

GE'S DOUBLE STANDARD: RUNAWAY SHOPS - HIGH PROFITS

An example of General Electric's double standard is their callous attitude toward the unemployed workers who are currently on the street because of General Electric's program of runaway shops for higher profits.

The representatives of GE when they wish to break written agreements use phrases like "not pertinent to this case at this time", and "doesn't make sense in terms of current operating conditions". When Union representatives tell the Company that they have caused the "times" and the "operating conditions", the Company representatives accuse the Union of being unreasonable.

But let's look at what happens to an employee who breaks one of the company's "rules". An employee who was laid off in Dec. of 1958, had been meeting the payments for his life insurance and hospitalization for his family on time. As being on unemployment insurance is not living but just existing, it is a struggle to meet these payments, but he did, until May of 1959. For the month of May, his payment was 9 days late -- this infraction of one of GE's "rules" was quickly pounced on, and the employee's payment was sent back with a letter saying, in many words, you broke our "rule" on life insurance and hospitalization payments; therefore, your policy is cancelled. There was no consideration given this employee on his "case at this time" or "terms of current operating conditions" -- just a flat you broke the rule so you must be punished as quickly and as harshly as we can make it.

The Union is currently checking the State Insurance Dept. to find out if there is anything in the State insurance laws giving a period of grace on payments that are not paid in advance.

This is a factual example of the Company's attitude of "double standards".

ALERT STEWARD UNCOVERS AND CORRECTS DISCRIMINATION

A case of discrimination was uncovered and corrected by an alert, conscientious steward in the Large Steam Turbine Generator Department.

The operators on the first and second shifts were rated at an AER of \$2,625 on a Bullard machine while the third shift operator was rated at an AER of \$2,45. Shop Steward Arthur Branahl contacted his foreman asking that he correct this obvious injustice. The foreman refused; so Steward Branahl turned in a grievance. After receiving the usual unsatisfactory answer to the complaint, the grievance was processed to the second step level of the grievance procedure. At the second step level the grievance was successfully resolved by Shop Steward Branahl, Board Member Cornicelli and Coordinator Vitallo and the employee is now rated at \$2,625, the same as the other two shifts.

MEMBERSHIP VOTES FOR CONSTITUTIONAL CHANGES

The membership of Local 301, IUE-AFL-CIO, voted unanimously to change two amendments to our Constitution. The vote was taken at the meetings of the 2nd and 1st and 3rd shifts after a report was read by William Kelly and David Stockheim of the Constitutional Committee, May 18, 1959.

The changes provide more protection for Shop Stewards and a financial saving for the Union in case a Union Office becomes vacant.

Heretofore, Shop Stewards were subject to removal because the Steward may have taken a firm position upholding Union policy, whenever 51% of a group signed a petition. The Amendment compels the petitioner to have justifiable reasons in order to obtain an election.

The Constitution before amended required an election if any of the 12 offices in the Local Union became vacant. This would require an election committee with all the election machinery utilized and a terrific cost to the Local. Moreover, several vacancies could occur during a term office requiring several separate elections. The Executive Board is now vested with the authority to fill the vacancy for the unexpired term of office.

"JACK OF ALL TRADES" OCCUPATION GOES DOWN TO RESOUNDING DEFEAT!

The latest incident in the Insulated Products Department's attempt to introduce a "Jack of All Trades" occupation in their division went down to a resounding defeat this week.

Last Friday, Board Member De Lorenzo called Union Hall and informed them that the Insulated Products Division was going to install a blower in Bldg. 64 on Monday of this week using maintenance men from Bldgs. 67 and 70J, under Foreman Pugliese, to do this work. This work has always belonged to the Steelworkers group of the Building Trades. However, the Union was not surprised to hear this as Pugliese has a long record of using anybody, whether they held the classification or not, to do the various trades jobs in the past. In fact, 90% of all the Union cases in the past few years on this subject have been directed at Pugliese's activities in violating the various trades' agreements.

Due to the extreme emergency of this case, it was decided to send the Building Trades representative, Dave Stockheim; Board Member De Lorenzo, Chief Steward Mangino and Steward George Griffith of the Steelworkers over to the scene of the work in Bldg. 64 on Monday morning to see if they could talk them out of doing this work. After some negotiations, the Company decided they were wrong and withdrew the maintenance men from the job, giving the job back to the Steelworkers.

