

000008

THE NEXT FIVE YEARS

A Story of
the Contract Between
Allis-Chalmers Manufacturing Company
and
Local 248 United Auto Workers-CIO

LIBRARY
FLORIDA ATLANTIC UNIVERSITY

★ ★ ★

SOCIALIST - LABOR
COLLECTION



Dear Friend:

I thought you would be interested in more of the details concerning the recently negotiated five-year contract with the UAW-CIO at the West Allis Works of our Company.

Enclosed is a copy of our news release and also a statement concerning the thinking which led us to propose an unusual "mutual securities" section containing a modified union shop. The beneficial provisions of the Taft-Hartley Act helped materially to formulate this development.

In this section there is a democratic processes provision calling for union elections of officers, stewards, etc. to be held on Company premises and on Company time.

Also enclosed are two letters which were sent to the homes of our employes immediately following the signing of the contract.

We were delighted not only with the result of the collective bargaining, but also pleased at the high level on which negotiations were conducted.

Very truly yours,

President

ALLIS-CHALMERS MANUFACTURING COMPANY

ALLIS-CHALMERS
MILWAUKEE, WIS.

NEWS

RELEASE _____

Friday 10 a.m. (CST)
June 30, 1950

Milwaukee---The signing of a five-year labor contract between the Allis-Chalmers Manufacturing Co. and Local 248, UAW-CIO, covering approximately 10,000 production employes at the West Allis plant, was announced jointly today by the firm and the UAW-CIO. The contract is subject to ratification by the membership.

It covers wages, pensions, health and accident and group life insurance, union security and other contract provisions. The contract will expire June 30, 1955.

Walter Geist, Allis-Chalmers president, said, "An agreement on a contract has been reached that marks a new era for our employes, the union, stockholders, and customers.

"It is gratifying to learn that at the bargaining table there were mutual respect and natural, courteous consideration of the other fellow's position.

Constructive Approach Taken

"We believe that through the 'mutual securities' clause and other contract provisions, we have taken a constructive approach in offering our contribution to industrial peace and uninterrupted production."

John W. Livingston, vice president of the UAW-CIO and director of the Agricultural Implement division, said that the agreement "affords an opportunity for the building of mutual respect between the parties. I believe that it may be the foundation of a strong and lasting peace.

"The escalator clause, based on the cost of living, plus the wage increase recognizing the annual improvement factor in production," said Livingston, "can mean more and better goods will be available at lower cost. This serves as a bulwark to American labor and industry in our cold war economy."

Praised by Union President

"It is in keeping with our system of free enterprise that workers who participate in the benefits of this contract will also be able to participate in an increasing standard of living," added Livingston.

Charles Schultz, president of Local 248, termed the contract, "The most outstanding agreement, insofar as personal security and union security are concerned, ever to be negotiated between the company and our local union.

"We hope to prove that our local is worthy of the trust that the management has placed in us as demonstrated by this agreement."

Contract provisions include:

1. A unique "mutual securities" clause providing for a modified union shop similar in many respects to that at General Motors and maintaining the Company's basic philosophy in regard to union membership.
2. A 3¢ per hour general wage increase effective immediately and another 3¢ at the beginning of the second year of the contract. At the end of the second year, the parties may continue the 3¢ per hour for each of the three remaining years, or either party may ask that the contract be opened for wage negotiations.

Additional wage adjustments for certain skilled occupations.

A cost of living formula providing an adjustment of 1¢ per hour for each 1.25 change in the Bureau of Labor Statistics cost of living index. Adjustments under the formula are to be made semi-annually.

Creation of a joint study committee on rates of pay with a fund equal to 2¢ per hour per employe to be used for rate adjustments in the area of inequities.

3. An increase in the group insurance minimum from \$2,000 to \$3,000 with the premium reduced from 60 cents per \$1,000 per month to 45 cents.
4. An amended vacation plan which provides a three weeks vacation for employes with 15 or more years of continuous service.
5. A previously-announced master pension plan offering \$100 per month maximum pensions, including federal benefits, to employes retiring at age 65 with 25 years of service. This plan covers employes represented by the UAW-CIO at West Allis; La Crosse, Wis.; Springfield, Ill.; Pittsburgh, Penn.; and Gadsden, Ala., plants.
6. Grievance machinery changes providing for increased participation of union bargaining committeemen, on company time, and the international representative in grievance processing.

7. The company agreed to continue to match employe contributions to the Mutual Aid Society on the basis of the increased health and accident insurance benefits made available to employes through the Mutual Aid Society earlier this year.
8. Changes requested by the UAW in contract sections relating to discipline, seniority and layoff procedures.

