

## Resolution Adopted at IUE-GE Grass Roots Conference, Pittsfield, Mass.

As a condition for signing the 1955 agreement with General Electric, we insisted upon full and complete negotiations on the problem of employment security. The contract provides that such negotiations begin September 1, 1958, with the right to strike should no agreement be reached by October 1, 1958.

Our experiences in 1949 and 1954, during which thousands of our members suffered months of joblessness, made us realize that we needed contractual protection against this evil. In our 1955 negotiations we attempted to get GE to agree to a program to protect its employees against the future inevitable unemployment. But GE declined to do so.

Our fears about the future, when we signed the 1955 agreement, have been confirmed. Today at least 25,000 workers in GE are jobless. Unemployment in GE is at a considerably higher percentage than the unemployment in the whole electrical industry.

Meeting on February 20, our GE Conference Board adopted a program of Employment Security consisting of measures vitally necessary to the GE employees themselves, to the communities that depend upon our pay checks and to the economic health of the nation.

This program included the Guaranteed Annual Wage, severance pay, protection of seniority in plant movement, restrictions on the farming-out of work, a program to handle problems created by automation, the improved scheduling of work, the elimination of area and sex wage differentials and a start on the reduction of yearly hours of work without a reduction in yearly pay.

General Electric continually publicizes to us and to the public that it enters negotiations with an open mind, listens carefully and weighs all the facts before coming to a conclusion.

However, a press report of April 10 quotes General Electric as declaring 4½ months in advance of the 1958 negotiations that it will not grant any significant employment security demands.

This GE statement is contained in a letter to its management entitled "Preparing For Bargaining in 1958." In our judgment it should be called "Preparing for Not Bargaining in 1958."

The argument used by GE is that the benefits already provided in our 1955 agreement are "inflationary."

This statement is completely false. From 1956 to 1957 the total increase in all wages and salaries, profit-sharing of executives and fringe benefits was \$72 million. GE raised their prices by nearly 7% in this period, so that it not only recouped the extra costs but made an additional profit on operations of \$84 million. Furthermore, the

wage increases to those we represent were made up by increases in productivity.

In 1956 GE made after taxes 18.5% on the stockholder's investment. In 1957, due to the increased prices and improved productivity of the employees, GE made nearly 20% profit. Its rate of profits over and above the rate made by other manufacturing companies created excess profits in 1957 of over \$90 million. Thus it was not necessary for GE to make these steep price increases. It was General Electric's own greed that contributed to the price inflation that existed.

General Electric is at once one of the most profitable of American corporations and the most backward on the question of employment security. In the face of the large and continuing unemployment, it has failed to provide its employees with even the modest SUB benefits which the workers in auto, steel, rubber, aluminum, canning and many other industries enjoy.

These benefits have been life-savers to hundreds of thousands of laid-off workers and to the communities who have felt the impact of the reduced pay checks. Everyone except GE apparently recognizes that unemployment compensation, as it is at present, cannot meet the needs of either the laid-off employees or the communities.

We hope that this ill-advised statement of General Electric in refusing to bargain in line with the contract on the critical issue of employment security, will be retracted after further reflection on the part of the corporation.

The needs of its employees and the communities are obvious. The excess profits of GE can provide the funds of an Employment Security Program. It is ridiculous for GE to assert that using some of these excess profits to provide for the needs of its unemployed and for the communities will contribute to inflation. If GE does not in effect retract this statement and if it continues to refuse to negotiate on the questions of Employment Security, we can only conclude that the Corporation officials who signed the 1955 agreement which provided for full and complete negotiations, did so with the deliberate intent to deceive its employees and the public.

We call upon the entire GE membership, those represented by other AFL-CIO unions and those represented by no unions, to close

## Legislative Report

By Bill Stewart

The Legislature at Albany convened on January 9th, and adjourned on March 25th, and, through the efforts of Labor, was able to get an increase in the Unemployment Insurance Law, increasing the Unemployment Insurance from \$36 to \$45 per week at the maximum, or 50% of weekly pay up to and including \$90 per week, and above \$90 per week—\$45. However, there are still gimmicks in the bill, such as the posting of \$10.00 for a protest and the posting of \$25.00 for an appeal. Under the old law, a company would have to post \$10.00 for every protest and \$25.00 for every appeal. The new law calls for posting \$10.00 for any number of cases and one \$25.00 for all appeals, but,

fall who are somewhat in favor of the labor people.