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"Iron Hand" Methods Resented By LM&G Employees

Building Tradesmen United Despite GE Decentralization

In a display of unusual solidarity, well over 100 members of the Building Trades Groups met at the Union Headquarters last Monday evening.

The militant gathering, represented by Local 301, IUE, discussed their concern about the current problems connected with the GE Decentralization Program.

THE TRADE MEMBERS voted unanimously to restore the Building Trades Committee which existed in 1941. This committee will keep in close contact with the Officers and Executive Board in combating the "Jack-of-all-trades" program being fostered by the GE Company.

The members also voiced their approval of pronouncements by John Shambo, President; Joseph Mangino, Chief Steward; and representatives of the building trades that the Union's policy will be to fight the "Jack-of-all-trades" classification of the company.

DESPITE THE COMPANY'S PROGRAM OF DECENTRALIZATION the Building Trades Groups voted for a program of unity and preparedness for the months ahead.

ATTENTION ALL STEWARDS!

ALL VACATION - GIVE A - WAY RAFFLE MONEY must be turned in to Union Headquarters not later than:

JUNE 10th, 1959

The cause of the recent work stoppage in the LM&G Dept. is a repeat of other similar reasons which have caused labor trouble in the Schenectady G.E. plant during the past few years.

Department supervisors, stimulated under the Decentralization of Management, trying to reach out for higher goals of achievement and lacking inventive genius, relegate themselves to "Iron Hand" methods as the result of frustration which results in violation of contract and coercive demands upon the employees.

Titles of authority bestowed on men represents certain responsibility that is related to the organization and institution that the man represents. However, in order for the supervising executive to be successful in properly fulfilling his job requirements, he must have the respect and confidence of those his powers supersede or all his efforts to do a successful job will be in vain. This is the case of Foreman Gizzi who, when he was a Shear Operator in the Industrial Control Department, resented and was vocally loud with his voice in expressing resentment to "Iron Hand" methods of any of his supervisors.

Mr. Gizzi issued an order to a Crane Follower to carry or drag a 64 lb. heavy clamp that needed repairs to the stockroom. The Crane Follower, whose job requires constant recognition of safety, objected to the method of transportation demanded by the foreman. Likewise, the Crane Follower with service of 11 years (employment record excellent—no complaints) resented the demanding and threatening attitude of Foreman Gizzi when he issued the order to participate in an unsafe operation. Mr. Gizzi must have forgotten the episode that caused him a lost time accident when operating a power brake in Bldg. 52 Gallery, when a foreman tripped a machine, not thinking of the operator's safety. Mr. Gizzi was the complainant at that time!

Vacation Pay

Due to the current lack of work, a case that the Union won in 1958 again becomes important. This case involves the payment of an extra day's pay if you are laid off for lack of work and if a holiday falls into the vacation period you have coming.

For example: If your last day of work was May 22, 1959, and you had one week of vacation coming, instead of receiving just 40 hours of pay, you, because of May 30, 1959, falling in the week of your vacation, will receive 6 days or 48 hours of vacation pay.

Foremen are supposed to be, first, men with understanding and respect of their subordinates' integrity and safety, and, second, supervisors.

Mr. Gizzi is bestowed with slightly more muscular develop-

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Carey Addresses GE Conference Board Comments on Mr. Cordiner's Remarks

New York, N. Y.—James B. Carey, President of the International Union of Electrical Workers, AFL-CIO, appeared before delegates at the GE Conference Board in New York last week, to comment on the "inaccuracies and mis-representations" made by Mr. Cordiner, Chairman of the Board of Directors, GE, while appearing before the Senate Anti Monopoly Subcommittee in Washington, D. C.

Mr. Carey read from a written statement which he had forwarded to the Senate Sub-committee. He stated:

"Because I was not able to appear in person to testify before your Committee on Bill S. 215, I should like to take this opportunity of making some observations concerning it. Furthermore, since the testimony of Mr. Ralph Cordiner, Chairman of the Board of Directors appeared before your Committee on May 5, was so full of inaccuracies and misrepresentations,

I feel that the responsibility to our membership and to the public requires that I make comments on them!"

We endorse the principles of this Bill as being a constructive step toward bringing the searchlight of public scrutiny into the whole field of administered and monopolistic prices.

We would suggest, however, that the scope be limited to basic commodities and to the giant corporation and controls substantial segments of their industries or products.

