

Answer to Stevens —

Editor's Note: The following is an answer to Mr. Stevens' letter of August 5th, 1958 in which he tells the Union how it should run its affairs.

August 7, 1958

Mr. A. C. Stevens, Manager
Schenectady Relations & Utilities
General Electric Company
Schenectady, New York

Dear Mr. Stevens:

Your letter to me suggesting how our Union members and their elected representatives should conduct themselves in determining their responsibilities under the National Contract and our Constitution and By-Laws, was received, without surprise, and it served its purpose apparently as just another of the many publications issued by the Community Relations Department of General Electric, to cover-up the company's decentralization program, that caused jobs to be transferred from Schenectady and other G.E. locations, which has contributed largely to the present unemployment situation in Schenectady. Moreover, your challenged interest in preventing a strike in October, is not borne out in your publications or your letters because you have not indicated that the job security issue has any merit in the coming negotiations.

Your charges of Union leadership predicting a strike is unfounded in light of the numerous proposals that have been made by the Union which were designed solely to prevent a strike in October.

Just to refresh the record on proposals made by the Union, recognizing that negotiations would not be an easy task this year, and to explore the possibilities of working out a sensible and reasonable means to approach these negotiations and to provide a harmonious solution, the Union proposed:

1. To start negotiations early, long before the 30-day contract requirement, in order that ample time would be allowed without the pressures of a deadline.
2. To have an impartial fact-finding committee get up facts with regard to employment security for presentation to the negotiations.
3. To make an effort to reach an agreement with regards to the questions which are proper subjects for negotiations this year.

All of our proposals are designed to produce harmonious negotiations; they were not only rejected by the company in a sarcastic manner, but were violently opposed by company officials.

For example, in reference to the early starting date, the company said "30 days was time enough for anything they had to talk about".

In reference to an impartial fact finding committee, the company said they did not need facts; they claimed that "outsiders would be no more help to us than John Alden was in trying to get Priscilla to love Miles Standish". Whole this may be amusing to some G.E. executives in the New York City Lexington Tower of G.E., it was not a bit funny to the laid off workers and those who were downgraded with wage cuts, in communities such as Schenectady, Pittsfield, Lynn, Bloomfield, Port Wayne and other G.E. locations.

I think it is high time, Mr. Stevens, and I am sure the General Electric workers and the people who depend on the purchasing power of General Electric pay envelopes will agree, that the Company and the Union must face up to the fact that there is a serious unemployment problem in many communities where General Electric is located. The New York State Labor Department has confirmed this fact about Schenectady.

Therefore, there should be justifiable reasons why the negotiations on the question of protecting jobs in our community should be carried on in good faith with both sides working towards a satisfactory settlement of the issues which will not only be beneficial to us, but also to the community.

Your recent publications and letters proposing how strike votes should be taken within the Union are not only acts of interference with the Union's internal procedures, but certainly fall short of a constructive proposal of how we may settle our difference and avoid a strike.

As a matter of fact, in comparing the internal procedures of our Union on election of officers and how the monies will be spent with the procedures on the same questions affecting the company, I may ask you how you justify the small percentage of stockholders who have attended the meetings held in Schenectady and who vote the election of President and other officials and approve generous bonus plans for the same executives. Referendum by secret ballot I suppose in this instance would not be considered by General Electric as being practical or necessary. Much more can be said in relation to the company's program which affects jobs and earnings that would be impossible in exchange of letters.

Who Is Causing Inflation?

Let's look at what happened in the period through 1957.

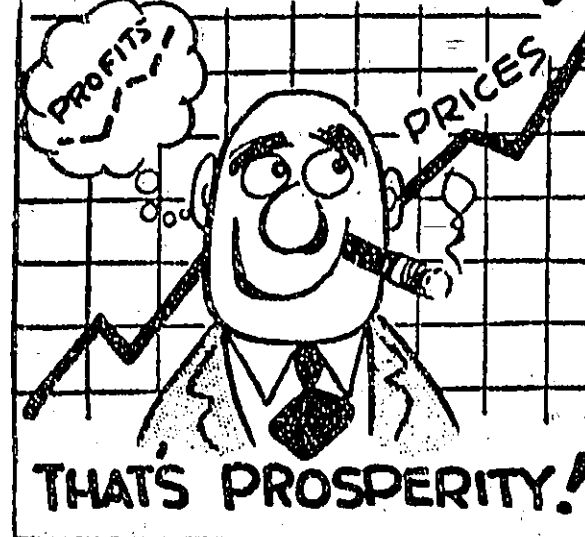
Joe Worker	James Investor
If he worked every hour in the years 1950-57, or 16,640 hours, he earned in wages \$30,962	In the eight years he received in dividends \$28,480
	With the 3-for-1 split in 1954 he now has 2445 shares. At the present market value of about \$58 a share, it is worth \$142,810
	The total value is therefore \$171,650
If he worked only 16,000 hours (considering illness, layoffs, etc.) he earned \$29,972	The cost of share was 30,970
	The net gain would be \$140,680