I attended the Education Legislative Session held in Washington, April 20-24, and certainly learned plenty about legislation and what is going on in Washington and how the Federal Government operates.

There are two committees that bills are referred to, which are known as the Labor Committee and Rules Committee, with Graham Barden of North Carolina as Chairman of the Labor Committee and Smith of Virginia as Chairman of the Rules Committee. These people are placed in the chairmanship according to their seniority and are not removed when there is change of administration. These two chairmen are all out against Labor and they have quite a power over the committees, so it is very hard to get bills out of committee unless the people of the United States put plenty of pressure on the members and legislators to have these bills brought to the floor for a vote.

In the House there is a limited debate, but in the Senate if some of these Senators do not like a bill, they can debate for weeks; they can talk about anything in order to keep the floor and do most anything to stall so the bill will not pass.

At the present time there are several bills that would be of some aid to the unemployment; there is the extension of Unemployment Insurance and Income Tax reduction in the middle bracket and Federal aid to school construction. These would help the unemployment situation quite a lot, but since August of 1957, all that has been done is just a lot of talk and no action—this is why the American labor people should put the pressure upon their Congressmen and Senators by writing them and asking them to do something about the unemployment situation instead of just talking about it. They should also ask them to vote for the Forand Bill which will increase Social Security (Bill #H.R.9467). Please write your legislators in your own words and I will assure you it will be recognized, and remember—"Action speaks louder than words".

There are numerous other legislative matters which I will take up in a later issue of the paper.

### NOTICE COMBINED Membership & Stewards Meeting

MONDAY, MAY 19, 1958

2nd shift—1:00 p.m.

1st & 3rd—7:30 p.m.

shifts \* \* \* \*

UNION AUDITORIUM  
121 Erie Blvd.

#### AGENDA

Election of Delegates to Schenectady Area Industrial Council.

Report of Committees  
Regular Order of Business

ranks in the face of this callous arrogant attitude on the part of the Corporation. We call upon the people of good will in the communities to support our struggle because their own welfare is at stake.

We should organize an intensive educational program in every local and in every community; we should prepare convincing facts and arguments for the coming negotiations; we should organize and mobilize our strength and support, so that on October 1 we will have an Employment Security agreement that will be fair to the employees, the communities and the Corporation. Because our future is at stake, and because our case is just, we will use all of our strength and resources to assure the success of these efforts.

nevertheless, Labor has gained a little recognition; so there is still plenty of work to be done in the State in electing legislators this

### IUE-CIO LOCAL 301 NEWS

OFFICIAL ORGAN OF LOCAL 301,  
REPRESENTING SCHENECTADY  
GE WORKERS

Volume 2

Published by the Editorial Committee

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121 ERIE BLVD. SCHENECTADY, N. Y.

# LOCAL 301 NEWS

IUE

AFL-CIO

Vol. 4 — No. 32

The Voice of GE Workers, Local 301, Schenectady, N. Y.

May 29, 1958

## Educational Conference Facing Today and Tomorrow

Throughout industrial America, in fact throughout the free world, there is a serious problem facing the working people. That problem is:—How to achieve economic security without surrendering liberties which have become important in our way of life.

In the electrical industry, our union—the IUE is tackling this problem with all the resources at its command. It recognizes that no single leader or any group of leaders can come up with ready made answers. The problems of our times can only be solved by the co-operative efforts of all the people of our times. Devoted and skillful leaders are needed. Only with the full support of the people they lead and with a thorough understanding of the problems with which they are faced can they offer both leadership and solutions.

The IUE proposes to tackle these questions at a very important conference to be held at the Local 301 Union Hall the first week in June. It will conduct a four day leadership conference in which the following important questions will be discussed:—

Monday, June 2nd—the question of UNEMPLOYMENT, RECESSION AND FUTURE PROSPECTS. At this session, we will deal with G.E.'s contention that labor is mainly responsible for the recession as per Sorinson of the GE Personnel relations staff. It will also show how in Lynn, Mass. the electrical workers are beginning to sink their teeth into the heart of the problem through the Lynn city council.

Tuesday, June 3rd—the main topics will be WAGES, PRICES, and PROFITS. An examination will be made of GE's operation Upturn which promises to lay off or downgrade at least 2000 workers before the end of the year.