The contract may be reopened at the end of two years for negotiations only on wages and on the right of the arbitrator to modify discipline. A no-strike clause prohibits work stoppages except following a strike referendum during the one reopening period.

Daily negotiations, including evening sessions, have been conducted since June 19.

Petition Filed

Heading negotiations for the company was E. F. Ohrman, chairman of the negotiating committee and manager of labor relations at the West Allis Works. Representing the UAW-CIO were Livingston, Lawrence J. Carlstrom, assistant director of the Agricultural Implement division; Harvey Kitzman, regional director; Anthony Audia, international representative; and Schultz, chairman of the Local 248 bargaining committee.

The company and the union announced that a petition has already been filed with the National Labor Relations Board for a modified union shop referendum and that the election will be held within the plant July 6. Plans have been arranged for some 2,000 employes who will be on vacation next week to vote today. A majority vote of employes in the bargaining unit will be necessary to establish such a modified union shop.

Security Provided

The "mutual securities" section provides financial and membership security for the union with the following union shop provisions:

1. Employes who are not now members of the union are not required to join.
2. Present members of the union may resign during the period of five working days following the effective date of the agreement. But employes who do not so resign must thereafter remain members of the union and pay union dues and general assessments as a condition of employment.
3. Each new employe must join the union within 90 days after hiring and pay the initiation fee, union dues and general assessments as a condition of employment.

Democratic Processes Assured

A "democratic processes" section affords the following guarantees to employes:

1. Democratic processes within the union are assured with respect to elections of union officials and participation of members in the conduct of the affairs of the union. This provides a positive method whereby union members can prevent control of their union by a subversive group. The company agreed that such elections will be held on company time and premises and without loss of pay.
2. The freedom of action of employes in relation to union activities is insured against any interference.
3. Assurance against interference with the right to work is provided.
4. In the event of a strike, employes are guaranteed a secret ballot vote referendum, which will be held on company premises during working hours at company expense.

Geist Traces A-C Attitude

In connection with the contract announcement, the company also released a statement from Geist presented at the bargaining table prior to the offering of the mutual securities proposal by Ohrman.

In this statement, Geist traced the historical attitude of Allis-Chalmers in regard to labor unions and pointed out how the new contract terms are in line with this policy. He pointed out that as early as December 5, 1934, in a statement of policy, the company announced that it would "meet with every lawful labor organization" in collective bargaining, and also that "there would be no discrimination against employes because of union membership or non-membership."

The company intended, said Geist, to lay the foundation for the normal development of unionism and collective bargaining at the West Allis Works.

"But the infiltration of a notorious subversive and his satellites into the leadership of Local 248 prevented the normal development and, instead, made collective bargaining merely an instrument for communist-inspired strife and destruction," added Geist.

Legislation Aids Decision

The statement said that the union shop of the old type was the demand which formed the basis for every strike during the reign of this

communistic leadership. Geist claimed there were two important purposes in this Communist union shop demand.

1. Through the requirement of good standing under that type of union shop, the communist leadership would have obtained coercive domination of employes.
2. The communist leadership would have been able to undermine management's control of company operations.

Two important events, said Geist, made possible the consideration of a modified union shop clause.

The first event, he said, was the passage of the 1947 amendment to the NLRA which (1) makes illegal those collective bargaining agreements which require discharge of an employe for failure to maintain good standing in the union, thus eliminating the coercive feature of the old type of union shop; (2) legalizes a collective bargaining agreement requiring employes to pay dues and initiation fees and thus bear their fair share of the expenses of their collective bargaining agent; and (3) prevents the establishment of a union shop without a majority vote of all employes in the bargaining unit in a secret ballot referendum, supervised by the NLRB.

Three Groups Considered

The second event he listed was the recent NLRB decision that the company need not rehire employes who played an important part in the activities of the communist clique which controlled Local 248.

Geist said that in drafting a modified union shop proposal, three groups of employes were considered---employes who don't belong to the union, employes now members of the union, and future employes. Members of the first two groups presented the greatest problem, he said. They accepted employment on the basis of the company's policy that there would be no discrimination against any employe because of membership or non-membership in any union, and that membership in the union was a matter of their own free choice. He said he believed the present "mutual securities" clause was consistent with this policy and "reflects fully the company's stated policy of non-discrimination and voluntary action by employes."

Geist said the "mutual securities" clause is predicated upon the important principle that the affairs of the union should be conducted in accordance with democratic practices. Union members are entitled to application of the principle as a matter of right in a democracy. The company is also entitled to the application of the principle from a realistic and practical standpoint.

