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.

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
- United Auto Workers Union
- Frank E. Fitzsimmons, President
- International Brotherhood of Teamsters
- Leonard Woodcock, President
- United Steel Workers Union
- I. W. Able, President
- Southern Pacific Co.
- Kermit Gordon, President
- Local 1245.
- Arnold Weber, Executive Director of the National Labor Relations Board
- William Caples, President
- General Electric Co.
- William Caples, President
- Renown College, Gambler, Ohio
- Business
- Bocca Siciliano, President
- United Labor Management Relations Institute
- Robert Bassett, Chairman and President of Bassett Publishing Co.
- Arnold Weber, Executive Director of the National Labor Relations Board
- Rocco Siciliano, President
- Arnold Weber, Executive Director of the National Labor Relations Board
- Arnold Weber, Executive Director of the National Labor Relations Board
- Southern Pacific Co.
- Virgil Day, Vice President for Business Environment of the General Electric Co.
- Leonard F. McColm, Board Chairman of Continental Oil Co.
- Arkansas

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

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, bonuses, layoffs and severance pay plans, and incentive pay.
- Employer contributions for insurance plans (but not including public plans).
- Major effect on the members.

The regulations provide that pay adjustments shall be applicable to new labor agreements and, where no labor agreement exists, to in effect during the period covered by the Phase II general wage and salary standard.

Pay Stabilization

This photo shows some of the 250-plus crowd at the dance sponsored by the United Steel Workers Union.

... HAVE YOU MOVED?

YOUR Business Manager's COLUMN

Convention Report and News Distortion

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 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 from the American Labor Movement.

The credentials committee report showed 879 delegates representing 112 National and International Unions, 6 departments, 48 State Bodies, 12 directly affiliated Local Unions and 3 official fraternal delegates. This body representing some 29 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 covered 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 (Continued on Page Two)
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 commentator 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 controlled wages and salaries. This is, “We will cooperate in enforcing [emphasis added] our national policy of fair, equitable, and nondiscriminatory labor-management 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 national policy of fair, equitable, and nondiscriminatory labor-management mandatory controls 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-Dodd minimum 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 had asked him to accept either the President’s program or not. The President’s program or not, 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 security, at arms. The entry way to the stage was roped off and guarded placed so no one could get into the area where the President would make his entrance. Mr. Meany was instructed that he was to leave the podium at 10:28 A.M. and meet the President at an office off a side entrance to the hotel where they could conduct business. Then the President would either accept or reject the contract that the convention had negotiated. 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 with the words, “We will cooperate in enforcing, Mr. Nixon had accepted, either the President’s program or not.” 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. At no time before or after his speech did any one in the audience boo, jeer or raise any racket. 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 speech about the President’s security force.

When President Nixon came onto the convention floor, a number of delegates started clapping, many applauses. Mr. Meany then 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 actions that took place on the floor of the convention. The President, while Mr. Meany was talking, walked off the stage without waiting for his escort committee, and despite the rope barrier which had been arranged, for his security, walked 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 know, had the impression that the President, or secret service men from going to the front of the hall to take pictures of the President while he was speaking.

The U.S. Department of Health, Education & Welfare reported for 1969 that only one open-shop state is below in wage rates for production workers as well as in overall personal income.

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 arranged, for his security, walked 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 know, had the impression that the President, or secret service men from going to the front of the hall to try to take pictures of the President while he was speaking.

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How Supers Outwitted Price Freeze

By Sidney Margolius, Consumer Expert for Utility Reporter

The almost-price freeze on food and other necessities that was ex- posed to end Nov. 13 now is ex- pected to continue for a while until the new administration ap- pointed by President Nixon tries to figure out what to do next.

The "freeze" was never a real freeze except on wages, and as we down in September, including live- stock prices. Eventually food prices should have gone down in September, including live-

Yet our own study of super- market ads in August right after the freeze went into effect com- pared with prices advertised at the end of October shows scores of increases.

The new increases are confirmed by market reports from several cities showing that stores often elimi- nated lowered prices which they during the freeze. Many readers also complained of increases.