Wednesday, June 4th—the question of the UNEMPLOYED—which is probably the most important question of all. With the present trend at the Schenectady works, no one can feel secure regardless of service or skill. Steam Turbine which has been absorbing a large part of the layoffs from other sections of the plant now shows a serious weakness. A perspective of 29 turbines in 1960 as compared with 49 for this year, and a normal figure of 65 would indicate a reduction of forces. With the intensive farming out of jobs from the turbine division that is now going on, the reduction will be probably much more than 50% in the next year or two. Steam Turbine workers will find this session of especial importance.

Thursday, June 5th—the question of TRADE UNION DEMOCRACY, THE PROPOSED "LABOR RACKETEERING" BILLS in Congress, the McClellan senate hearings and what they mean, the relations of the shopworkers and their unions to the rest of the community,—will be the main points of discussion.

The sessions will be open to every member of the Local, and to other interested persons. The aim is to develop leadership in order to face the tasks ahead of us. The people conducting these sessions are all experienced trade unionists. Ben Segal, IUE Education director from Washington, D. C. will head the list of instructors. Also, other experienced people—in the problems of public life, will take part in these conferences. However, the main contributions must come from Stewards, Board Members, and active union members who must face every day the problems which today's situation creates.

Sessions will be held from 12:30 to 2:30 P.M. for the second shift, and from 7:30 to 9:30 P.M. for the first shift.

It will be necessary to register on Monday, June 2nd. The Second shift can register from 12:00 to 12:30 on Monday. The first shift can register from 7:00 to 7:30.

EDITOR'S NOTE: This is the 2nd of a series of 3 Articles in answer to GE's propaganda that the I.U.E. contract providing small annual wage increases is inflationary.

## Who Is Causing Inflation?

GE focussed attention on the present contract as being "inflationary".

GE raised its prices from 1956-1957 by 6½%. Did labor costs cause this?

Between 1956-1957 total labor costs (including all executives salaries, profit-sharing, bonuses, all increased costs for research and development, all additional non-production employees costs

INCREASED \$68.5 million

Profits before taxes, which mean profits on operations

INCREASED 86 million

Thus by the increased prices, GE not only covered the increased labor costs but made an additional \$86 million profit. Material costs were not responsible for price increases because they were actually lower per dollar of sales in 1957 than in 1956.

These profits are understated and the labor costs are overstated because of the \$250,000,000 a year that GE spends on research and development. An average manufacturing company (according to GE's financial report) would spend 2% of sales. GE spends 6% of sales. Since all these costs since the 1954 tax law change can be written off the year they are made, GE charges off \$160,000,000 a year in additional R&D.

A large part of this research and development is for salaries of scientists, technicians, engineers and their staffs. Thus it shows up in an inflated labor cost that has nothing to do with the IUE contract.

The profits also hide additional millions of extra depreciation and sums charged off in the new inventory accounting methods. Cost of sales are calculated on the basis of the last and most expensive labor and materials used instead of the actual cost of labor and materials.

In 1956 GE earned after taxes 18.5% on the stockholders' investment. This is nearly twice the average earned by manufacturing industries.

In 1957 it increased its earnings to 20% on the stockholders' investment.

On page 14 of the 1957 financial report, the company admitted these increased profits were due to the "higher level of prices for the company's products in 1957". Actually they were 6½% higher.

Even in the first quarter of 1958, with 25,000 GE employees jobless and employment in the industry at the lowest levels since 1950, GE earned the equivalent after taxes of 16% on the stockholders' investment.

Executive Board  
Meeting  
Monday, June 9, 1958  
7:30 p.m.



The importance of this conference cannot be too strongly emphasized. It can be considered the opening gun in the fight back, by the people of Schenectady, against the bleak future which faces them. This conference is a must,—to these people who want to do more than wait for the axe to fall upon them. It can prepare them to lead, or at least to participate actively in the actions necessary today, and will be necessary tomorrow to protect unions from the onslaught of the profiteering corporations and their politicians.

EDITOR'S NOTE: We are rerunning the following Article which originally appeared in the August 24th, 1956, copy of our paper, because we feel it is important for every Union member to review the facts set forth in this article in the face of the ever-increasing lack of work in the Schenectady plant.

# Lost Jobs — Profit or Stoppages

The real reason why work has been transferred from Schenectady. The cause has not been work stoppages.

The following is taken directly from the minutes of a Company meeting held in Schenectady on April 21, 22 and 23, 1954.