Full Participation Needed

"In other words," said Geist, "if the company assists the union to gain security through a clause in a contract with the company, then the company fairly has the right to receive assurance by a contract provision that the power which such security would provide, will not be misused by subversive leadership to the detriment of the company or the employees."

Geist added, "This assurance can only be obtained through the full and complete participation of all union members in the conduct of union affairs."

. 0

Contract negotiations are being conducted at the local plants of the four other UAW locals which participated in the master pension agreement. The pension plan is being offered to the following unions ---the United Electrical Workers, Boston, Mass., Works; the International United Electrical Workers-CIO, and Patternmakers League of North America-AFL, Norwood, Ohio, Works; the Farm Equipment-United Electrical Workers, LaPorte, Ind., Works; the United Steelworkers-CIO, Oxnard, Calif., Works; International Brotherhood of Electrical Workers-AFL; International Brotherhood of Firemen and Oilers-AFL; Patternmakers League of North America-AFL, all at West Allis Works.

Employees not represented by a bargaining unit will also be granted wage and insurance benefits in line with those negotiated in the Allis-Chalmers-Local 248 contract. The pension plan and three-week vacation plan are being placed into effect for approximately 10,000 employees throughout the company who are not within bargaining units.

Statement from

Walter Geist, President, Allis-Chalmers Manufacturing Co.

Presented to

The International Union and Local 248, UAW-CIO

During negotiations, June 9, 1950

Long before the passage of the National Labor Relations Act in 1936, the Company had accepted the principle of collective bargaining.

As early as December 5, 1934, in a statement of policy, the Company announced that it would "meet with every lawful labor organization" in collective bargaining and also that "there would be no discrimination against any employe because of union membership or non-membership."

This Company policy of voluntary union membership was clearly reaffirmed on March 2, 1937 in a communication to a labor organization representing its employes in the following language:

"Membership or non-membership in a labor organization is the employe's own private business."

Foundation Laid

This Company attitude laid the foundation for the normal development of unionism and collective bargaining at the West Allis Works.

But the infiltration of a notorious Communist and his satellites into the leadership of Local 248 prevented the normal development and, instead, made collective bargaining merely an instrument for communist-inspired strife and destruction.

During the entire reign of this communistic leadership, which ended at the termination of the eleven-months' strike in 1947, the union shop of the old type was the demand which formed the basis for every strike during that period.

Communist Demand

There were two important purposes of this communist demand for a union shop.

Through the requirement of "good standing" under that type of union shop and the use of kangaroo courts, the communist leadership would have obtained a coercive domination of our employes.

In addition, the communist leadership would have been able to undermine management's control of Company operations.

The Company's position has always been and will continue to be that a man's job at Allis-Chalmers will not be determined by a "good standing" rule with the possibility of kangaroo court administration.

Strike Principles Recalled

In the light of its traditional policy and the dangerous conditions arising out of communist leadership of Local 248, the Company adopted its firm position, "No employe's job at Allis-Chalmers shall depend upon membership in any union."

That slogan was aptly applied during our eleven-months' communist-instigated strike in 1946-47.

The principles at stake in that strike were two-fold: First, preservation of the civil liberties of our employes, and second, protection of the Company's right to run its business without the destructive influence of communist control.

These principles will always be maintained.

NLRA Establishes Principles

The Union has asked that the Company consider negotiation of a union shop clause. Two important events (one of which has just occurred) make possible the consideration of a modified union shop consistent with the maintenance of the foregoing principles.

The first event is the passage of the 1947 amendments to the National Labor Relations Act, which establish three important principles:

First, it makes illegal a collective bargaining agreement which requires discharge of an employe for failure to maintain "good standing" in the union, thus eliminating the possibility of kangaroo court injustice.

Second, it legalizes a collective bargaining agreement which would require employes in the unit to pay dues and initiation fees and thus bear their fair share of the expenses of their collective bargaining agent; and

Third, it prevents the establishment of even a valid union shop under the Labor Act without a majority vote of all employes in the bargaining unit in a secret ballot referendum supervised by the National Labor Relations Board.

Decision Handed Down

The second important event is the very recent decision of the National Labor Relations Board that the Company need not rehire employees who played an important part in the activities of the communistic clique which controlled Local 248.

The Company is not concerned with that part of the Board decision which sends to a Board hearing the claim of six employees. We are confident that no court would require the re-employment of these men after full consideration of all the facts.

Keen students of labor relations vigorously urge that, when a union has security against financial distress and possible loss of membership, an atmosphere is created which is conducive to the achievement of a constructive relationship between the union and the company.

