# STEELWORKERS:

## This Is the Companies' 15c Offer!

## Your Union Turned It Down

In response to President Eisenhower's urgent request for an immediate non-inflationary settlement through the voluntary processes of free collective bargaining, the steel companies have done two things:

First, they have made a specific, 15-cents-an-hour package offer providing for increased wages and benefits over the period of a two-year agreement.

Second, they have scaled down to an irreducible minimum their requests for improvements in contract language, adhering only to those changes that would clearly operate in the long-range interests of the steelworkers themselves.

### Details of the Offer

Specifically, the companies offered to improve the pension, insurance, and supplemental unemployment benefit programs in the first year of a two-year agreement, and to increase wage rates at the beginning of the second year by amounts ranging from 6 cents for the lowest job class to 12 cents for the highest job class—the total package to increase the companies' employment costs by 15 cents per man-hour worked, or about 2 per cent per year of total employment costs which, before the strike, amounted to $3.70 per hour.

As a part of this offer to increase wages and benefits, the companies called upon the union to join in working out mutually satisfactory amendments to the prior basic labor agreements in four general areas. The purpose of these amendments would be:

1. To continue payment of the 17-cents-per-hour cost-of-living adjustment which was in effect at the expiration of the prior labor agreements; but to eliminate provisions for future changes either up or down.

2. To enable management to take reasonable steps to eliminate waste and to improve efficiency; but to protect and preserve the right of employees to resort to grievance and arbitration procedure under which management would be required to justify fully the reasonableness of its actions.

3. To permit flexibility in the scheduling of work to conform reasonably with the requirements of the business.

4. To deter wildcat strikes by permitting the discharge of any employee engaging in such action and by clarifying the responsibility of local unions in respect to wildcat strikes occurring within their jurisdiction.

### Companies' Offer Flexible

In the bargaining sessions, the companies pointed out that the offer of a two-year 15-cents-an-hour package of improved benefits and wages was purposely stated in terms which would provide maximum flexibility in arriving at the distribution of this sum as between wages and benefits, so as to give the greatest possible satisfaction to the employees. It was also pointed out that the companies were entirely willing to consider alternate benefits should the immediate effect of improved insurance benefits upon take-home pay present problems that would preclude the arrival at a settlement of the strike.

They also pointed out that this offer to increase employment costs by 2 per cent per year represents the maximum that can be undertaken at this time without resulting in an inflationary increase in production costs.

### Union Demands More Inflation

The union leaders on the other hand persist in their demands for highly inflationary wage and benefit increases; and proposed a settlement that would call for employment cost increases that could amount to 60 or more cents per hour over a three-year period. The difference between the 20 or more cents an hour increased cost per year of the union's proposal and the 7½-cent annual increased cost of the companies' offer would be sheer inflation and must be recognized as such.

Any such increase in steelmaking costs would further injure the competitive position of the American steel industry in markets both at home and abroad, and would endanger the job security of American steelworkers. Similarly any failure on the part of the union to join in writing an agreement which will provide reasonably for the more efficient operation of the mills can only work to the disadvantage of the members of the union and of the American people as a whole.

### Union Leaders Prolong Deadlock

The union's rejection of the companies' offer — coming as it does on the heels of President Eisenhower's appeal for a voluntary, non-inflationary settlement, clearly reveals the union leadership's responsibility for the continuing deadlock.

Throughout the negotiations the union leaders have insisted upon an inflationary, something-for-nothing settlement. They have offered nothing whatever in exchange for the increased wages and benefits they seek. They have resisted every effort to provide for increased efficiency of operations through improvement in the language of the former contracts. They have insisted that their members shall continue, year after year, to take more out of the business than they put into the business.

The companies, on the other hand, have — from the outset of the negotiations—had one consistent objective: to obtain a settlement that would not result in an increase in their production costs over the term of the new agreement. That is the only kind of settlement that would not have serious inflationary consequences.

It is the only kind of settlement that would help preserve for the steelworkers, and for every American, the value of their earnings, savings and pensions; and would enable the companies to compete more effectively with foreign steel and other competing materials, thus increasing output and employment.

It is the only kind of settlement that would serve the best interests of the entire nation.

### The Steel Companies' Position

To sum up the situation as it stands today, therefore, the companies want to make their position crystal clear:

*They did not—and do not*—want a shutdown of their operations.

*They do not* want their employees to lose wages and employment because of a continued shutdown.

They have not sought government intervention in any form; but instead have exhausted every effort to secure a voluntary settlement that would be in the best interest of all.

*They are not* trying to undermine or destroy the union.

*They do not* seek to take away the basic rights of any employee.

*They are not* asking for the arbitrary right to change local work practices without employee recourse to grievance procedure and arbitration.

They *do* want to make a reasonable settlement and to live with the union and its members in peace and harmony.

But they are not willing to buy peace at the price of making agreements which will continue to promote inflation and which will prevent them from taking reasonable steps to improve the efficiency of their businesses.

So long as the union insists on wage and benefit increases of inflationary proportions, and refuses to deal reasonably with the problems arising out of some of the contract provisions, no agreement will be possible.

One wonders when, if ever, the union leaders will recognize that the customers, the stockholders and the public generally, as well as the steelworkers, are entitled to fair treatment.

**THE STEEL COMPANIES COORDINATING COMMITTEE**

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Allegheny Ludlum Steel Corporation • Armco Steel Corporation • Bethlehem Steel Company • The Colorado Fuel and Iron Corporation • Great Lakes Steel Corporation • Inland Steel Company • Jones & Laughlin Steel Corporation • Kaiser Steel Corporation • Republic Steel Corporation • United States Steel Corporation • Wheeling Steel Corporation • The Youngstown Sheet and Tube Company.