Mr. Investor's gain of \$140,000 amounted to \$8.70 for every hour that Joe worked!

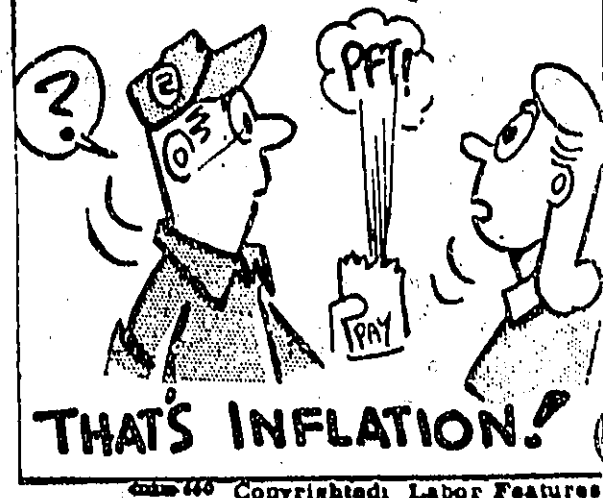
Who contributed to inflation. Joe Worker who turned out over \$100,000 worth of goods working over 16,000 hours in these 8 years and got between \$29,000-\$30,000 in wages, or Mr. Investor who did no work and benefitted by \$140,000?

DOUBLE STANDARD

WHEN THE COMPANY RAISES THEIR PRICES TO MAKE MORE PROFIT!



BUT WHEN THE UNION WANTS TO RAISE WAGES SO THAT WORKERS CAN PAY THE HIGHER PRICES



NOTICE MEMBERSHIP MEETING

Monday, Sept. 15, 1958

2nd Shift—1:00 p.m.
1st and 3rd Shifts—7:30 p.m.

Union Auditorium
121 Erie Blvd.

AGENDA

Reports of Committees
Regular Order of Business
Report on Negotiations

Get the FACTS! READ Your UNION NEWSPAPER

NOTICE REGULAR Executive Board Meeting

Monday, Sept. 8, 1958

7:30 P.M.
UNION AUDITORIUM
121 Erie Blvd.

Insofar as the Union is concerned, it is our sincere hope that the issues affecting Employment Security shall be resolved, mutually satisfactory during the course of the negotiations this year—without a strike.

In any event, if there is a strike, our members will determine so, in accordance with the procedures and constitutional rules that govern our Union.

Very truly yours,

JOHN H. SHAMBO
Acting Business Agent
Local 301, IUE-AFL-CIO

JHS/ejb

LOCAL 301 NEWS

IUE AFL-CIO

Vol. 4 — No. 37

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

September 12, 1958

Jandreau Reports On Negotiations

Reporting to the Membership on National Negotiations affecting Employment Security, at four Plant Gate meetings covering the First and Second Shifts, Leo Jandreau, Local 301 Business Agent said: "The General Electric Company is not bargaining in good faith with the Union on the issues of Employment Security". The Business Agent went on to say that a Contract between the General Electric Company and the IUE-AFL-CIO was signed on August 15, 1955, for a five year period.

The Union, during the negotiations in 1955, tried to persuade the GE Company to include in the Contract some specific provisions that would provide for job security for GE employees. The Company's refusal to include job security arrangements in the Contract in 1955 was tempered by the fact that they, the Company, claimed that business in the Electrical Industry was on the rise and demand for electrical products would be doubled by 1961, and therefore employment security was not particularly important.