Fears Understandable

The union's fears are understandable. Furthermore, no one can disagree with the desirability of creating the atmosphere conducive to a constructive relationship between the union and the company.

The Company's position has always been that an employee's decision as to union membership was a matter of his own private business.

So the problem is to work out a solution which will give proper consideration to the Union's fears and the Company's traditional policy as to freedom of employe action.

Three Groups Considered

Considering the problem in the light of the Company's policy, the positions of three groups of employees must be considered, namely, (1) future employees, (2) employees who do not belong to the Union, and (3) employees now members of the Union.

So far as future employees are concerned, there is no problem. There is no essential unfairness to them to establish as a condition of employment that they join the Union and assume financial responsibility for paying initiation fees and monthly dues. They are free to refuse employment if they do not care to accept such condition of employment.

Situation Different

But the situation of the other two groups is entirely different. Those employees accepted employment on the basis of the Company's policy

that there would be no discrimination against any employe because of membership or non-membership in any union and that membership in the Union was a matter of their own free choice.

For that reason, the only solution consistent with the positions of the Union and the Company is a plan which contains the following principles:

1. The plan must be conditioned upon the majority vote of all employes in the bargaining unit as required by the present National Labor Relations Act;
2. Each new employe shall be required, as a condition of employment, to become and remain a member of the Union;
3. No present employe shall be required to join the Union;
4. Every present member of the Union in good standing shall be required to continue his membership unless he elects to resign during an escape period of five working days; and
5. Loss of employment with the Company, so far as Union membership is concerned, shall occur only for non-payment of initiation fees and monthly dues. (General assessments will continue to be a matter of voluntary wage assignment, as under the present contract.)

This plan reflects fully the Company's stated policy of non-discrimination and voluntary action by employes.

Majority Vote Needed

The plan cannot become effective unless a majority of the employes in the bargaining unit voluntarily vote for its adoption. Furthermore, even if the plan is adopted, no present employe is compelled to become or remain a member of the Union, and every future employe has the right to voluntarily accept or reject the condition of employment. In each case, the decision of the employe is reached in accordance with his own free will.

Likewise, the Union's position is fairly recognized by making possible the achievement of a 100% membership of employes.

All of the foregoing is predicated upon the important principle that the affairs of the Union shall be conducted in accordance with democratic principles and practices.

The Union itself, the employes who are members of the Union, and the Company have a definite interest in preventing the control of the Union by any subversive group such as the one which created the long period of ill will and disruption with great financial loss to both employes and the Company.

Assurance Obtained

The Union members are entitled to the application of this principle as a matter of right in a democracy.

The Company is also entitled to the application of the principle from a realistic and practical standpoint. In other words, if the Company assists the Union to gain security (and power) through a clause in a contract with the Company, then the Company fairly has the right to receive assurance by a contract provision that the power which such security would provide will not be misused by a subversive leadership to the detriment of the Company or the employees.

This assurance can only be obtained through the full and complete participation of all Union members in the conduct of Union affairs.

The exact contract language for effectuating this principle, without improper interference in the conduct of Union affairs, will be presented in contract negotiations.

It is our sincere hope that a contract clause can be negotiated which will inaugurate a new era for the mutual benefit of the Company's stockholders, employees, customers, and the communities served by them.



HANDS ACROSS THE TABLE mark the signing of a five year labor agreement between Local 248 UAW-CIO and the Allis-Chalmers Mfg. Co. Union negotiators are seen on the left side of the table while Company representatives are at the right. The signing was preceded by daily negotiations, including evening sessions, which began on June 19. The final session lasted more than 30 hours.



ALLIS-CHALMERS MANUFACTURING COMPANY

MAIN OFFICE • BOX 512 • MILWAUKEE 1, WIS.

WALTER GEIST
PRESIDENT

June 30, 1950

TO THE MEN AND WOMEN OF ALLIS-CHALMERS:

Dear Fellow Employes:

This letter, I am sure, contains the best kind of news to every member of the Allis-Chalmers family. It is my firm conviction that the cloud of labor strife, which hung over the West Allis Works of our Company for so long in the past, has been removed. Through the use of sound collective bargaining, Local 248, UAW-CIO and your Company have been able to reach an agreement--not for one year, but for five years.

After what we have gone through, it would be unnatural not to rejoice at the feeling of security that such a contract brings---not only to you, but to the union, your Company, our customers and stockholders.

For those of us who went through those long years of labor strife fostered by the communist-dominated leadership, it just doesn't seem real. In this letter I want to give you brief high lights of the settlement at the West Allis Works. I shall send you another letter shortly which I hope you will take time to read and study, because it will explain in detail the whys and wherefores of the new agreement.

