

74
.Ed 8/1

1015

94/14
FD 8/1
C 68/2

C 68/2 COLLECTIVE BARGAINING WITH RESPECT
TO RETIRED EMPLOYEES

GOVERNMENT

Storage

DOCUMENTS

APR 30 1976

THE LIBRARY
KANSAS STATE UNIVERSITY

HEARING
BEFORE THE
SUBCOMMITTEE ON
LABOR-MANAGEMENT RELATIONS
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 3117

TO AMEND THE NATIONAL LABOR RELATIONS ACT TO PRO-
VIDE THAT THE DUTY TO BARGAIN COLLECTIVELY IN-
CLUDES BARGAINING WITH RESPECT TO RETIREMENT
BENEFITS FOR RETIRED EMPLOYEES

HEARING HELD IN SAN FRANCISCO, CALIF.
NOVEMBER 24, 1975

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1976

66-052

KSU LIBRARIES

11900 984294

COMMITTEE ON EDUCATION AND LABOR

CARL D. PERKINS, Kentucky, *Chairman*

FRANK THOMPSON, Jr., New Jersey
JOHN H. DENT, Pennsylvania
DOMINICK V. DANIELS, New Jersey
JOHN BRADEMÁS, Indiana
JAMES G. O'HARA, Michigan
AUGUSTUS F. HAWKINS, California
WILLIAM D. FORD, Michigan
PATSY T. MINK, Hawaii (on leave)
LLOYD MEEDS, Washington
PHILLIP BURTON, California
JOSEPH M. GAYDOS, Pennsylvania
WILLIAM "BILL" CLAY, Missouri
SHIRLEY CHISHOLM, New York
MARIO BIAGGI, New York
IKE ANDREWS, North Carolina
WILLIAM LEHMAN, Florida
JAIME BENITEZ, Puerto Rico
MICHAEL BLOUIN, Iowa
ROBERT CORNELL, Wisconsin
TED RISENHOOVER, Oklahoma
PAUL SIMON, Illinois
EDWARD BEARD, Rhode Island
LEO ZEFERETTI, New York
GEORGE MILLER, California
RONALD MOTTL, Ohio
TIM HALL, Illinois

ALBERT H. QUIE, Minnesota
JOHN M. ASHBROOK, Ohio
ALPHONZO BELL, California
JOHN N. ERLBORN, Illinois
MARVIN L. ESCH, Michigan
EDWIN D. ESHLEMAN, Pennsylvania
PETER A. PEYSER, New York
RONALD A. SARASIN, Connecticut
JOHN BUCHANAN, Alabama
JAMES M. JEFFORDS, Vermont
LARRY PRESSLER, South Dakota
WILLIAM F. GOODLING, Pennsylvania
VIRGINIA SMITH, Nebraska

SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS

FRANK THOMPSON, Jr., New Jersey, *Chairman*

JOHN BRADEMÁS, Indiana
WILLIAM D. FORD, Michigan
WILLIAM "BILL" CLAY, Missouri
MARIO BIAGGI, New York
GEORGE MILLER, California
CARL D. PERKINS, Kentucky, *Ex Officio*

JOHN M. ASHBROOK, Ohio
MARVIN L. ESCH, Michigan
ALBERT H. QUIE, Minnesota, *Ex Officio*

(II)

CONTENTS

	Page
Hearing held in San Francisco, Calif., on November 24, 1975-----	1
Text of H.R. 3117-----	1
Statement of—	
Berman, Samuel, vice president, Southern California Council, Retail Clerks International Association Retirees Clubs, Los Angeles, Calif-----	7
Campbell, Norman, recording secretary, L. D. Twist, financial secre- tary-treasurer, Samuel Herrod, member, The Retired Carpenters Club, San Rafael, Calif-----	13
Lamb, John C., staff attorney, National Senior Citizens Law Center, Los Angeles, Calif-----	1
Prepared statements, letters, supplemental material, etc.—	
Berman, Samuel, vice president, Southern California Council, Retail Clerks' International Association Retirees Club:	
Letter from Harold W. Fisher, Los Angeles, Calif., dated July 19, 1975-----	8
Letters to Harold Benninger, from John F. Henning, executive secretary-treasurer, California Labor Federation, AFL-CIO, San Francisco, Calif.:	
Letter dated September 25, 1974-----	9
Letter dated January 28, 1975, enclosing another letter and a resolution-----	10
Local 1442—Food, (list)-----	8
Partial list local 770 (list)-----	9
Campbell, Norman, recording secretary, The Retired Carpenters Club, San Rafael, Calif., statement of-----	16
Twist, L. D., The Retired Carpenters Club, San Rafael, California, letter to "Dear Fellow Retired Carpenter"-----	17

COLLECTIVE BARGAINING WITH RESPECT TO RETIRED EMPLOYEES

MONDAY, NOVEMBER 24, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS,
OF THE COMMITTEE ON EDUCATION AND LABOR,
San Francisco, Calif.

The subcommittee met, pursuant to adjournment, at 10 a.m., in court room 14, U.S. Court of Appeals, the Honorable Frank Thompson, Jr., of New Jersey (chairman), presiding.

Members present: Representatives Thompson, Miller, and Ashbrook.