It is not a very little initiative or experienced effort by the government agencies involved to try to roll back the increases quite obviously, the government agencies involved to try to roll back the increases.

In general, judging from our sur- vey, increases have been more fre- quent than expected after the "freeze," which now enters what the Administration calls Phase II (Phase III is all soap), better not depend on the advertised "sale" prices as very reliable. They are never wholly dependable, of course. But it is important to know the 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, unused and unfettered, or at another store. There still is the occasional real sale of chuck and ordi- nary boneless chicken cutlets at 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 recent estimate there are over 500 models, brands and makes on the market, counting both elec- tric and gas, at prices ranging any- where from $50 to $500. 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 "stop" competition. Since the original price- freeze order had a built-in loophole.

It permitted stores to charge the consumer for the extras or add-on 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 result of a very little effort by the three that this reporter has followed since 1941.

There have been some price re- ductions in recent weeks, too, es- pecially on eggs which are unusu- ally cheap for this time of the year. But on the whole the increases in advertised prices have far out- numbered decreases.

Now we're in for real trouble. Not only does the Administration plan to gradually lower whatever limited price increases are allowed, but an accumulation of delayed in- creases 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 very price watchful. Several local newspapers have set up their own price-policing programs using their own members. The national AFL-CIO now is planning a pricing program as are several statewide labor councils.

It is revealing to see what the supermarket chains do to exploit 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 sur- vey, increases have been more fre- quent than expected after the "freeze," which now enters what the Administration calls Phase II (Phase III is all soap), better not depend on the advertised "sale" prices as very reliable. They are never wholly dependable, of course. But it is important to know the 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, unused and unfettered, or at another store. There still is the occasional real sale of chuck and ordi- nary boneless chicken cutlets at 59 cents, and broilers at 29-33 cents.

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Utility Reporter—November, 1971—Page Three
President Meany Outlines Wage and Price Freeze

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 very interesting. Your own economic future will find it to be easy reading. It may appear to be lengthy, but you will find it to be very interesting. It may appear to be lengthy, but you will find it to be very interesting.

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 fireside chating of hard times, 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, it is going to be a great 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 '71 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, Dr. 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 economic game plan of '71. He was 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 invited to the White House to see the President, Mr. Connelly, Schultz, Mr. McCracken, Dr. Burns, Dr. Stein, Jim Hodgson and all of the other fellows who make a career of managing other people's lives. In response to the Presi- dent's request for what he called some kind of cost of living control, 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 tripsitaire 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, we 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 EEC 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, there were them contradictory, but there were none of them friendly. I'll tell you this. He didn't have our money that was due 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't negotiate for it.

He made seven or eight rulings on the teachers, and we kept a little box score on him. He 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 breech presentation.

And surely it was a case of confusion confounded. October 8th, 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.

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 a beautiful 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 that we didn't get together. So we said, "Jim, does this mean that the Pay Board has got to be - ?"

"No, no, no."

"What, how about that word review?"

"No, it means 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 gesture. 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
Council and we listened to Mr. Shultz and he gave us no cause for believing that Mr. Hodgson was wrong.

The five of us walked over 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 standards set by the Pay Board.

This caused us some difficulty. We waited and waited for the President's speech and we decided that if there was no issue, 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, of course, he had no authority. He had evidently been directed by the White House 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 façade 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. Connolly did not clarify and did not answer the question.

So then I called Mrs. Shultz to the Pay Board on 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 Monday 11th of October I got a call from Mr. Blough, Mr. Shultz's staff assistant. If I would be available the next day and Mr. Shultz in early morning. So I met them early in the morning at my office, and there we had a very good and a very important conversation. And one this had the President's signature on it—not, 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 criteria developed by the Pay Board and Price Commission."

Well, this is a very definite and it had the initials on it, and I guess I knew damn well I wouldn't take anything from them after what they brought in this. So we made a simple decision: We will try to help make the President's speech work. We will control the control. We will try to sell to 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 suspicions.

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 at me and says, boy, Mr. Money, 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 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 signature?"