The statements according to the record of the proceedings of this Manufacturing Time Standards Conference were made by Mr. A. F. Vinson, Vice-President of Manufacturing.

"The actual volume has been \$1.6 billion in 1947, \$2.2 billion in 1950, \$2.7 billion in 1952 and \$3.1 billion in 1953. You will note that a straight projection of this 7-year history would give us \$5.4 billion in 1963 — a VERY SIZEABLE TASK. But we had a 'slow start' on 1947 to 1949; coming out of the war with inadequate facilities to meet demand—and you will recall the long strike of 1946.

Our Company task, therefore, is to double its output during the decade ahead. Our manufacturing task is to provide this double capacity to produce future Engineering designs so efficiently that our Marketing men can get the orders to get ahead and stay ahead of the 900 competitors of General Electric and to obtain our fair share of the predicted industry growth.

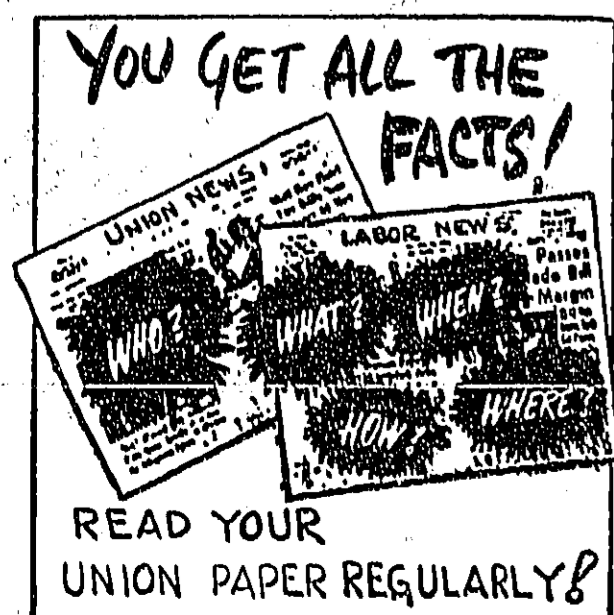
The 89 G.E. Operating Departments have accepted this task—it is a reflection of their individual hopes and plans.

## Resolution on Unemployment Insurance

WHEREAS, the plight of our unemployed has reached such proportions that the very stability of our community is threatened and while the number of unemployed exhausting their benefits is mounting each month and many more workers will be unemployed in the next few months, the House of Representatives has passed a wholly inadequate measure to cope with this most serious situation.

WHEREAS, the Senate is now considering improvements in the unemployment insurance legislation which the House of Representatives has acted upon; Therefore be it

RESOLVED, That Local 301, IUE-AFL-CIO, of Schenectady, New York, requests that the United States Senate and particularly the Senators from the State of New York give their full support towards the enactment of urgently needed improvements in unemployment insurance legislation including raising the benefit amounts, extending the weekly duration and broadening coverage, both for the emergency and for the future, by the enactment of federal standards for State laws in that the purchasing power of our community be maintained, that recovery be encouraged and the plight of millions of wage and salary workers and their families be alleviated.



Acceptance of their program (even on a 5.4 billion basis, if you are a 'conservative') makes a major mechanization program and Work Simplification mandatory.

Perhaps you, too, have been misled by these figures on numbers of plants—perhaps you, too, thought G.E. was already decentralized. Yes, we have 132 plants in 201 cities in 25 states from Maine to California.

Over 87 per cent of our people work in plant cities where we employ 1,000 or more people per city.

About 60 per cent of our people are in plant cities where we employ 10,000 to 40,000 people.

Only 13 per cent of our people work in 67 per cent of our plant cities which have less than 1,000 employees. (Approximately 45 per cent of our plant cities meet the Lamp Division practice of keeping under 500 wherever possible).

As a matter of fact, 55 per cent of our people are in only 7 plant cities where we employ 10,000 to 40,000 people. (Schenectady, West Lynn, Evendale, Erie, Pittsfield, Syracuse, and Fort Wayne).

So far as decentralization of people, we have merely scratched the surface.

To complete the picture, 71 of our 'small plant' cities provide only 18 per cent of nearly 61,000,000 sq. ft. 82 per cent, or 49,000,000 sq. ft. is located in plant cities having over 400,000 sq. ft. each.