Staff present: Daniel H. Pollitt, majority counsel; Jeunesse Beaumont, clerk; and Edith Baum, minority counsel.

Mr. THOMPSON. The subcommittee will be in order.

Our purpose today is to consider bill H.R. 3117 by Mr. Rees of California, Mr. Nix of Pennsylvania and Mr. Charles Wilson of California—there are other similar bills—the purpose of which is to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees. The bill itself is a very short one, but it includes, of course, the destiny of many hundreds of thousands of people.

[Text of H.R. 3117 follows:]

[H.R. 3117, 94th Cong., 1st sess.]

A BILL To amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8(d) of the National Labor Relations Act is amended—

(1) by inserting after "other terms and conditions of employment" the following: ", including retirement benefits for retired employees", and

(2) by inserting after "all the terms and conditions" in paragraph (4) of the proviso the following: "(including terms and conditions relating to retirement benefits for retired employees)".

Mr. THOMPSON. Our first witness this morning is Mr. John Lamb, staff attorney of the National Senior Citizens Law Center of Los Angeles.

Good morning, Mr. Lamb.

STATEMENT OF JOHN C. LAMB, STAFF ATTORNEY, NATIONAL SENIOR CITIZENS LAW CENTER

Mr. LAMB. Mr. Thompson, Mr. Ashbrook, my name is John C. Lamb, I am a staff attorney of the National Senior Citizens Law Cen-

ter in Los Angeles. The National Senior Citizens Law Center is a Community Services Administration Legal Services program dedicated to redressing the special legal problems of the elderly poor. Our contact with elderly poor clients and the Legal Services attorneys representing them indicates that a problem of utmost immediacy is the failure of retirement plans to provide their beneficiaries adequate incomes and health benefits in these days of double digit inflation and escalating health costs. We believe that making retirement benefits for retired employees a subject of mandatory bargaining under the National Labor Relations Act would do much to alleviate the plight of the estimated 2 million retirees currently receiving retirement benefits under collective-bargaining agreements nationwide.

The plight of these retired workers is well known. While great progress has been made in the establishment of pension and health plans for workers who will retire, little effort can be expended on keeping those plans abreast of current economic conditions when to do so requires the voluntary agreement of the union and the employer that increased pension and health benefits are appropriate subjects about which to bargain. The cost of living has risen astoundingly in recent years, yet pension benefits have remained static because such benefits are a subject of permissive bargaining. The cost of hospitalization has in some cases in some parts of the country been reported to double in recent years, yet health benefits remain woefully inadequate for the same reason. The upshot is that workers whose efforts were instrumental in building the labor movement in this country are now frozen at entirely inadequate pension and health care levels with no hope of protection against the ever-increasing costs of living and staying healthy.

The condition of these retired workers was brought about to a great degree by the U.S. Supreme Court's decision in *Allied Chemical and Alkali Workers of America, Local Union No. 1 v. Pittsburgh Plate Glass Co.*, 404 U.S. 157 92 S.Ct. 383 (1971). In *Pittsburgh Plate Glass*, the Supreme Court held that under the National Labor Relations Act, first, retirees are not employees within the act's definition of "employee" at section 2(3); second, retirees are not members of a bargaining unit within section 9(a) of the act; third, retirees' benefits are not mandatory subjects of bargaining as "terms and conditions of employment" within sections 8(a)(5) and 8(d) of the act; and, fourth, only mandatory subjects of bargaining are protected from unilateral modification by the employer.

The purpose of the amendments proposed by H.R. 3117 is to overturn the Supreme Court's decision in *Pittsburgh Plate Glass*. In their present form, the proposed amendments to sections 8(d) and 8(d)(4) would make retirees' benefits mandatory subjects of bargaining as "terms and conditions of employment," and would protect collectively bargained retirees' benefits against unilateral modification or termination by the employer. However, the proposed amendments do not address the Supreme Court's other two holdings in the case, that retirees are not employees and that retirees are not members of a bargaining unit. To insure that the purpose of the amendments is achieved, this subcommittee should consider two additional revisions to the act. First, the definition of "employee" in section 2(3) of the act could be revised to specifically include retirees. Second, the limitation

contained in section 9(a) of the act on subjects about which the employees' bargaining unit can bargain collectively, which closely parallels the limitation on subjects on mandatory bargaining contained in section 8(d) of the act, could be revised with the same language proposed to revise section 8(d) so that retirement benefits for retired employees would specifically be included among the subjects about which the bargaining unit can collectively bargain. These additional suggested revisions would insure that future judicial determinations would not circumvent the purpose sought to be achieved by the proposed amendments.