Business, Labor, Consumers.

We would prefer also that a longer period of notice than 30 days be provided before a price increase is made effective—that the Administration be in the hands of a separate agency on which business, labor and consumers are all represented.

1. As I understand S. 215, it does not prohibit increases in prices. Producers would be required to give notice of a price increase, to appear at any hearing called by the administrative agency and to justify the price increase. I see nothing in the Bill that would prevent any such price increase from going into effect.

It was a matter of considerable discouragement to me, in reviewing Mr. Cordiner's statement, to find echoed again the old hackneyed cries of doom that emanated from big business 20 years ago whenever Government attempted to do anything for "the common welfare." We all remember, when the Government attempted to rescue this nation from the great depression and to provide a floor under purchasing power in the form of Unemployment Compensation, Social Security, minimum wages, etc., big business predicted that the nation would go to rack and ruin. And even when the 8-hour day was proposed as a substitute for a 10-hour day in industry, manufac-

turers proclaimed that this nation would become completely destitute, that it would fall apart, that the moral fiber of people would be undermined.

There is nothing in the Bill that remotely suggests any of the consequences predicted by Mr. Cordiner. If big business is genuinely free of the charge that it has gouged the public by administered prices, it has nothing to fear.

Mr. Cordiner may feel that the shining light of publicity thrown on price increases may arouse the public so that unjustified price increases will not be put into effect. There is nothing in the Bill which would freeze prices or make them rigid. All that is required is that the producers of basic materials who wish to raise prices come into court with clean hands.

High Pricing?

2. What is particularly significant in Mr. Cordiner's statement is his philosophy on pricing. In the first place, he declared that costs must be covered and a profit made on all products. But over and above that, he refers continually to pricing on the basis of the "value to the consumer." This is part of the "value analysis" concept of General Electric on pricing. In its most simple terms, prices will be adjusted on the basis of how much the consumer needs the goods in question. If he needs the goods more, the price will be higher. If the consumer needs the goods less, the price will be lower, always assuming that a profit will be made on every item. This bears a close resemblance to the concept of prices on the basis of "what the traffic will bear." One could imagine this concept applied to a place where water or food were very scarce. If General Electric were in charge, prices would be raised quite high because the "value to the consumer" would be very high.

This policy finds practical ex-

pression in the prices charged by GE on the sale of large steam turbine generators to the Government.

Since three companies—General Electric, Westinghouse and Allis-Chalmers—have had a virtual monopoly on this market, in the last seven years the price of steam turbine generators has risen 81% while the prices of other electrical equipment such as transformers, motors, switchgear, etc., and of All Electrical Machinery have risen somewhere between 25% and 30%.

Here was the working out of Mr. Cordiner's policy of "value to the consumer." Prior to 1958, our Government did not buy this equipment abroad but limited its bids to domestic producers. Three companies had a virtual monopoly and, as can be seen, the prices charged the government skyrocketed.

This matter is of serious concern to our membership, many of whom are unemployed as the result of the failure of these corporations to submit realistic bids and obtain the work. They now have a new opportunity since TVA has requested bids on 6 million kilowatts for 16 huge turbine generators, to submit realistic bids.

Attached is a copy of the letter sent to Mr. Ralph Cordiner and to Mr. Mark Cresap, President of Westinghouse on this matter attempting to solicit an attitude of realism in the new bids. Attached also are replies from Mr. Cresap and Mr. Moore of Mr. Cordiner's staff which we deem very unsatisfactory.

Price Index

In connection with this matter of price, we are informed that the U. S. Department of Labor does adjust its wholesale prices when there is a change in quality. In other words, it does not change the price index where the price change is simply due to a change in quality. There, we must conclude that the price changes that

have taken place, contrary to what Mr. Moore states in his letter to us, are actual increases in prices and are not related to increases in quality.

3. Mr. Cordiner seems to object to the fact that under S. 215 companies would have to justify prices on the basis of cost rather than as he says "the more important but less tangible element of value to the consumer." The end result, he says, would be "cost-plus pricing, cost-plus thinking . . ."

Here he attempts to equate the idea of making a profit over and above costs with cost-plus government contracts. Certainly, there is no similarity to the two and comparison is completely unjustified.

4. In outlining GE pricing policies, Mr. Cordiner made the following statement about: ". . . an incandescent lamp in your home which twenty years ago cost about a dollar for a 60-watt lamp that your wife can now buy in some stores in Washington for 12c, presently retail . . ."