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 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. They are under no circumstances are supposed to represent the Government. Under no circumstances are supposed to represent the Government.

Well, the Judge is on the Federal payroll, and he is certainly in neutral in the sense that he does not represent any interest on his own behalf, or anything about labor and management. But he has someone right at his elbow who takes care of everything, and he oversees all the qualifications of the Pay Board.

We were there for ten days with this guy and he announced no qualifications. Every time we asked for a qualification, someone would answer. So Mr. Wahrer in the name of the public member of the Pay Board. He has been on the Government payroll since January 1969 and he was on the Pay Board payroll up to the night of October 23rd. In October, he had been a public and trade employee in Washington Trading Stores and Proprietary. He 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 Culpes. His whole life has been spent in industry, executive vice-president, Inland Steel Company; entire career spent in management's side of labor-management 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 is Mr. William Culpes.

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 Bureau of Labor and Management Relations. We have no information on him.

Then we have Dr. Neal Jacoby, a conservative economist from the Council of Economic Advisors under Arthur Burns in the Eisenhower Administration, and he helped in the President's Tax Program and in economic reconstruction.

For the past 15 years and up to the present moment a Director of the Occidental Petroleum Company. Now is that far a neutral?

On the 27th of October, I spoke with Dr. Jacoby, 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 before they broke in one proposal, and submitted in one day and we adjourned in about an hour. Then we met the next morning and again discussed organizational matters and then we adjourned among ourselves.

What the hell, in order that the government statisticians could come up with some economic facts that we might need.

They cope 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 not on contracts. They gave us some informaton on small contracts. 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 come across, in all my entire living, deceiving 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 the main man. After the meeting, I spoke with him. 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-dealing, 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 was run by the public group.

But he has a labor of work. He has a large staff in Washington and he is working on this in conjunction with the NAM. He is well supplied with money. He runs an organization called, I believe, the Institute which has the purpose of the purpose of the government, to keep wages down and bring them down. In other words, he has the philosophy that the future of our country is in a low-wage economy, and so he is the fellow who was over here running this show. There was a pin-pronged by the name of Day from General Electric who was his mouthpiece, but Blough was the way.

To give you an idea of what we went through, we adjourned on Friday evening, we got a call 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 the 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 industrial proposal. He said no, under no circumstances would he divulge his disagreement.

We adjourned Friday night around 4:00 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. The employers ran a new judgment and then we see no judgment and after we see no judgment and then we were told all over and said, "Is this your proposal?" they said, "No, this is the one we have prepared." We are not going to get any information on 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."

Then we have Dr. Neal Jacoby, a conservative economist from the Council of Economic Advisors, who thought he was running the show. I have a suspicion he was running the public group, too.

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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, the third was the one you really 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 surprise of the day was in regard to the going-out contracts and the so-called freeze money. Our proposal was that the contracts be honored in all of their terms, just as agreed to.

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 (e). And (c) is divided into 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. Or, if you agreed to a freeze made after August 15 you needed an agreement that expired and so forth; and where retroactivity was an established practice.

(c)2 is that, 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 employee voted with them and they approved the public proposal.

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

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

How about the railroads? Oh, they will be taken care of under (c)1.

How about aerospace? Oh, they will be taken care of under this, that, and the other thing. And he went 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 and a half. Maybe three times over, something like that, according to all right, that is a given.

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

New, after Meany had gone through that, but after a half hour, the Judge issued an ex parte statement. He said all wages are frozen except in the very, very few specific instances which they already have not to worry, not to worry.

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 lick.

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 they were taking 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 it 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 if 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 clearly that they didn't care if they were taken care of, they were taken care of, there was no deal.

So here we were up against 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 more and more important to the 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 have heard somebody who was not likable, the old judge, he is for the sanctity of contract, but he says there is a vital principle here involved. And I say, "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 that and 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 worthwhile 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 6th, that the OTPT, 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 honor's, the contract with the OTPT. 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 it's clear the Government will not make up the deficit in its program.