The National Senior Citizens Law Center is convinced that retirees' benefits must be made a subject of mandatory bargaining. Only by making retirees' benefits a subject of mandatory bargaining under section 8(d) of the act can it be insured that retirees' benefits are not left to chance or to the caprice of the employer, who may or may not agree to bargain about such benefits. Only as a subject of mandatory bargaining will retirees' benefits be considered each time contracts are negotiated for, at present, as the Supreme Court has made abundantly clear in *Pittsburgh Plate Glass*, "even if industry commonly regards retirees' benefits as a statutory subject of bargaining, that would at most * * * reflect the interests of employers and employees in the subject matter as well as its amenability to the collective bargaining process" (404 U.S. at 176; 92 S.Ct. at 396), and "by once bargaining and agreeing on a permissive subject, the parties naturally do not make the subject a mandatory topic of future bargaining" (404 U.S. at 187; 92 S.Ct. at 402). Only as a subject of mandatory bargaining would collectively bargained retirees' benefits be protected from unilateral termination or modification by the employer. In the *Pittsburgh Plate Glass* case, the Supreme Court's holding that "a modification—of a collective-bargaining agreement—is a prohibited unfair labor practice only when it changes a term that is a mandatory rather than a permissive subject of bargaining" (404 U.S. at 185; 92 S.Ct. at 400) allowed Pittsburgh Plate Glass Co. to unilaterally adjust its health insurance plan for retired employees without first negotiating in good faith with the union. A similar result in other cases is easily imaginable in this day of escalating labor and production costs and shrinking profits if collectively bargained retirees' benefits are not protected against unilateral termination or modification.

The National Senior Citizens Law Center feels that this legislation is vital to protect the interests of retired workers. Only by its enactment will the unions have the protection of the law as they endeavor to preserve a decent standard of living for their retired members.

Thank you for your time and thank you for your consideration of these views.

Mr. THOMPSON. Thank you very much, Mr. Lamb.

How big an organization is the National Senior Citizens Law Center?

Mr. LAMB. We have 10 attorneys in Los Angeles and 2 in Washington, plus various support staff and part-time personnel, and we specialize in the legal problems of the elderly poor on a nationwide basis. We are a national backup center for legal services.

Mr. THOMPSON. That is very admirable.

Mr. LAMB. Thank you, sir.

Mr. THOMPSON. Of course, we are familiar with Pittsburgh Plate Glass. We have had some discussions on this subject with Mr. van Bourg who was here the other day and represents a great many labor organizations. He pointed out that particularly in the building trades on the west coast they bargain for escalator clauses for increases in retirement for the retired workers. But that isn't a fact which would alter the law in Pittsburgh if alternately the employer decided, as was done in Pittsburgh, to cut back on the benefits which the retirees get, which, in most cases, to say the most for them, are barely adequate. We have a tremendous elderly population which is growing larger and it is terribly difficult for them to keep up. In some cases we would find the bargaining units representing current working employees reluctant to bargain for their retirees. This is something that I can't understand much. A very small number have come to my attention recently in the arguments of the professional football players. As you know, they went on strike early in the year and then went back to work. It is virtually the end of their season, so this will mean the second season the active players have had without a contract. The former players, some of whom had pensions based on the salaries of their earlier playing days, have been trying for some time, and indeed have a suit pending, to be included in the bargaining process. The fact is that the active players, their careers being so short—and this wouldn't apply to most situations—have been most reluctant to express any willingness to bargain for those who are already retired, and this might be the case here. However, Mr. Rees's bill would make this bargaining mandatory so that the retirement benefits could be specifically included among the subjects about which the unit can collectively bargain; that that amendment would at least open the door if not solve all of the problems. For myself, I'm sympathetic to the idea.

The unilateral terminations or modifications are rather a frequent thing. As a matter of fact, the whole broad subject matter of the treatment of pensions and such has been addressed by the Congress in a relatively new law and it is being revised now. It is complicated, it is difficult. The number of retirement plans and the amount of money in them is just staggering when one considers them in terms of dollars, but very few of them do any good for the retirees as the cost of living escalates, particularly for the elderly people who are in medical situations. They just can't cope. I know a number of them who are retired auto workers, steel workers, and building tradesmen in my district who just barely survive. So I will conclude with an assurance to you that the subcommittee will give this careful attention.

Mr. Ashbrook?

Mr. ASHBROOK. Thank you, Mr. Chairman.

A couple of points come to mind in listening to the testimony of Mr. Lamb. First of all, it has been my experience that those areas that the unions really want to negotiate on, they can negotiate on. Would this be an area where they have not shown that much interest, or what is the problem here?

Mr. LAMB. The problem, Mr. Ashbrook, is, as the Supreme Court points out in Pittsburgh Plate Glass, that the active employees probably see it more to their benefit to bargain on behalf of themselves rather than on behalf of the people who are no longer employed, the

union members who are no longer employed and who, because of this decision, not being employees within the act, have no representation on the bargaining unit and therefore cannot express their needs.

Mr. ASHBROOK. I think that what Mr. Thompson indicated is probably correct and it is probably a sad fact of life—and we see it in every area—that the veterans, I'm sure, while having some interest in the World War I veteran, basically have let the World War I veteran go without an adequate pension for years while veterans of recent wars do very well, and it is the same thing as Mr. Thompson pointed out in the NFL. I remember in the Ohio Legislation there is a demarcation line between teachers that retired before 1955 and those that retired after 1955. What they in effect are saying is that the teachers who taught me aren't as valuable as the teachers who are teaching my daughters; the old teachers not getting very much, the new teachers getting a lot. I'm afraid that is the demarcation line we make organizationally and, in some cases, legally.