Soon after the Chrysler and General Motors settlements, the tempo of our bargaining negotiations went into high gear and it must be said to the credit of the men on the union side of the table, as well as the men on the management side, that the meetings were devoid of bitterness and name calling.

In the earlier stages of our negotiations, we were disturbed by the contents of union flyers which made charges and inferences against your Company that we felt were unfair and unwarranted and not conducive to constructive bargaining. This picture changed, however, when Mr. Livingston, vice president of the UAW-CIO, came into the negotiations. He suggested that bygones be bygones, the slate be wiped clean and a fresh start made with both sides having faith in each other while mutually attempting to work out the contract details in a friendly cooperative spirit.

It is my sincere hope that the good feeling and the experience of mutually working together with no attempt to undermine one another will continue throughout the five-year period of the contract agreement.

I again want to congratulate the men, representing the union, for their forthrightness and fair play, and I congratulate our management negotiating committee for continuing to carry out their policy of being fair and honest in their approach to the problems of employes and their unions, at the same time, preserving those rights of management which are essential to the profitable operation of our Company.

Here then are the high lights of our settlement at West Allis with Local 248, UAW-CIO:

Mutual Security

A mutual securities clause that establishes a modified union shop similar in many respects to General Motors. Under this clause all new employes will become members of the union for the life of the contract agreement. All present members of the union, who, after a five-day escape period remain in the union, shall be members of the union for the five-year life of the agreement. All employes not now members of the union must, if they choose to join the union remain members for the life of the agreement. In keeping with my earlier statement of policy, employes now on the job shall have the free choice to join or not as they see fit. In accordance with the provisions of the law this clause is subject to a secret vote to be conducted by the NLRB on Company premises on Thursday, July 6, 1950.

Wages

A general, across the board, 3¢ an hour increase will be given immediately to all employes in the bargaining unit represented by Local 248, UAW-CIO. A year from this date another 3¢ an hour increase will go into effect.

Some wage adjustments will be made for certain classifications.

Wages will be adjusted every six months in line with any changes in the cost of living, based on the Consumer Price Index of the Federal Bureau of Labor Statistics. Adjustments will be made automatically upward or downward. With each change of 1.25 in the Index, a corresponding 1¢ an hour change will be made in the wage rate.

Group Insurance

An increase in the group insurance minimum from \$2,000 to \$3,000 has been made with the premium reduced from 60¢ a thousand dollars per month to 45¢. We affirmed the existing provision, making it possible for employes who retire under the terms of our retirement program and have been with Allis-Chalmers more than 10 years, to continue to carry their group insurance policy.

Vacation

We have amended our vacation plan to provide for a three weeks vacation for all employes with 15 or more years of continuous service.

Pension

A previously announced master pension plan offering \$100 per month maximum pensions, including federal benefits, to employes retiring at age 65 years with 25 years of service. This plan covers employes represented by the UAW-CIO at West Allis; La Crosse, Wis.; Springfield, Ill.; Pittsburgh, Penn.; and Gadsden, Ala., plants. Included under the program are those employes who retired since 1942 on special leave.

Mutual Aid Society

Recognition by the union of the merits of the increased health and accident insurance benefits made available to employes through the Mutual Aid Society earlier this year.

There is a no-strike provision during the five years of the contract. At the end of the second year, the parties may continue the 3¢ per hour for each of the three remaining years, or either party may ask that the contract be opened for wage negotiations.

So that you might be fully advised as to the motivating philosophy behind this settlement, look for my follow-up letter that will be mailed you within a few days.

Obviously, pension and vacation plans along with wage adjustments, are being prepared for those employes not covered by collective bargaining units.

With continued best wishes.

Sincerely yours,



President



ALLIS-CHALMERS MANUFACTURING COMPANY

MAIN OFFICE • BOX 512 • MILWAUKEE 1, WIS.

WALTER GEIST
PRESIDENT

July 1, 1950

TO THE MEN AND WOMEN OF ALLIS-CHALMERS:

Dear Friends:

During December, 1948, an editorial appeared in the Milwaukee Journal captioned, "A Miracle on South 70th Street." It reviewed the negotiations, resulting in the first contract, between your Company and the new officers of Local 248, UAW-CIO.

It seems to me that it can be properly said there has been a second miracle on South 70th Street.

The representatives of Local 248, UAW-CIO and your Company's negotiating committee set a pattern of conduct that I hope will continue in all of our labor relations experiences with that Union in the future.