The Union, on the other hand, pointed out that all the improvements that were negotiated in the 1955 Agreement would not mean much to those who were laid off. We also reminded the Company that other major companies had already provided in their contracts, measures of Employment Security to protect their employees. The Union finally compromised on this question, by agreeing to a provision that after three years there would be formal negotiations between the Company and the Union, to consider the employment status of GE, and negotiate proposals that would be related to employment problems.

Therefore, Article 28, Employment Security, was agreed upon and made a part of our Contract. This article says very clearly that notwithstanding any other Provision of this Contract, upon request of either party to the Agreement, "Collective Bargaining negotiations shall commence between the Parties on Sept. 1, 1958, for the purpose of considering proposals for contracting with regard to any question directly relating to employment security which may be submitted by either the Union or the Company."

"If no Agreement is reached thereon by October 1, 1958, the

VOTE SET

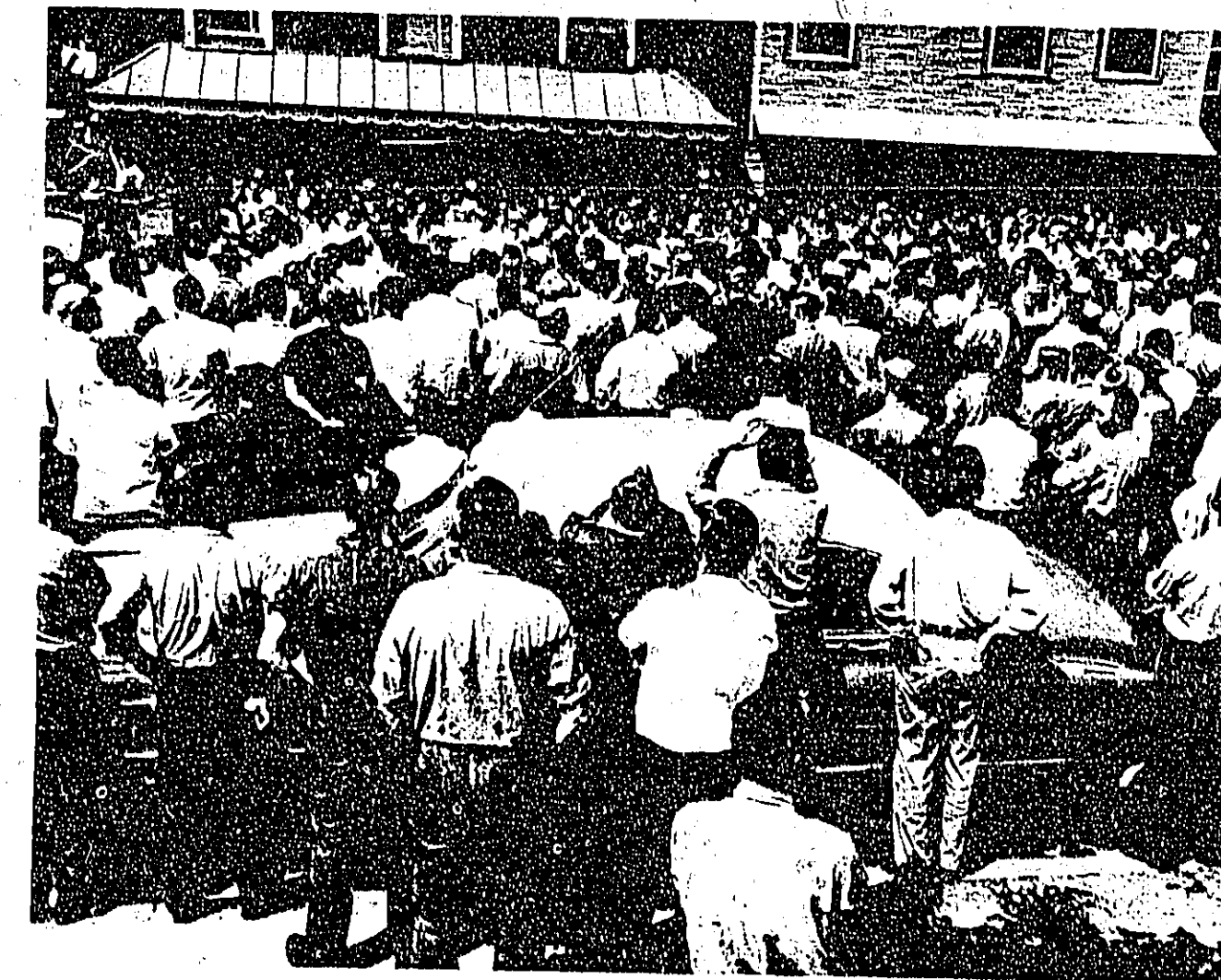
The members of Local 301 will vote on the ISSUE OF A STRIKE on Sept. 17th and 18th. There will be 30 consecutive hours of voting from 12 noon on Wednesday until 6 p.m., Thursday. Every member will be afforded an opportunity to vote by secret ballot. We are also asking members of the clergy to observe the election.