I guess I asked that first question because, to repeat, it has usually been my experience that in negotiations where the unions really want to bear down on something, they can bear down on it, so it is pretty obvious that this, as you point out, has not been an area where they have given as much of their significant concern, but I certainly wouldn't single them out, because you can say the same thing about veterans organizations, teachers groups, probably even Members of Congress I suppose.

Mr. THOMPSON. Well, having known you for many years and having met your daughters, I would have to say that your daughters' teachers are obviously better than yours.

Mr. ASHBROOK. Obviously. That's why they know so much more than I do.

The other point, there are two areas of concern in this legislation, one is where the employer wants to unilaterally reduce and alter previous benefits; the other aspect would be making it mandatory to be able to get additional benefits, in other words, hold on to what you have and be able to get something in the way of a cost-of-living increase. Have you or your organization studied the so-called ERISA law to which Mr. Thompson refers, which is the name that we give to the Employee Retirement Income Security Act of 1974? As I understand ERISA, it does set forth for virtually all of the employers in the private sector minimum requirements for retirement plans which include new participation in vesting standards, preclude an employer from reducing the amount of vested benefits and so forth. Do you agree that ERISA, when it becomes fully operative, will at least take care of one-half of the problem you are talking about, the ability to lower rescind, alter or reduce? Obviously ERISA would not take care of the other part you were talking about, of having mandatory negotiations for increasing or cost-of-living increase and providing for some escalator clause. Didn't ERISA at least take care of the area that you were talking about in the *Pittsburgh Plate* decision where the employer unilaterally rescinded or altered plans previously in effect?

Mr. LAMB. Mr. Ashbrook, I am not the person in the office who's an expert on ERISA, but from my understanding of it, the soonest

that certain provisions of the act will take effect will be some time in the next 2 or 3 years. Most of the provisions of the act will not take effect for approximately 10 years.

Second, the reduction, the unilateral termination of benefits I don't believe would necessarily be covered by the act unless—at least not in the sense that Pittsburgh Plate Glass addresses, because the problem with Pittsburgh Plate Glass is that these benefits can be reduced unilaterally without going to collective bargaining, and the reason that this can be done is because they are not mandatory subjects of bargaining. So while ERISA will offer retirees and pensioners some protection, mostly in terms of making sure that they get out of a pension what they put in, I do not believe that it by itself would eliminate the problem that we are dealing with here, which is the unilateral modification or termination of agreed—

Mr. ASHBROOK. I think it is probably correct to say that the operative features of ERISA are basically prospective and a little bit like my situation with my teacher and a future teacher. It will probably be better handled in the future, but they are definitely within the statutes, ERISA requirements regarding reducing amounts of vested benefits. But I assume most people you are talking about, probably most everybody in this group today, would not be in what is called a vested plan. I merely point out that the situation is not really as bad prospectively for the future retiree as at the present time because of ERISA, but I'm sure there are some areas that you obviously say are still open.

Thank you, Mr. Chairman, those are all the observations I wish to make.

Mr. THOMPSON. I think that this view of *Pittsburgh* might be valuable to set down for the record. In *Pittsburgh* there was a contract to take care of the workers when they retired. The company abrogated it, changing the conditions, and an unfair labor practice charge was filed. The Labor Board held against the company in saying that they couldn't change the conditions of employment during contract terms without bargaining with the union. Then the Supreme Court reversed this decision, saying when the worker retires he is no longer an employee, as your statement points out, so you don't have to bargain with the union about what happens to those who have retired, so it is a permissive but not a mandatory subject of bargaining. Of course, the union could sue for a breach of contract under section 301 of the act, but that is hardly a substitute for the prior negotiations and this is the situation in which we find ourselves.

Mr. Miller?

Mr. MILLER. I have no questions, Mr. Chairman.

I apologize for being late, Mr. Lamb.

Mr. THOMPSON. Thank you, Mr. Lamb, very much.

Mr. LAMB. Thank you, gentlemen.

Mr. THOMPSON. Our next witness is Mr. Samuel Berman, vice president of the Southern California Retail Clerks' Association Retirees' Club.

We have had a number of letters and phone calls from you, Mr. Berman, which we welcome. We appreciate having heard from you and are glad to see you.

STATEMENT OF SAMUEL BERMAN, VICE PRESIDENT, SOUTHERN CALIFORNIA COUNCIL, RETAIL CLERKS' INTERNATIONAL ASSOCIATION RETIREES' CLUBS

Mr. BERMAN. Gentlemen, thank you for inviting me to testify regarding H.R. 3117.

To start, I would like to read Senator Tunney's statement in introduction of S. 2236, a companion bill to H.R. 3117, in the Senate, and the resolution of Meat Cutters Local 421 of Los Angeles. I'm not going to read all of Senator Tunney's remarks, because part of them were given by Mr. Lamb.

Mr. President, it makes very good sense that we overturn the Supreme Court's decision in this matter. In most cases employers have already recognized the mutual interest they have with their employees in bargaining over retiree benefits. The widespread existence of such bargaining means that this legislation is needed primarily to avoid leaving the issue of retiree benefits up to chance in those few situations where employers might decide to deal with retirees on a unilateral basis.