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 could get away with this kind of deceit in Congress. This is the first time that the President could get away with deceit in Congress. If he 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 harrangements that have been the lot of labor in the authoritarian countries in recent history.

There is something 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 abhorrence 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 affluence of Mr. Nixon for totalitarian regimes. In other words, Mr. Meany said, after the Government was involved in the West coast case, and the Government in - both the Administration and the Congress - decided that 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 barrier to that, is freedom, and freedom is the presence of an effective opposition, free private institutions and the free spirit of the American people. That is what we have now. Without this, collective bargaining would be meaningless. It would be a sham and a snare.

For so long, labor has been the sacrifice, 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 our survival depended upon the strength and unity of the family of labor.

Thank you.

(Continued from Page Two)

Iowa—was above the national average for per pupil expenditures in 1948. In 1970, $926 per year as against $783.

Alabama, an open shop state since 1958, has a per pupil income in the spending rate to the nation—$438— with Mississippi only slightly above it in rank at $476.

The 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 $2,955.

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 the law was passed, six are now below it.

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

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

MISSISSIPPI was $1,566 below the national average a year after its RTW law was passed in 1947. By 1970 it was $330 below, a loss of $1,236.

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 $290 below the national average and by 1970, $279 below—a loss of $26 in relation to the average.

GEORGIA was $462 behind in 1948. By 1970, it was $127 below the national average. In 1970 it was $86 below, a loss of $103.

MISSISSIPPI was $877 below the national average for per pupil expenditures in 1948. When its law was passed in 1970, it was $1,346 below—a slippage of $469.

NEBRASKA was $79 above the national average in 1948 and by 1970 it was $176 below—a loss of $252.

NEVADA enacted its right-to-work state that is consistently above the national average. It was $306 above in 1948, when its law was put on the books. By 1970 it was $841 above.

North Carolina, a right-to-work state, has slipped from $457 below the average in 1948 to $714 below in 1970.

NORTH DAKOTA was $130 above the national average in 1944, when its law was passed. By 1970 it was $926 below.

Other states that lost ground in...
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.

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 schedule 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.

Right to work states show lower incomes

(Continued from Page Six)

include South Carolina, from $666 below to $985 below the average; South Dakota from $87 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.

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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, sportmen, and law enforcement officers has multiplied, and the number of accidents and injuries as a result of improper use of snowmobiles 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 fences, wires, and pipes);
- Venturing onto thin ice;
- Loss of control caused by acceleration or braking of the operator;
- Snowmobile trailer breakdown;
- Exposure to weather when wet 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 as a public information fraction in the company publication.

1) Driving instruction is required for the safe operation of a snowmobile.
2) Treat a snowmobile with respect and care, just as any other 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 checking ice thickness and having an intimate knowledge of water currents.
7) Be able to survive in extreme cold weather; wear adequate, warm, waterproof clothing, insulated footwear and mitts, shutterproof, tinted goggles, and a safety helmet.
8) For casual snowmobiling, within reach of assistance, carry spare drive-belts and spark plugs and have a first-aid kit.
9) For a distant safari, the following pieces of equipment should be carried: snowshoes; emergency fuel; first aid kit; water-proof shelter; survival blanket.
10) Do not attempt distant safaris without experienced person in charge; use the "Buddy System"—two or more snowmobiles.

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 that ice breaks, so the surface is not solid, and also serves to remind people of the possible hidden obstacles. On the other hand, the controlled runs had spectacular results. Dr. Fry also found that the sledding equipment was often in poor condition and the riders knew little about their apparatus.

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 wintertime sport in its OTJ programming.

A natural focal point on which to base a 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.

Two very important aspects of skiing are physical conditioning and correct equipment. Companies can provide some physical conditioning through the OTJ program and encourage employees' recreational 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, 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 the 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 to be their advantage to try to cut down on the number of off-the-job, lost-time injuries that occur to employees.

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, but carries with it only then simple 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 other advantage 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 to be their advantage to try to cut down on the number of off-the-job, lost-time injuries that occur to employees.

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 breakdowns 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 areas during twilight hours—generally, when street traffic is heaviest—warrants special attention.

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