Union and its Locals shall have the right to strike over such proposals."

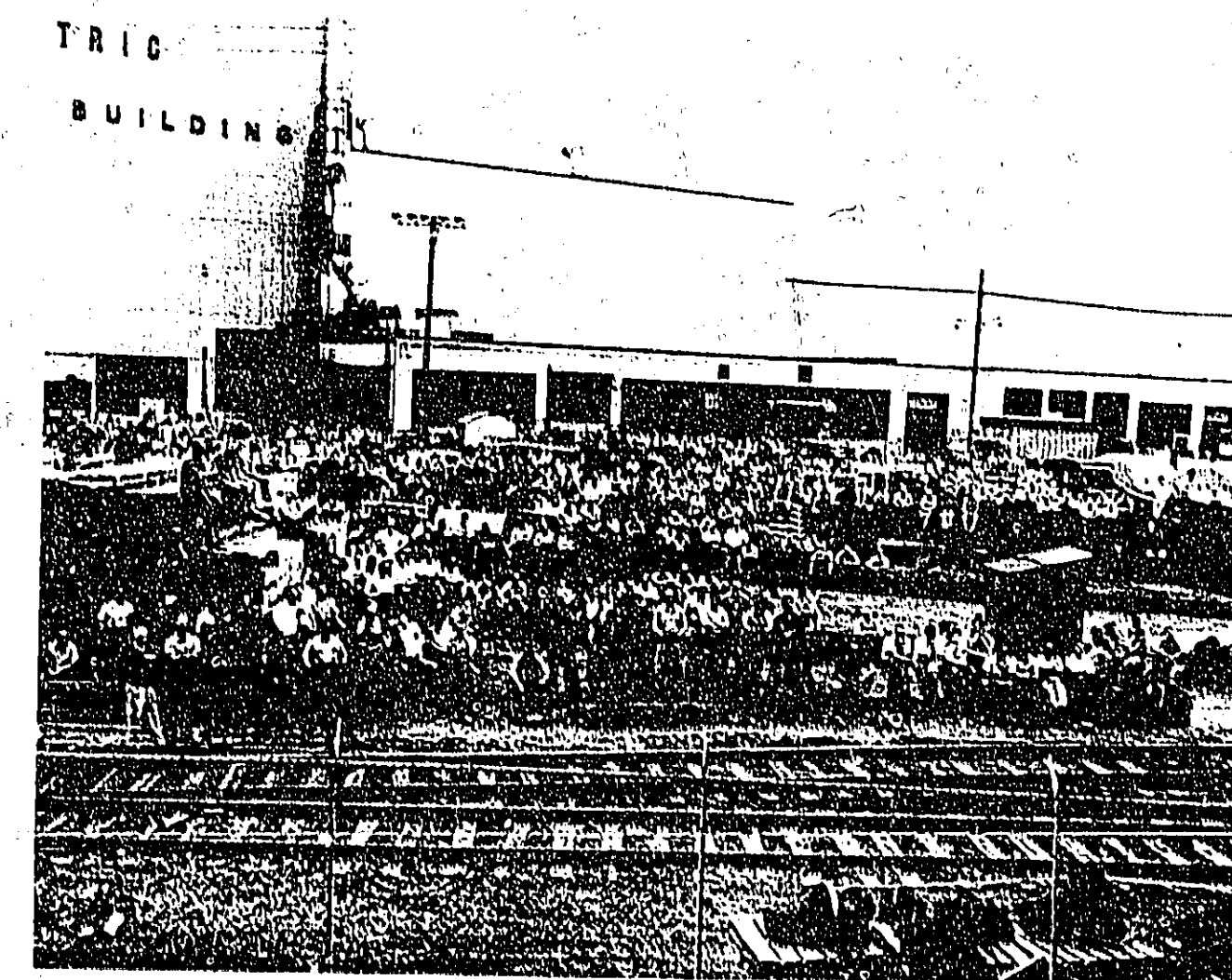
The GE Company agreed to this provision and the Union expected the Company to live up to their responsibilities and abide by the Contract. Certainly the unemployment situation throughout the GE chain more than justifies the need for something to be done, in order to alleviate the present critical lack of work that prevails.