Legalisms aside, however, this legislation is vital because it would guarantee union members the freedom of action necessary to protect the interests of their fellow workers who have already retired. In this era of rampaging inflation, I believe it is essential that retired workers have the protection of laws as they fight to preserve a decent and dignified standard of living for their retired members.

Mr. President, at this point I ask unanimous consent that the text of my bill be printed in the Record.

This is a resolution by the Meat Cutters Local 421 of Los Angeles in September of 1974:

Whereas retired labor union members are the people who struggled during their working years to establish decent working conditions through collective bargaining, and

Whereas such retirees are now receiving pensions and other benefits which are below current standards and are further eroded by the surge of inflation, placing them under great economic pressure, and

Whereas the Supreme Court of the United States has ruled that under the National Labor Relations Act unions do not now have the right to negotiate for retirees as a matter of "mandatory bargaining" as they had been able to do prior to the Court ruling, and

Whereas each union should have the right of self-determination of the present employed members to apportion a part of a negotiated settlement to those who have retired and to include such matters as strike issues if they wish to do so.

I wish to interject at this time, though, that this bill will not automatically cause a strike, because the employees that are working will have the vote on any contract that the union may negotiate, so we retirees will still have to go to the members and get our point across.

Resolved, That the United States Congress be urged to amend the National Labor Relations Act (as amended) to provide that labor unions shall have the freedom to act in support of collective bargaining proposals in behalf of retirees in the same manner and degree as for active employed people in each industry.

And this is submitted by Meat Cutters Local No. 421, Harold Benninger, executive secretary-treasurer, and there are accompanying letters from Mr. Jack Henning of our AFL-CIO here in California.

Mr. THOMPSON. Without objection, those letters will be included as part of your statement.

[The documents referred to follow:]

LOS ANGELES, CALIF., July 19, 1975.

SAM BERMAN,
Somerset Drive,
Los Angeles, Calif.

DEAR SAM : I worked for Ralphs Markets from May 1939 to October 1960 which was over 20 years.

My pension is \$54.25. After the deduction of \$4.00 for dentistry and adding the Medicare deduction of \$13.40 for myself and my wife my total check comes to \$63.65.

Sincerely,

HAROLD W. FISHER,
Local No. 1442.

PARTIAL LIST OF LOCAL 770 RETIREES SHOWING PENSION, LENGTH OF SERVICE AND SOCIAL SECURITY NUMBERS

Name	Social Security No.	Length of service	Monthly pension
Larry Wallach	XXXXXXXXXX	9 yr 5 mo	\$65.00
Vera N. vanFlick	XXXXXXXXXX	11 yr 6 mo	43.03
David Nahman	XXXXXXXXXX	12 yr	40.00
Sam Renetzky	XXXXXXXXXX	10 yr 4 mo	79.67
Bette Wallach	XXXXXXXXXX	11 yr	42.00
Evelyn Staten	XXXXXXXXXX	29 yr	80.00
Wilma M. Chambeau	XXXXXXXXXX	11 yr	30.00
Kathleen J. Hunt	XXXXXXXXXX	12 yr 6 mo	31.25
Lucille A. Walsh	XXXXXXXXXX	10 yr	21.80
Ruben Rosenfeld	XXXXXXXXXX	10 yr	56.00
Abe Estrin	XXXXXXXXXX	20 yr	80.00
Roza Buchinsky	XXXXXXXXXX	15 yr	64.00
Kathleen Stephenson	XXXXXXXXXX	10 yr 6 mo	29.80
Rebecca E. McHale	XXXXXXXXXX	10 yr 6 mo	19.90
George Nissenson	XXXXXXXXXX	11 yr	30.66
Leo Berger	XXXXXXXXXX	17 yr 6 mo	33.00
Helen Koch	XXXXXXXXXX	11 yr 6 mo	25.30
Milton Haas	XXXXXXXXXX	14 yr	64.24
Charlotte Haas	XXXXXXXXXX	16 yr	57.34
Carl Caplan	XXXXXXXXXX	24 yr	84.20
Clara Stein	XXXXXXXXXX	11 yr	26.00
Marc Cavaliero	XXXXXXXXXX	13 yr	41.22
Archie Moore	XXXXXXXXXX	12 yr	36.50
Michael Roth	XXXXXXXXXX	14 yr	50.60
Ethel Spilberg	XXXXXXXXXX	12 yr	93.50
Virginia Ricco	XXXXXXXXXX	12 yr	77.00
Hattie V. Eller	XXXXXXXXXX	15 yr	--
Irving Kraut	XXXXXXXXXX	10 yr 7 mo	85.09
Karl Kaufman	XXXXXXXXXX	15 yr	96.00
Ruth Dennison	XXXXXXXXXX	65 yr	37.00
Ruth Light	XXXXXXXXXX	21 yr	81.80
Irene Leurs	XXXXXXXXXX	9 yr 2 mo	(1)
Tillie Dilcus	XXXXXXXXXX	9 yr 2 mo	(1)
Anna Broder	XXXXXXXXXX	10 yr	57.63
Maria A. Blatt	XXXXXXXXXX	12 yr	--
Tilda F. Hagens	XXXXXXXXXX	10 yr	--
Melvin Dailey	XXXXXXXXXX	13 yr 6 mo	29.58
ElDora Fambrough	XXXXXXXXXX	22 yr 6 mo	93.40
Sophie Swanson	XXXXXXXXXX	12 yr	102.00
Sylvia Aronson	XXXXXXXXXX	17 yr	38.83
Gabriel A. Roy	XXXXXXXXXX	20 yr	89.50
Nathan Kabrin	XXXXXXXXXX	8 yr 6 mo	72.50
Clara Strein	XXXXXXXXXX	10 yr 11 mo	--
Dolly Itzkowitz	XXXXXXXXXX	21 yr 6 mo	35.45
Rose Cullun	XXXXXXXXXX	6 yr 2 mo	(1)
Marie Dulcki	XXXXXXXXXX	20 yr	52.60

¹ No pension.

