Check	—	Adjustments affecting less than 1,000 workers—10 million units. 83% of total U.S. employees.

Service and Compliance Administration

The Internal Revenue Service (3000 IRS field officers) will handle complaints arising out of Phase II.

Again, we point out that the regulations are subject to interpretation by the Pay Board and there is the possibility of change by legislative action of Congress. We will attempt to publish in future issues of the Utility Reporter any significant changes or interpretations of Phase II regulations.

The Safety Scene

SAFETY HINTS FOR WINTERTIME PLAY

by ROBERT G. BELKNAP
Director of NSC's OTJ activities

SNOWMOBILING

For the past several years, we have been saying that snowmobiling is the fastest growing winter sport in the country and apparently the statement continues to be true. The number of machines sold each year increases over the previous year, the number of complaints from farmers, sportsmen, and law enforcement officers has multiplied, and the number of accidents and injuries as a result of improper use has soared.

More and more states are passing laws governing the use of snowmobiles. Perhaps one of the most meaningful services you could supply your employees would be to make sure they know the laws.

The principle hazards for snowmobile operation are:

- Hitting things hard to see in darkness or when visibility is low (especially cables, fences, wires, and pipes);
- Venturing onto thin ice;
- Loss of control caused by accelerator jamming or inexperience of the operator;
- Snowmobile trailer breakaway;
- Exposure to weather when lost or suffering a vehicle breakdown.

Snowmobiles can be great fun, but they must be used with good sense. The following 10 points can be used as an employee notice, handout at the end of a safety meeting, or for points of illustration in the company publication.

1) Driving instruction is required for the safe operation of a snowmobile.

2) Treat a snowmobile with respect and care due any power driven vehicle, and recognize the limitations of operating ability.

3) Study carefully the operating manual supplied by the manufacturer of the snowmobile.

4) Know your legal status regarding licensing, traffic regulations, and responsibilities pertaining to public liability and property damage when operating a snowmobile.

5) Avoid public thoroughfares and when necessary cross them at right angles using extreme caution.

6) Do not operate a snowmobile on frozen lakes or rivers without first checking ice thickness and having an intimate knowledge of water currents.

7) Wear protective, warm, windproof clothing, insulated footwear and mitts, shatterproof, tinted goggles, and a safety helmet.

8) For casual snowmobiling, within reach of assistance, carry spare drive-belt and spark plugs with tools for installation.

9) For a distant safari, the following pieces of equipment should be carried: snowshoes; emergency fuel; map and compass; axe; knife; water-proof matches; mess kit; emergency rations; first aid kit; water-proof shelter; survival blanket.

10) Do not attempt distant safaris without an experienced person in charge; use the "Buddy System"—two or more snowmobiles.

SKIING

Anyone who has waited for his luggage at almost any airport in the country, during the winter months, and seen the number of ski cartons being unloaded might wonder if skiing is not the most popular winter-time sport. Even if it is not, there are millions of Americans who participate in this activity. In this day of jet travel, geographical location of a company has little if any effect on the employee's recreational activity. A company should include this popular winter-time sport in its OTJ programming.

A natural focal point on which to base any ski safety effort is **National Ski Week,** which is the third week in January. More information on the activities planned and material available can be obtained from the United States Ski Association, The Broadmoor, Colorado Springs, Colo. 80900.

Two very important aspects of skiing are physical conditioning and correct equipment. Companies can help their employees enjoy accident-free participation in this sport by encouraging them to enroll in a physical conditioning program. A quick check around the community will reveal if such programs are available at the YMCA, a local ski club, or other organizations. This information can be passed on to the employees.

If such programs are not available, the company doctor or a school physical education instructor could assist in developing a list of exercises for the employees to use. It should also be noted that conditioning exercises are good for any activity—not just skiing.

A display of equipment and clothing, perhaps on loan from a local merchant, will show how the correct equipment is selected, and it will serve as a means of developing employee interest in skiing safety. Another type of display would be a series of photographs showing and explaining the various maneuvers and terms used in this sport.