In our Schenectady plant nearly 20,000 Hourly rated people were employed in August of 1954. Today, approximately 12,000 remain at work. These figures of 8,000 laid off, do not represent the total displacement in the Schenectady Plant because the Salaried employees have also been hard hit. The General Electric Works News published the following employment statistics recently—41,000 employed several years ago, with a current employment of 27,000 as of July 1958. Those figures are a confirmation by the Local Management that 14,000 workers, NEARLY ONE THIRD of the 1953-1954 number of GE employees, have been laid off, and lost their jobs.

In addition to this hardship, caused by serious lay offs, many thousands of GE workers that are still fortunate enough to be working, have been downgraded to lower rated jobs, due to lack of work, (Continued on Page 3)



Jandreau addressing employees at Subway entrance on Friday, September 5, 1958



Jandreau speaks to Turbine employees on Job Security Tuesday, September 9, 1958

EMPLOYMENT SECURITY?

A News release by a Company spokesman stated that at least 90% of the G.E. employees wanted to participate or adopt the Savings and Security Program which was proposed by the General Electric Company on August 27th, 1958 to the Union (IUE-CIO).

We, as the Union, feel that the people should have an opportunity to know and study some of the contents of the proposal. We feel that some of the answers can be honestly given by asking:

Q: What proposals are to be considered in National Negotiations at this time under the present Agreement?

A: Negotiations, as our contract clearly states, are to be concerned with "considering proposals for contracting with regard to any questions directly relating to employment security".

Q: Does the Savings and Security Program concern Employment Security, if not why?

A: The program, presented by the Company, is not directly concerned with employment security and is not within the scope of subjects we have committed ourselves to negotiate.

The major problems faced by G.E. employees are those of employment and income security. These problems are shared with the communities that are suffering heavily from very sharp reduction in jobs in General Electric plants.

The G.E. proposal fails to benefit the employees with any cash benefits, not only does it fail completely to deal with the problems of employment security, but it also is harmful to the communities in which the Company's plants are located. The harm will result from the fallacious economic theory on which the plan is based.

Q: What is a better solution for Unemployment and Job Security which we are now facing?

A: The Union has submitted to the Company an eight-point program for employment security. We have shown, in some detail, that unemployment among G.E. employees is twice as serious as that among electrical workers generally. In order to meet this situation we have proposed:

- (1) A guaranteed annual wage;
- (2) Dismissal and severance pay;
- (3) Protection of the seniority of employees whose work has been transferred to other plants;
- (4) Provisions regulating farming out of work;
- (5) Establishment of joint automation committees to discuss the problems and to make recommendations arising out of automation;
- (6) Improved scheduling of work;
- (7) Elimination of area and sex wage differentials for employees doing the same type of work;
- (8) Reduction of hours of work.

We have shown why this eight-point program is necessary and we have shown that General Electric Company can easily finance the program we have laid before it.

Q: What would happen to the benefits which we now have under the National Agreement?

A: The G.E. savings program proposes, in substance, to do the following:

- (1) Reduce the 3.48% wage increase due on September 15, 1958 to 2½% and delay the payment of that increase to January 1, 1959;
- (2) Reduce the 3.46% wage increase due September 15, 1959 to 2½%, and delay the payment of that increase to January 1, 1960;
- (3) Delay the assumption of the 1% contribution employees now pay into the pension fund from October 1, 1958 to January 1, 1959;
- (4) Discontinue the present Savings Plan under which the Company contributes 15% to the savings of employees for the purchase of bonds.
- (5) Extend the present contract, which expires on October 1, 1960, to December 31, 1960.

Q: What would the company expect in return for these changes?

A: In return for the substantial reductions in wages GE is now contractually committed to pay, it would agree to permit employees to make payments into the savings program up to 6% of their wages, with the Company "contributing" an amount equal to one-half of the employees' contributions. These sums would be used to purchase bonds and/or General Electric stock.