Facts in Error

His facts are entirely in error. The lowest price we have been able to find in a retail store in Washington is 21c and not 12c for a 60-watt lamp.

Furthermore, his statement about the \$1.00 cost twenty years ago is not accurate.

Testifying before the Subcommittee on Economic Stabilization of the Joint Committee on the Economic Report on October 26, 1955, Mr. Cordiner said: "We reduced the price to where a 60-watt light bulb was 40c in 1922 and it went down to 10c in 1942."

In answer to a further question he declared: "Presently it is 19c."

Therefore, on the basis of his previous statements, the price of the light bulb has gone from 10c to 21c or an increase of 110% since 1942.

The light bulb is an essential for the American people. The production of it is controlled by three companies—General Electric, Westinghouse and Sylvania—who sell these light bulbs at exactly the same price. We are now informed from California that the price of light bulbs will be increased by General Electric on July 1 by 20% from 21c to 25c. This will make a 150% increase in the price of light bulbs since 1942.

Mr. T. K. Quinn, a former Vice President of GE, declared recently that: "GE's net profit in the lamp department at times approximated 50% on investment . . ."

Automated Productivity

This is taking place at the same time that there has been a tremendous increase in productivity in the production of light bulbs. For example, General Electric has automated the production and as a result of this automation the production per employee has more than doubled.

6. Mr. Cordiner sees as a result of the Bill that "the great momentum," that "serious unemployment would ensue."

There is nothing to suggest that this is true. The fact of the matter is that increases in labor and other costs have not slowed down research and development. In fact, on the contrary, research and development has been stimulated by the increase in costs to find ways to produce cheaper and more efficiently. And there is no reason why intelligent businessmen would not continue even more intensively their research and development to find ways to cut costs.

However, he treads on dangerous ground when he says that under this Bill the economy would lose momentum and serious unemployment would ensue.

Economy Lagging

Our economy has been losing momentum for the last five years. The rate of growth has slowed down from 5% a year, to 3% a year, to a standstill and in 1958 he even lost ground and serious unemployment resulted. There was no Bill like S. 215, the great corporations had the most friendly administration in a generation, they had complete freedom to raise prices and had received only a few years ago important tax concessions. Yet the dangers Mr. Cordiner foresees under S. 215 actually were realized in the last few years under the best atmosphere business could ask for. Those things took place precisely because the great corporations were raising prices right and left, forcing up the cost-of-living and pricing people out of the market. And the testimony before your Committee on the profits being made is eloquent proof of this. Since 1955, average GE prices rose by 16 1/2%, corporation profits increased by 20%, while total Employment declined.

7. Mr. Cordiner wishes the Government to fight inflation by saving money on such things as housing, education, aid to airports, assistance to depressed areas, community facilities. However, he wants the Government to revise the tax structure to permit higher depreciation allowances and reduced corporate taxes.

Executive Board Position

The Executive Board of Local 301 has on many occasions taken a position on openings that occur in the plant. This position is as follows:

If an opening should occur, there are 3 possible candidates for the opening. One would be an employee who has a change of shift request in; one would be an employee whose normal upgrade this opening would be. Of the three seeking the opening, it is the Union's position that the longest service of the three possible candidates should get the job.

IUE Summer School

The IUE Summer Activities Planning Institute will take place at Rutgers University, New Brunswick, N. J., this year from June 21-27.

Practical workshops will be held on the following subjects:

Incentive Problems

Elementary and advanced workshops on how to make a time study; how to collect data to make an effective case in time study grievances; how to handle problems involving data, Work Factors, MTS, MTM.

Organizing Professional, Technical, and Salaried Workers

Workshops in problems and techniques involved in organizing professional, technical and salaried personnel.

Civil Rights

Political Education

How to make your COPE committee an effective force.

Leadership Training In Local Union Administration

How to improve training of local union officers and shop stewards.

* * *

This program is jointly sponsored by Districts 3 & 4, IUE in cooperation with Rutgers and Cornell Universities.

This, of course, would mean that the government would have less revenue. In effect, he proposes that the money being spent for "the common welfare" be reduced and great bonuses or windfalls be made to the larger corporations.

In an unabashed way, this is certainly the "trickle down theory" stated in as flagrant a manner as we have ever seen.

(This article will be continued in the next issue of the Bulletin.)