The recent trend is definitely toward smaller plant-smaller town operations.

Since 1947, our plant list has increased only 7, from 125 to 132, BUT we have actually added 28 plants and closed or integrated into other operations a total of 21 plants.

We have discontinued operations in 12 cities, only 3 of which have a population under 10,000 persons. (Benton, Ill., Millerton, N. Y., Saugerties, N. Y.—all leased).

We have started operations in 24 new cities and 11 of these have a population below 10,000. (Asheboro, Brockport, Circleville, Edmore, Hudson Falls, Limerick, Linton, Logan, Ludlow, Morrison, Springfield, N. J.) Of our 132 total plants, 29 are in 'small towns' of under 10,000 people.

So we may expect to hear more of G.E. plants like Edmore, Michigan; Limerick, Maine; Jonesboro, Arkansas; Linton, Indiana, and Waynesboro, Virginia—and let's leave Louisville, Ky. for the discussion period.

This is the setting for your Work Simplification in General Electric. A new, truly decentralized organization. Further physical decentralization of plant, with more 'small plant' atmosphere. A more rapid evolution of mechanization with more complete automation in some product lines. A trend to less plant expansion with more emphasis on better utilization of existing space. It is in this area that your efforts will write history for G.E.:

Will we follow habits of the past and just do more of our same old methods? OR

Will we pioneer in the rapid introduction of the many new methods and techniques waiting for our uses?"

## Some Plain Talk

by William Garrison

In probably what will go down in history as one of the worst attacks on the human rights of American working men and women to maintain a decent standard of living was made by a senior citizen of the United States before the American Management Association in New York City, on May 20, 1958.

In fact, after reading from the text of an article in the Union-Star on May 21, 1958, quoting D. L. Sorenson, the General Electric Union Relations expert from Bldg. 41, I am wondering who wrote the senior citizen's speech?

G.E., along with the rest of the A.M.A., takes no responsibility whatsoever for the conditions of the American economy today, and offer absolutely nothing in the way of their responsibilities to correct the economic downturn which has created a situation where millions of Americans are jobless and unable to give their families a decent standard of living, this lack of responsibility by G.E. is further evidenced in a speech by A. C. Stevens of Schenectady, G.E., which he gave before a Kiwanis group, condemning the working men and women of G.E. and the country, as solely responsible for the recession, and further stating it is their sole responsibility to get themselves out of it.

Prior to these two dynamic speeches, the president of G.E. came to Schenectady and offered "Operation Upturn" as a means to combat the recession. "Operation Upturn" offered nothing but a jumping off point for speeches like Sorenson's and Stevens'.

The pitch the A.M.A. and the G.E. experts are making is a time worn fallacy that the American working men and women are making more money than their productivity warrants and thus the poor manufacturer has to charge so much money for his goods that the consumer will not buy.

To correct this situation, G.E. and the other minority groups state that the working men and women of America will have to work harder and longer and provide a greater productivity with a smaller take home pay so that the corporations can provide better sale values for the customer.

It takes only a little common sense, and very little at that, to tell us that this evasive customer that G.E. and the A.M.A. are talking about, happens to be you and I and the other working men and women of this nation and whether you work in the steel industry, auto industry, rubber industry, electrical industry, glass industry, aluminum industry, farm equipment industry, ship building industry, clothing industry, dairy industry or the many other indus-

tries that make up this nation of ours, you and only you are the consumer. The consumer certainly is not some elusive phantom that is floating around in the fifth dimension that G.E. would have you believe.

When a locomotive, gas turbine, steam turbine, carload of steel, carload of coal, fleet of buses, automobile or anything else is sold, you, the working people of America make the sale possible through the ability of purchasing power to meet your needs. When your purchasing power, through equitable wages, cannot keep up with increased productivity and increased price gouges designed solely for the purpose of unrealistic profits, it does not create too much of a burden on the average mind to truthfully admit that a situation of this sort will in a short period of time create a recession and if allowed to continue, a major depression will soon rear its ugly head.

The reasoning of less pay and more productivity is ridiculous. There is proof enough of this, if we just stop to examine the plight of the farmers and the farm program supported by our Government today, wherein you and I, the taxpayers, are forced to support the purchase of surplus farm goods, because the productivity on the farm is too high, yet at the same time there are thousands of underfed and underprivileged families in our country today.