Q: How could an employee receive the Company's "contribution" under the Program?

A: The employees would receive the Company's "contribution" only if their savings were left in for three years, and on the occurrence

NOTICE

COMBINED Membership & Stewards Meeting

Monday, Sept. 15, 1958

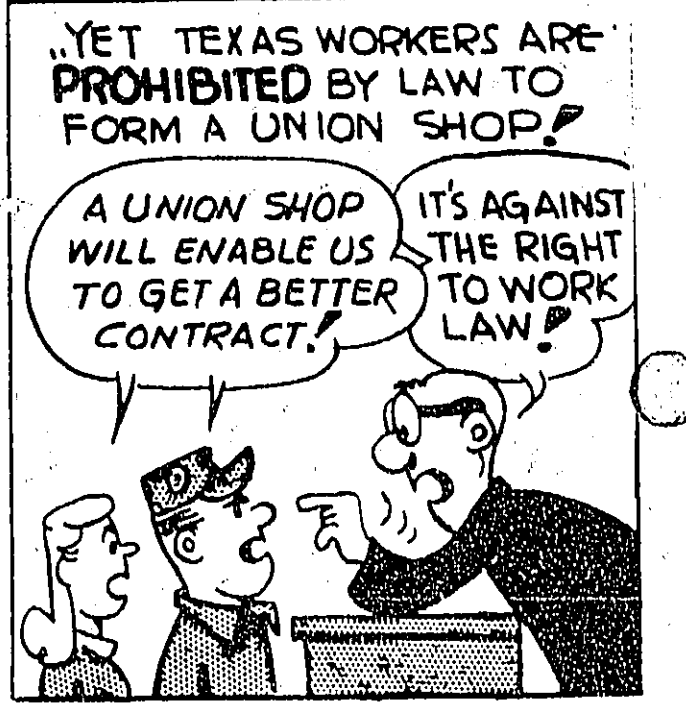
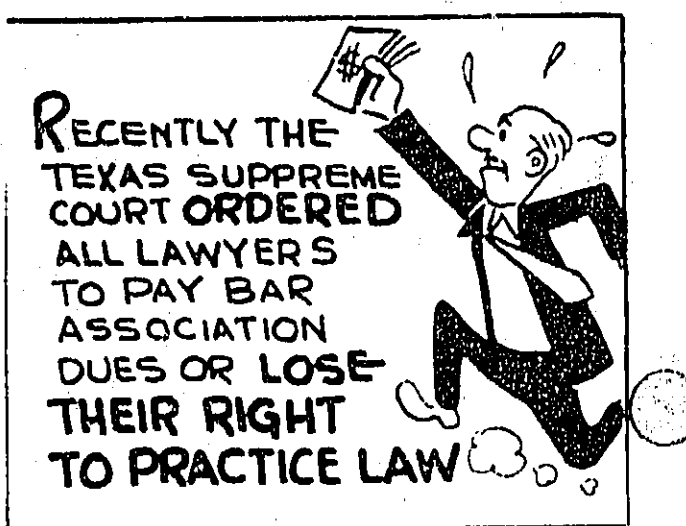
1st and 3rd Shifts—7:30 p.m.
2nd Shift—12:00 Noon

Union Auditorium
121 Erie Blvd.

AGENDA

Report on Negotiations
Reports of Committees
Regular Order of Business

DOUBLE STANDARDS



of other specified events such as retirement, death, disability, or layoff. However, in case of layoff, an employee would have to be laid off six months or more in order to receive the Company's "contribution".

Q: Could the employee actually lose any money under the Program?

A: One of the extraordinary aspects of the Company's proposal is that even those employees would commit themselves to pay 6% of their wages, and thus be entitled to a 3% contribution by the Company, would lose money. They would receive less under this proposal than the Company is now contractually committed to pay. According to our preliminary calculations, an employee earning \$5,000 per year would suffer a net loss of at least \$60 in the next two years. An employee earning \$6,000 per year would lose \$72. Thus the higher the anticipated earnings, under the present contract provisions, the greater would be the employee's loss.

An employee who does not wish, or cannot afford, to join this program would suffer a substantial reduction in wages and other benefits, which the Company is now contractually committed to pay, running into hundreds of dollars in the next two years. An employee who would not participate to the maximum investment of 6% of his wages would also suffer a loss, increasing in proportion to his earnings.