LOCAL-1442 FOOD

Name	Social Security No.	Retirement date	Monthly
Anderson, Doris	XXXXXXXXXX	April 1971	\$46.95
Barton, Mary F.	XXXXXXXXXX	July 1971	68.35
Bauer, Harold T.	XXXXXXXXXX	June 1967	53.37
Beneviste, Alexander	XXXXXXXXXX	September 1964	76.57
Bird, Virginia C.	XXXXXXXXXX	October 1974	39.75
Bovslag, Ray B.	XXXXXXXXXX	May 1968	55.30
Butler, Victor R.	XXXXXXXXXX		25.77
Creekmore, Ora B.	XXXXXXXXXX	April 1966	29.88
Darkakij, Albert	XXXXXXXXXX	October 1967	45.34
Dellits R. Walter A.	XXXXXXXXXX	April 1963	67.18
Derdin, Grace L.	XXXXXXXXXX	January 1965	49.82
Dobson, Catherine E.	XXXXXXXXXX	April 1966	64.72
Eagles, Romona H.	XXXXXXXXXX	January 1966	65.19
Edlund, Earl W.	XXXXXXXXXX	November 1968	84.04
Ellas, Theodoros	XXXXXXXXXX	December 1961	59.19
Ellis, George P.	XXXXXXXXXX	November 1968	60.88
Evans, Mary	XXXXXXXXXX	September 1965	53.20
Fain, Dorothy L.	XXXXXXXXXX	September 1970	63.65
Fisher, Harold W.	XXXXXXXXXX	October 1963	22.58
Gallinger	XXXXXXXXXX	June 1970	73.39
Goodman, Ethel S.	XXXXXXXXXX	January 1968	30.82
Gulman, Heim	XXXXXXXXXX	October 1971	73.64
Haas, Milton	XXXXXXXXXX	September 1964	48.82
Harding, Richard D.	XXXXXXXXXX	August 1970	41.48
Hardison, Betty	XXXXXXXXXX	August 1969	49.57
Hashimoto, Lilly	XXXXXXXXXX	September 1970	28.87
Heppe, Florence	XXXXXXXXXX	January 1970	53.71
Holbert, Robert L.	XXXXXXXXXX	January 1965	74.08
Howe, John H.	XXXXXXXXXX	June 1961	50.67
Jones, Walter	XXXXXXXXXX	September 1963	53.48
Klein Felter, Florence	XXXXXXXXXX	May 1966	50.02
Lape, Mae E.	XXXXXXXXXX	September 1970	74.60
Latham, Rowend	XXXXXXXXXX	July 1970	22.87
Lewis, Alma	XXXXXXXXXX	April 1965	39.51
Lewis, Kenneth	XXXXXXXXXX	October 1959	35.76
Lewis, Myrtle	XXXXXXXXXX	May 1969	85.86
Manuel, Faye	XXXXXXXXXX	April 1970	64.79
Morave, Emma C.	XXXXXXXXXX	January 1958	39.37
Morgan, Velma	XXXXXXXXXX	July 1969	43.53
Moye, William O.	XXXXXXXXXX	November 1958	60.67
Nakamura, George M.	XXXXXXXXXX	September 1970	45.70
Neville, David E.	XXXXXXXXXX	March 1960	44.35
Olson, Marie	XXXXXXXXXX	May 1967	68.83
O'Tool, Robert M.	XXXXXXXXXX	February 1963	41.08
Overseth, Emma A.	XXXXXXXXXX	May 1971	60.25
Owen, Clovis	XXXXXXXXXX	June 1970	50.05
Paul, George M.	XXXXXXXXXX	June 1962	34.86
Reiser, Herbert	XXXXXXXXXX	May 1971	86.02
Rodriguez, Angel	XXXXXXXXXX	September 1969	77.11
Sauad, Morris	XXXXXXXXXX	January 1966	48.85
Scott, John F.	XXXXXXXXXX	April 1963	81.83
Sesler, Lurd G.	XXXXXXXXXX	February 1960	78.69
Skelton, Edna C.	XXXXXXXXXX	June 1970	54.47
Smith, Harry J.	XXXXXXXXXX	July 1960	48.11
Smith, L. R.	XXXXXXXXXX	October 1968	67.38
Stephens, Margaret W.	XXXXXXXXXX	January 1966	40.35
Stine, Orpho	XXXXXXXXXX	April 1963	66.58
Tatge, Alexander J.	XXXXXXXXXX	May 1960	64.50
Taylor, Robert	XXXXXXXXXX	September 1965	54.52
Tucker, Edwin E.	XXXXXXXXXX	October 1970	32.70
Ward, Wynema	XXXXXXXXXX	November 1968	84.82
Waltzein, Harold	XXXXXXXXXX	September 1970	

CALIFORNIA LABOR FEDERATION, AFL-CIO,
San Francisco, Calif., September 25, 1974.