It was this wholesome respect and mutual understanding that just led to an unprecedented development at West Allis---a five-year contract.

It was our belief---and I hope rightly so---that our employes would welcome a five-year contract. It does provide a degree of stability and security. It contains security provisions for employes, the Union, and your Company. But it is safe to say that the greatest security benefits accrue to the employes.

In addition to five years of labor peace, the employes derive many other benefits. These were outlined in my letter of the other day. The whys and wherefores of the economic provisions hardly need an explanation, but perhaps an explanation of our philosophy on the modified union shop is in order.

All of us are acquainted with our bitter experiences over a number of years with the former leaders of Local 248 and their communistic philosophies. This group constantly demanded union security through a union shop. Not only did we announce our policy that "no employe's job at Allis-Chalmers shall depend on membership in any union" but under no circumstances would we have considered even a modified type of union shop because of the performance and philosophy of that union leadership.

Two important events, however, one of which has just recently occurred, made it possible to consider the present Union's request for the consideration of some type of union security, upon which would depend security for the employes and your Company.

The first of these events was the passage in 1947, of the Taft-Hartley Act which established two important principles.

It makes illegal a collective bargaining agreement which requires discharge of an employe for failure to maintain "good standing" in the Union. In this way the possibility of "kangaroo court" injustice is eliminated.

It prevents the establishment of any type of a union shop without a majority vote of all employes in the bargaining unit in a secret referendum supervised by the National Labor Relations Board.

The second important event is the very recent decision of the National Labor Relations Board that the Company need not rehire employes who played an important part in the activities of the communistic clique which controlled Local 248.

The Company is not concerned with that part of the Board decision which sends to a Board hearing the claim of six employes. We are confident that no court would require the re-employment of these men after full consideration of all the facts.

Many students of labor relations believe that, when a union has security against financial distress and possible loss of membership, an atmosphere is created which is conducive to the achievement of a constructive relationship between the union and the Company.

The union's fears of insecurity are understandable. Furthermore, no one can disagree with the desirability of creating such a wholesome atmosphere.

The Company's position has always been that an employe's decision as to union membership was a matter of his own private business.

So the problem was to work out a solution which would give proper consideration to the Union's fears and the Company's traditional policy as to freedom of employe action.

Considering the problem in the light of the Company's policy, the positions of three groups of employes had to be considered, (1) future employes, (2) employes who do not belong to the Union, and (3) employes now members of the Union.

So far as future employes were concerned, there was no problem. There is no essential unfairness to them to establish as a condition of employment that they join the Union and assume financial responsibility for paying initiation fees and monthly dues. They are free to refuse employment if they do not care to accept this condition of employment.

But the situation of the other two groups was entirely different. Those employes accepted employment on the basis of

the Company's policy that there would be no discrimination against any employe because of membership or non-membership in any union and that membership in the Union was a matter of their own free choice.

For that reason, the only solution consistent with the positions of the Union and the Company was a plan which contained the following principles:

1. The plan had to be conditioned upon the majority vote of all employes in the bargaining unit as required by the present National Labor Relations Act;
2. Each new employe shall be required, as a condition of employment, to become and remain a member of the Union;
3. No present employe shall be required to join the Union;
4. Every present member of the Union in good standing shall be required to continue his membership unless he elects to resign during a short escape period;
5. Loss of employment with the Company, so far as Union membership is concerned, shall occur only for non-payment of initiation fees, monthly dues, or general assessments.

This plan reflects fully the Company's stated policy of non-discrimination and voluntary action by employes.

The plan cannot become effective unless a majority of the employes in the bargaining unit voluntarily vote for its adoption. The election will be held on Company premises July 6 under the direction of the NLRB.

The Union's position is fairly recognized by making possible the achievement of a 100 per cent membership of employes.

All of the foregoing is predicated upon the important principle that the affairs of the Union shall be conducted in accordance with democratic practices.

The Union, the employes who are members of the Union, and the Company have a definite interest in preventing the control of the Union by any subversive group.

The Union members are entitled, as a matter of right in a democracy, to the application of this principle.

The Company is also entitled to the application of the principle from a realistic and practical standpoint. In other words, if the Company assists the Union to gain security, then the Company has the right to receive assurance that the power which such security would provide will not be misused by a subversive or irresponsible leadership to the detriment of the Company or the employes.

This assurance can only be obtained through the full and complete participation of all Union members in the conduct of Union affairs.

As long as we have a certified union, then I would urge the employes in the bargaining unit to accept the responsibility of making it a good union.

The Union recognized this democratic philosophy and agreed to contract provisions which called for all elections of officers and stewards to be held on Company premises, on Company time and at Company expense. This is an unusual and a most important development.