Q: How would the Program be financed?

A: This entire program is financed out of the employee's own wages, but there is a substantial probability that the Company will save a considerable amount of money.

Q: Does the Program coincide with the Economy of the Nation and "Operation Upturn"?

A: The recession which this country has suffered during the past two years, and from which it may not emerge for another year, is due in large part to lack of consuming power among the workers. The Company itself emphasizes that there is nothing wrong with our economy that more sales will not cure. A substantial part of the Company's total product is in finished electrical appliances to consumers typified by G.E. employees. If they do not now have enough free cash to buy the appliances G.E. produces, they will have even less if the proposed forced savings plan goes into effect. In other words, G.E. should be encouraging spending of money to satisfy the needs of its workers, not savings for investment and expansion of capital equipment and facilities.

After looking at the proposal from the point of view of the individual GE workers or from the point of view of the community and the economy as a whole, the Company's proposed forced savings plan would be detrimental to all concerned.

Employees should not be misled by the presentation of such a Program until you know the full details. We feel neither the Company, nor your Local Officers have all the answers, but we will continue to give you true information through Publicity.

We, as a Union, are willing to consider any Program that means "Employment Security" but we are sure that the proposed Savings and Security Program is not the answer to our demands which was presented to the Company by your Union.

Leo Jandreau Reports on Negotiations Steelworkers Indorse IUE Program

(Continued from Page 1)

and have suffered a loss in their wages. A Company official gave testimony to this effect when he claimed, that during the year of 1957 alone, approximately 7,000 GE workers had been transferred from one job to another.

The lack of work in Schenectady is not entirely the result of the general economic recession we are presently experiencing. The initial cause was the premeditated plan of GE to decentralize its larger plants, by transferring departments to other states and communities.

There are many GE employees today who are being deprived of utilizing their highest skills and qualifications, by being forced to work on lower rated jobs. Tool-makers, who are among the highest skilled people in our plant, need 17 years of service to remain in their occupation. Women employees in the Hourly rated Unit also need 17 years of service to remain on a factory production job. The Schenectady plant employed approximately 3000 women several years ago. Today, there are about 700 left. In fact, employees with 7 years of service are being told there is no job for them, and they are laid off. These employment facts about Schenectady are similar to those in other large GE plants.

The average hours for GE employees in the Hourly Rated Group, as reported by the Schenectady GE management for Sept. 1958, was 39.5 hours. This is less than a 40 hour week. Based on our present factory employment, 7000 man hours per week are lost due to lack of work, among the 14,000 who are lucky enough to still hold jobs. While these facts on Employment Security stare us in the face, GE still pursues a policy of Decentralization of jobs, and farming out work to outside vendors.

"If General Electric had any intention of trying to alleviate the present situation, even in a modest way, they certainly would agree to discontinue transferring of jobs to other communities and agree that no manufacturing, maintenance, or service operations shall be given to outside companies, so long as qualified employees and the necessary equipment are available in the GE Plants, to perform these operations," said Jandreau. "At the very least this moratorium could be effective for the remainder of our contract (2 years), or until those employees who have been laid off shall have been reemployed." "This action by General Electric could very well lead to an area of agreement in negotiations, which would prevent labor trouble," stated Jandreau.

"We have eight points which the Union submitted to the Company,

subject to negotiations that were designed to provide some modest job security for GE workers. The GE officials in New York have announced that they "unequivocally rejected" the 8 point program of the Union, and said they are prepared to sit out a strike. This action was taken by the GE officials at the end of the first week of formal negotiations. This hasty and premature announcement by the Company does not indicate that they are seriously considering the Union's proposals, or any other proposals that would provide more jobs or make more jobs more secure. There are exactly three more weeks of negotiations provided for in our contract. GE has indicated, by this announcement that these three weeks are useless insofar as trying to work out an honorable and justifiable settlement of the problems. They said at this early date, Sept. 5, 1958, our answer is "No", and we are "prepared for a strike".

Jandreau reviewed the 8 Point Program at the gate meetings pointing out the justification and the need for each provision of the program, to protect their jobs, and to provide protection for their families.

(Copy of program as presented to the Company is carried in this issue).