Mr. HAROLD BENNINGER,
Executive Secretary-Treasurer, Meat Cutters Local 421, AFL-CIO,
Los Angeles, Calif.

DEAR HAROLD: This is to acknowledge your letter dated September 13, 1974 together with data pertaining to the resolution which would allow unions to bargain for retired members.

You may be assured that this matter will be brought before the next meeting of our Executive Council which will be held on December 4-5 in San Francisco.

With best wishes and kindest personal regards, I remain

Faternally yours,

JOHN F. HENNING,
Executive Secretary-Treasurer.

CALIFORNIA LABOR FEDERATION, AFL-CIO,
San Francisco, Calif., January 28, 1975.

Mr. HAROLD BENNINGER,
Executive Secretary-Treasurer, Meat Cutters Local 421, AFL-CIO,
Los Angeles, Calif.

DEAR HAROLD: Enclosed find a copy of a letter I directed January 24, 1975, to Andrew Biemiller, Director, Department of Legislation, AFL-CIO, relative to your resolution which was approved by our Executive Council on the matter of the collective bargaining process on behalf of retirees.

Fraternally yours,

JOHN F. HENNING,
Executive Secretary-Treasurer.

Enclosure.

CALIFORNIA LABOR FEDERATION, AFL-CIO,
San Francisco, Calif., January 24, 1975.

Mr. ANDREW BIEMILLER,
Director, Department of Legislation, AFL-CIO,
Washington, D.C.

DEAR ANDY: At their December meeting, members of the Executive Council, California Labor Federation, AFL-CIO, approved a resolution submitted by Meat Cutters' Local No. 421, Los Angeles, pertinent to amendment of the NLRA to provide that unions shall have the freedom to negotiate in the collective bargaining process on behalf of retired members as well as for active, employed people in each industry.

I have been directed by the Council to communicate with the AFL-CIO, advising that it wishes such legislation be sponsored in the Congress.

A copy of the subject resolution is enclosed.

Fraternally yours,

JOHN F. HENNING,
Executive Secretary-Treasurer.

Enclosure.

RESOLUTION TO PROVIDE FOR COLLECTIVE BARGAINING ON BEHALF OF RETIREES

Whereas retired labor union members are the people who struggled during their working years to establish decent working conditions through collective bargaining, and

Whereas such retirees are now receiving pensions and other benefits which are below current standards and are further eroded by the surge of inflation, placing them under great economic pressure, and

Whereas the Supreme Court of the United States has ruled that under the National Labor Relations Act, unions do not now have the right to negotiate for retirees as a matter of "mandatory bargaining" as they had been able to do prior to the Court ruling, and

Whereas each union should have the right of self-determination of the present employed members to apportion a part of a negotiated settlement to those who have retired and to include such matters as strike issues if they wish to do so,

Resolved, That the United States Congress be urged to amend the National Labor Relations Act (as amended) to provide that labor unions shall have the freedom to act in support of collective bargaining proposals in behalf of retirees in the same manner and degree as for active employed people in each industry.

Submitted by Meat Cutters Local No. 421.

HAROLD BENNINGER,
Executive Secretary-Treasurer.

Mr. BERMAN. Now to illustrate quickly a few examples showing need of H.R. 3117, I have two lists here; one a list from local 770 showing social security numbers and years worked and pensions. These pensions run from \$19 up, depending on the number of years and the length of time worked. A case here, 11 years, \$30; 17 years, \$33; 24 years, \$84.20—there are many examples here which I'll leave for your perusal.

I have two letters here; one from a Mr. Harold Fisher of Local 1442, Retail Clerks.

Then there's a notation from a Mr. Johnson, who's a culinary worker, who was a bartender for 40 years, he retired with only 10 years' credit in the union, with a pension of \$40.

I think these are just little examples of the need for this bill.

In our Retail Clerks Local 770 and the nine locals making up the southern California bargaining unit, there are three divisions, food, drug, and general sales.

In the food division there are three classes of retirees: those who retired before 1972 with lowest pensions and benefits; (2) those who retired after 1972 and before August 1975 with higher pensions and benefits; and those retiring after August 1975 with still higher benefits and possibly higher pensions, between 20 and 30 years in the industry.

Each class of retirees is locked into its benefit and pension package without a chance of improvement, not even a cost of living, and the drug and general sales divisions with lower pensions and benefits are similarly locked into their categories.

Our unions tell us that even though employers can bargain for retirees, they refuse to do so, using the Supreme Court decision as the reason.

The accompanying exhibits show how small some of the pensions are, a difference of from \$50 after 20 years of service to \$400 for 20 years and \$600 after 30 years in the food industry.

Civil service retirees and Government retirees at Federal and State levels and many union retirees in industry have their pensions and benefits adjusted automatically to equal the new pensions and conditions when new retirees get improvements.