In addition, it is hoped that the following provision will never have to be used---in event of a possible strike referendum, during a period of wage reopening, a strike vote by secret ballot will be held on Company premises.

This approach to democratic processes is a credit to the Union. It should go a long way towards convincing those who might be skeptical that the affairs of this group are now being run on a democratic basis.

I sincerely believe that many phases of this negotiation represent marked advances in the field of labor-management relations.

I have great hopes that there will be many years of harmonious relations between your Company and Local 248. We are happy that we have enjoyed long associations of harmony with a number of other unions both at West Allis and elsewhere.

I can't help but feel that as the Union carries out the philosophy that was exemplified in these negotiations it will continue to grow in stature and ultimately gain unanimous support.

However, success of that kind must be earned, and I sincerely believe that the leaders of the Union recognize this fact. But, the same holds true for management. I can assure you that we will conduct ourselves as to always merit your full confidence and respect.

Again I should like to personally acknowledge my appreciation for the splendid spirit of cooperation that was exhibited throughout the negotiations. I sincerely hope our employes, through their representatives in the Union, can look forward to a new era in labor relations at West Allis in our dealings with Local 248. In the light of our unfortunate experiences of the past, I think it is safe to say we have earned this new opportunity. We have made a wonderful start, and I hope that the road down which we are now traveling will have no end.

I will continue to keep you informed.

With best wishes,



President

Outlook Bright in 5-Year A-C Pact With 248

Year Labor Pact Reached

Allis-Chalmers Firm, Local 248 Agree; It Is First in State

A five-year pact announced by Allis-Chalmers Manufacturing Co. and Local 248 of the UAW-CIO. The agreement covers some 10,000 production workers at the West Allis plant. It is the first of its kind in the state. The pact provides for an hour general wage increase effective immediately. At the beginning of the contract year, the parties may grant a one-hour boost for each remaining year. The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

UNION SHOP WINS AT A-C

Employees of the Allis-Chalmers Manufacturing Co. voted three to one in favor of a modified union shop Thursday. Of 9,064 workers eligible to vote, 6,171 favored the union shop and 2,893 voted against it. There were 37 void ballots and 59 challenged.

The election was supervised by the National Labor Relations Board and the Wisconsin Employment Relations Board. As a result of the election, all new employees of the company must join Local 248, CIO-UAW, within 90 days and remain members. Present members can withdraw under a five-day escape clause but must maintain their membership if they don't withdraw.

Other provisions: A unique "mutual security" clause providing for a union shop, similar in many respects to that at General Motors but "maintaining the company's basic philosophy in regard to union membership." Creation of a joint study committee on rates of pay with fund equal to 2c per hour employee to be used for adjustments where inequities are found. An increase in the group insurance minimum from \$2.00

Automatic Raises Part of Contract

The promise of a bright chapter in the strife marked story of Allis-Chalmers labor relations blossomed Friday with the signing of a five-year contract between the company and Local 248, UAW-CIO.

Outstanding features of the agreement, embodied in a "mutual securities" section, include the granting of a modified union shop on majority apportioned election Thursday.

10,000 production workers provision had been made by the company, during the leftwing Local 248.

The election was supervised by the National Labor Relations Board and the Wisconsin Employment Relations Board.

As a result of the election, all new employees of the company must join Local 248, CIO-UAW, within 90 days and remain members.

Present members can withdraw under a five-day escape clause but must maintain their membership if they don't withdraw.

The union shop proposal is part of a new five-year contract recently agreed to by the company and the union's bargaining committee.

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

Other provisions: A unique "mutual security" clause providing for a union shop, similar in many respects to that at General Motors but "maintaining the company's basic philosophy in regard to union membership."



A-C PACT SIGNED

A five-year contract traveled around the state Friday morning by representatives of the Allis-Chalmers Manufacturing Co. and Local 248, UAW-CIO.

The contract was signed in the West Allis plant, where it was presented to the workers. The agreement covers some 10,000 production workers.

The election was supervised by the National Labor Relations Board and the Wisconsin Employment Relations Board.

As a result of the election, all new employees of the company must join Local 248, CIO-UAW, within 90 days and remain members.

Present members can withdraw under a five-day escape clause but must maintain their membership if they don't withdraw.

The union shop proposal is part of a new five-year contract recently agreed to by the company and the union's bargaining committee.