The Company offered a Savings Plan as a substitute for Job Security. The Company's Proposal was predicated on having a job, and if you have a job, you may be able to save money.

The Union's program was based on the principal of trying to save jobs so there would be some possibility of saving money by continuing to work. The Union's program also provided that if you were laid off you would have an additional income to supplement your Unemployment Insurance temporarily until you found another job.

The General Electric's Proposal constituted a forced Savings Plan that was to be financed by the General Electric Employees, and would cost the General Electric Company practically nothing.

The Business Agent went into some detail on the Forced Savings plan proposal.

(Copy of Union's position and why it was rejected is carried in other columns of this paper.)

Jandreau assured the members that Local 301 in accordance with its policy and past practices, each member will have the opportunity to vote on whether they are in favor of a Strike.

He also pointed out that the method of voting would not be outlined to us by Mr. Stevens, a General Electric Representative, or his

The IUE program for employment security for GE Schenectady workers has been indorsed by Local 2054 of the United Steelworkers.

The local's membership has voted indorsement of the IUE program unanimously.

The GE propaganda may be fooling some business men and some other members of the community, but the Steelworkers, as union men, are wise to the propaganda.

Here's the way they feel about it, as told by David M. Danzig, president of the Steelworkers Local, in a letter to Harry Williams, president of IUE Local 301. Quote: "The IUE program will be of great benefit not only to the membership of Local 301 but to our community as well.

"The small businessman and merchants have a substantial stake in the outcome of the negotiations.

"Our community will not be brain-washed and fooled by the slick propaganda campaign of GE and its spokesmen in the Chamber of Commerce.

"The Steelworkers' membership, as a segment of our community, views with concern the high-powered publicity onslaught by which GE is attempting to distract from the real issue of employment security and its lasting benefits to our community.

"Rest assured that the Steelworkers understand the issues and can be depended upon to support Local 301 in its present fight on behalf of our community."

That's how union men feel about the IUE battle to keep jobs in Schenectady.

**It Pays To Be A
Union Member**

associate Mr. Hershkowitz, President of the Chamber of Commerce.

If these two men would spend as much effort in trying to persuade the top officials of G.E. to keep work in Schenectady, as they do in trying to interfere with internal Union affairs they would be making a valuable contribution to the Citizens of our Community.

The Business Agent urged each and every member to give the IUE Conference Board's recommendation serious consideration, and go to the polls with a clear mind and determination, and cast a vote, which will notify the General Electric Company, that the time is here to BARGAIN IN GOOD FAITH.

You May Be Next To Go

Yes, you, the man who thinks he's safe because he's been in the plant since 1940, or 1941, or 1942.

The people hired in 1951 and after are the ones going now. The 1940-1-2 people are next.

In 1953 there were 41,000 jobs.

Today there are 27,000 jobs.

Layoffs are 40 to 60 a week.

GE's own figure for August layoffs was more than 300.

Whole divisions have been moved out.

NOT A SINGLE NEW DIVISION HAS MOVED IN.

WILL THE LARGE MOTOR AND GENERATOR BE NEXT TO GO?

and

HOW ABOUT TURBINES?

Yes, the 1940-42 people will be the next to go, UNLESS . . .

UNLESS WE WIN OUR EMPLOYMENT SECURITY PROGRAM

THE IUE 8-POINT PROGRAM MEANS

Eight ways of keeping GE Jobs in Schenectady.

SUPPORT THE IUE EMPLOYMENT SECURITY PROGRAM.

It's the ONLY WAY to SAVE YOUR JOB.

SPEND, Says G.E. SAVE, Says G.E.

GE talks out of both sides of its mouth.

Its "Operation Upturn" urges us all to spend.

Its "Savings-Security" Plan tells us all to save.

If you spend, you can't save. If you save, you can't spend.

But GE says — You can do both at the same time.

That's the kind of propaganda GE puts out. That's the kind of stuff it expects you to swallow.

How can anybody believe anything GE says, when it's the kind of outfit that can urge us at one and the same time to spend and to save.

It's a wonderful trick if you can do it.

Have you got any money to spend after meeting expenses?

Have you got anything left to save after meeting expenses?

We want Employment Security — not fancy and phony Get-Rich-Quick schemes.

Support the IUE Employment Security Program

for

Eight Ways to Keep Jobs in Schenectady