Another example of the confused reasoning of "the powers that be," was inaugurated some six months ago when the cry went up—"Don't buy now" or "Buy sparingly and carefully". This most brilliant idea was thought out with the aim, so they said, to combat inflation. Actually it was an admission that manufacturers will charge what the traffic will bear for their products and non-existent wage increases at that time had no bearing on the price gouging for greater profit by industry. Unfortunately, during this industry-created inflationary spiral, the recession was becoming pregnant and over-productivity and a lack of buying power entered the arena. Two months later, "the powers that be" reversed their field and came out screaming — "Buy Now!" Amidst all this confusion, I can only imagine that the six million unemployed Americans bowed their heads in prayer.

In a final analysis the working people of this nation, which consists of roughly 90% of the total population, and who is this customer that G.E. and the A.M.A. make such a to-do about, if they, including you and I, are able to maintain fair and equitable working conditions and realistic wages

## Important Employment Injury Rules Repeated

From time to time rules in connection with the safe protection of injured employees' rights have been published in this paper. A few of these are repeated here to prevent if possible the repetition of costly mistakes made by some injured workers.

Treatment Must be Authorized in Advance

Although it is commonly known by workers that no advance permission need be asked for by an injured worker for him to obtain medical treatment after an accident, this rule does not apply where the accident is more than seven years old. A worker must get "conditional" authorization in advance (except in emergencies) for treatment where the accident is more than seven years old. This permission is gotten from the Workmen's Compensation Board.

Notice of all injuries from an accident must be given

When a worker is injured, he must inform his foreman, or someone representing management, of every part of his injuries. One worker lost his right to benefits for an injury to his right hand because at the time of the accident, when both hands were caught between rollers, only the left hand seemed serious to him. Years later a serious condition developed in the right hand but the claim was disallowed because the injury to the right hand was not reported and no claim filed. This worker is now seeking the help of the union's lawyer.

Parking Lot Automobile Injuries Good for Compensation but Not Lawsuits

A worker injured on the Company's parking lot where the automobile which caused his injuries was driven by a fellow-employee now seeking the help of the union's lawyer should not waste any time but should file a claim for compensation benefits immediately. Some workers delay filing such a claim believing that they would be better off suing the driver of the automobile. The law prohibits such suits against fellow-employees and hence a worker should promptly file his claim for compensation benefits and not waste time with law suits in such instances.

In proportion to Company profits, we will avoid these periods of recessions and depressions which up to this date are with us periodically. It can and must be realized that cream to the minority and skimmed milk to the majority can only lead down the time worn paths of recession and depression.

Let us all try the realistic approach of providing the consumer with the necessary means to purchase what he produces, and then by next December 25th, we can all appreciate the meaning of the "Christmas Carol" by Charles Dickens.

## Local 301 Pensioners' News

The regular monthly meeting of Local 301 Pensioners was held on May 15th, in the Union Auditorium and was well attended.

Guest speaker at the meeting was John F. Kirvin, Democratic Supervisor of Rotterdam, who spoke at length on the urgent need for tax relief for Pensioners on Social Security, who own their own homes. In the discussion which followed, Mr. Kirvin was asked many questions by the Pensioners which he answered to the satisfaction of everyone. A rising vote of thanks was given to Mr. Kirvin by the 301 Pensioners for his interest in their problems.

Jack Suarez, President of District #3, gave an enlightening talk on Government Surplus Food, explaining how and where to apply for this food and also which Pensioners were entitled to apply for it. Local 301, IUE, are the pioneers in the State of New York in sponsoring the distribution of surplus food to Pensioners.

Bennie Geersen, President of Local 301, IUE, Retired Workers of America, read a communication received by Jack Lindsay, a Vice-President of the National Conference Board, R.W.A., telling of a speech made by John S. Murphy, President of the National Conference Board, in which he stated that a plan conceived by Coordinator James T. Leonard to organize all pensioners groups throughout the country into one confederation has progressed to the point where a meeting will be called in the very near future.

The officers of the Retired Workers of America are very pleased to report that the Forand Bill which calls for a 10% increase on Social Security, free hospitalization, surgical and medical care, is the only bill of the many which were presented that has cleared committee and should come up for action soon.

The next meeting of the Pensioners Club will be held on June 19th, 1958. All Pensioners are urged to attend.

**LOCAL 301 PARTY NITES EVERY TUESDAY 7:00 p.m. UNION AUDITORIUM**