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

Allis-Chalmers Signs 5-Year Contract With UAW, Wages Hiked

Pact Covers 10,000 Workers at West Allis Plant; Follows Pattern of GM Agreement

Special to THE WALL STREET JOURNAL
MILWAUKEE — Allis-Chalmers Manufacturing Co. signed a five-year contract with the United Auto Workers, C.I.O., Local No. 248, representing 10,000 production employees at the company's main plant at West Allis, Wis. The contract follows the pattern of the recent General Motors agreement.

The company is still negotiating with unions representing about 9,000 production employees in eight plants. About 6,000 of these employees, in four plants, are represented by the U.A.W.-C.I.O.

Wage and insurance benefits granted to union members will be extended to all administrative and office personnel as well as other employees not represented by a union.

The new agreement expires June 30, 1955. But either side may reopen negotiations after two years on disputes over wages or disciplinary cases.

The cost of living adjustment will be made annually. Other provisions: A unique "mutual security" clause providing for a union shop, similar in many respects to that at General Motors but "maintaining the company's basic philosophy in regard to union membership."

Creation of a joint study committee on rates of pay with fund equal to 2c per hour employee to be used for adjustments where inequities are found.

The union shop proposal is part of a new five-year contract recently agreed to by the company and the union's bargaining committee.

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.



Contract was signed Friday between the Allis-Chalmers Co. and Local 248, UAW-CIO. Charles Schultz (left), local union president, and Joseph Glynne (right), company manager of labor relations for the company, are shown.

The Communist party was not to be a factor in the agreement. The company early had the foundation for employment of non-union bargaining at work but "the invidiousness of the Communist party prevented this and instead gained merely Communist."

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

The union shop proposal is part of a new five-year contract recently agreed to by the company and the union's bargaining committee.

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

Union Shop Plan 'Maintains A-C Basic Philosophy'

The modified union shop proposal in the new Allis-Chalmers contract maintains "the company's basic philosophy in regard to union membership," it was pointed out in a statement by Walter Geist, company president.

The clause, if approved by workers voting next Thursday, will require all new employees to join the union within 90 days of employment. Present employees not members will be free to join or not. Present employees who remain in good standing after a five-day escape period in which they may leave the union if they desire.

Geist claimed this was the fair way to treat present employees who accepted employment on the basis of company policy in the past that joining the union would be left to individual choice.

He described the agreement as a "new era for our employees, union, stockholders and customers."

Such ratification is necessary before union shop provisions can be included in contracts, under both state and federal law. Ballots will be provided Friday for some 2,000 workers who will be on vacation next week, but these votes will not be tallied until the election (itself is completed) is signed Friday morning.

If signed Friday morning, the Allis-Chalmers contract will then be submitted to the union membership for ratification.



A membership meeting to ratify the contract will be held at 10 a. m. Sunday at the Auditorium.

The election was supervised by the National Labor Relations Board and the Wisconsin Employment Relations Board.

As a result of the election, all new employees of the company must join Local 248, CIO-UAW, within 90 days and remain members.

Present members can withdraw under a five-day escape clause but must maintain their membership if they don't withdraw.

C. I. O. LOCAL SIGNS 5-YEAR ALLIS PACT

Special to THE NEW YORK TIMES
MILWAUKEE, Wis., June 30 — Walter Geist, president of Allis-Chalmers Manufacturing Co., announced today the signing of a five-year labor-management pact with Local 248 of the United Automobile Workers, C.I.O.

The contract, which must be approved by the union members, includes a no-strike clause which is in force except following a strike in force except following a strike in force except following a strike in force.

The agreement also provides for an additional wage adjustment on the cost of living bureau of labor statistics.

A-C VOTE—Robert E. Ave'Lallemant, of 2055 N. Frederick Av., a shop clerk, casting a ballot Thursday at the Allis-Chalmers Manufacturing Co. Watching (left to right): John Vogel, Ericsson, 2757 N. 27th St., of the Wisconsin Employment Relations Board; John Hannon, Waukesha, a company observer.

The election was supervised by the National Labor Relations Board and the Wisconsin Employment Relations Board.

As a result of the election, all new employees of the company must join Local 248, CIO-UAW, within 90 days and remain members.

Present members can withdraw under a five-day escape clause but must maintain their membership if they don't withdraw.

New A-C and 248 Pact Near Signing

A year of negotiations between the Allis-Chalmers Mfg. Co. and Local 248, UAW-CIO, appeared to be nearing a climax Thursday with the completion of a new contract expected Friday morning.

Officials of both company and union declined to comment on developments, but it was known that intensive day and night meetings have been under way most of the last week.

Week	Line loadings	Cap	Total
Week	12,952	8,915	30,9
Week	12,952	8,915	30,9
Week	12,952	8,915	30,9