The only purpose of extending a company's safety program to include off-the-job activities is to help the employees do more safely what they are going to do anyway. Many companies have found it is to their advantage to try to cut down on the number of off-the-job, lost-time injuries that occur to employees.—

National Safety News

It's getting cold enough in most northern states for ice-covered lakes, rivers, and ponds to provide inviting areas on which outdoor enthusiasts can skate, sled, and snowmobile. However, the National Safety Council warns ice-goers to be sure of the surface they are about to venture out on, especially with the oncome of spring's increasingly warming weather, when ice conditions will become more dangerous as seemingly thick ice begins to melt.

Check the thickness of ice with an ice auger or pick, or contact local authorities. The latter source is preferred, since authorities can also inform inquirers about the conditions of the water beneath the ice (e.g. water currents), which can undermine solid-looking ice and cause unexpected breakthroughs.

The thickness of the ice needed for an activity depends upon the activity. The four or five inches needed for skating, sledding, and ice fishing must be increased by several additional inches before a snowmobiler dare travel on the ice.

(According to the NSC's 1969-70 Snowmobile Accident Summary, sixteen reported snowmobile deaths were due to ice breakthroughs—one fifth of the season's snowmobile deaths.)

If you do break through the ice, your body weight may only break off more ice when you attempt to get out of the water. Try to spread your arms over the ice, either in front of or behind you, and kick your legs, gradually working your way onto the ice. Once out, squirm or roll away from the hole.

When rescuing another person, resist the temptation to run out to him. Rather, distribute body weight over the ice by lying down and crawling out to the breakthrough victim, extending a pole, plank, ladder, or similar object toward him. A rope loop can also be used to pull the victim from the water after he places the loop over his head and under his armpits. Or several people can lie in single file on the ice, holding ankles or skates of the person in front, thus forming a human chain. Whatever means are used to rescue the victim, once he's pulled out, rescuers should gradually work their way away from the break, continuing to distribute body weight over the ice.

National Safety News

Sledding Can be Fun but Dangerous

The recent death of a 9-year-old Wood Dale, Illinois, girl who died of a reported brain concussion in a sledding accident, has prompted the National Safety Council to urge sledders and parents to be aware of serious injury possibilities and to accept a few necessary restrictions on their sport.

"Sledding, whether on regular sleds, saucers, etc.," said John P. Fleming, director of NSC's Public Safety Department, "is usually looked on as a harmless activity, requiring few, if any, rules and incurring minor mishaps, and then only scrapes and bruises. However, as can be seen from this tragedy, any activity or sport utilizing speed of a sizable amount must be considered capable of inflicting serious injury. This doesn't mean that such sports should be stopped, only that they must be engaged in thoughtfully and safely."

Last winter, Dr. Paul J. Fry, chief of orthopedic surgery at Barton Memorial Hospital, Tahoe Valley, told of 198 patients treated at his hospital from 1967 to 1969 for sledding injuries. Seventeen injuries resulted from accidents at controlled sledding areas, while 181 occurred at uncontrolled areas. The latter sledding areas were slopes where there was no supervision, the snow was not packed, and there were no established runs away from possible hidden obstacles. On the other hand, the controlled runs had supervision, the snow was packed, and runs were made in safe areas.

Dr. Fry also found that the sledding equipment was often in poor condition and the riders knew little about their apparatus.

The National Safety Council urges sledders and parents to follow basic safety rules. Purchase and use equipment that is in good shape; wear proper protective clothing (gloves; clothing that cushions against injuries); sled only in a controlled/supervised area on a broad, gently sloping hill (high speeds on steep slopes may cause loss of control of sled), away from streets, roadways or obstacles and having a long, flat area at the bottom so that children can easily slow to a stop; avoid icy ponds, rivers, and lakes where ice breakthroughs may occur; and sled only when visibility is good, not when objects in the sled's path cannot be seen.

Getting to and from the sledding area during twilight hours—generally, when street traffic is heaviest—warrants special attention.

National Safety News