Why should older retirees be forgotten? Don't they deserve to live also? Doesn't inflation and recession hurt them, too?

This bill, H.R. 3117, won't help our particular union for almost 3 years, as our contracts are already finalized.

Please help those hundreds of thousands of union retirees whose unions have contracts coming up every month of the year.

Thank you.

Mr. THOMPSON. Thank you very much, Mr. Berman. I have just three or four questions.

Have any employers in your organization withdrawn contributions or anything like that?

Mr. BERMAN. Not from any of ours that I know of, but the only thing I can tell you is that they haven't to any of the older retirees, they've made new contracts and each one has better benefits than the one before, but they just hold them and they're locked in.

Mr. THOMPSON. But they haven't cut any out or altered them or changed them?

Mr. BERMAN. No; they haven't cut anything out.

Mr. THOMPSON. I might say that we have had more than 200 letters and telegrams, mostly from the west coast, on Mr. Rees' bill.

Mr. Ashbrook?

Mr. ASHBROOK. Just to give us some indication of your own experience, were you active in your own union before you retired?

Mr. BERMAN. Not as active as I should have been.

Mr. ASHBROOK. I guess you're still a lifetime member of your union but you're not active, and that would be the status. If you go back to the officers of your old union, that is the officers now, and you tell them your plight, what do they tell you, do they say, "We will take it up," or, "We can't take it up," or, "We have other—" or what?

Mr. BERMAN. They have told us in every case—in fact, during the last negotiations, I got up at union meetings and at each meeting they said that they were going to ask for everything that we asked for and what we asked for wasn't out of line, and after the ratification meeting I asked, "Was anything done for retirees?" and they said, "No; the employers wouldn't let us bring it up."

Mr. ASHBROOK. Well, that is probably an answer, but I doubt that it is that accurate.

Mr. BERMAN. I agree with you, sir.

Mr. ASHBROOK. Their answer, not your answer, I mean.

Mr. BERMAN. But this bill will take away that excuse.

Mr. ASHBROOK. Well, I am interested in that, because I know, as I said earlier, it is the plight even in the military. You know we have what we call recomputation. Admirals in the Second World War are getting a fraction of what a captain gets, or a commander, when he retires now. I guess there doesn't seem to be any equity across the board on this and somehow or other this should be leveled out or evened out. I'm not sure in my own mind what is the way to do it, but I guess the traditional collective bargaining certainly is not working in this area for the retired union member, according to your testimony and what we gather.

Mr. BERMAN. You see, Mr. Ashbrook, I have been through every union meeting because, as I say, I still work part time. I talk to people in the stores, the retail clerks. When they hear that we haven't gotten anything in these contracts, they're all surprised. They say, "Why, they could take a penny or two away from us and give it to you and, heck, it wouldn't mean that much to us." But our union leaders tell us the employer will not even let them bring up the subject. Whether it is true or not, I just have to take their word. I have no reason to doubt it, but it doesn't seem logical. I agree with you there.

Mr. ASHBROOK. We have the same problem in the legislation. There are many, many worthy bills there, but I suppose the average Congressman addresses himself to what might be called the top five or six issues, whether it be energy, the Israeli situation, whatever might be current at the present time, and I would assume that negotiations are exactly the same thing, the most important issue and then there is the next most important issue, then there is a third most important issue, and I guess you would just have to decide what you think this particular issue is in their agenda of doing things. It may very well be down five, six, seven, or eight on their list. But, going back to my first point, it has been my experience that whatever you want to put up there in the first or second most important issues, management is going to listen to it and there is no way you can say that they will not if it is anything that can legally be brought up for negotiation, but it probably doesn't make the top 10 and it is probably a fact of life which brings about your request for this legislation.

Mr. THOMPSON. If you will yield, I think that you've put your finger on it. If bargaining on a subject is permissive, it would almost necessarily be No. 8, No. 9, or 10 and since it is permissive, it's very easy for the employer to go down the list of demands and say, "Look, we don't have to bargain for retirees, let's get that one out of the way." Then, of course, the burden is on the employee bargaining to get as much as he can of what his membership demands or desires to begin with, and it is quite natural, it not being mandatory, that he will say, at that point to the employer, "Well, all right, we will save some time, but let's get to the latest fringe benefit or the latest hourly wage demand." whatever it might be.

Mr. BERMAN. Congressman Thompson, what you say is true and I agree with you. The only thing is, I hate to use a personal example, but I am going to in this case. I am 72 years old. Our contracts in our industry will be over in 3 years. They may not help me a bit, so please do what you can to get this bill out and get it out on the floor and have it passed so as to take away the unions' excuse for saying that they cannot bargain for us and give them the right, those that want to, to bargain for us, please.

Mr. THOMPSON. They have the right. What this bill would do is to require them to bargain.

Mr. BERMAN. What I mean is to make it mandatory so that employers will have to bargain with them.

Mr. Thompson, when you asked me whether any benefits were taken away from our unit I had forgotten, in food, no, and in drugs, no, but in general sales on less than a week's notice they took away the health and welfare benefits from the general sales people. I understand they are going to get them back, but, for a period of about 4 months, these benefits were taken away and, as I said a minute ago, they were taken away on less than a weeks' notice. I told them then, in a conversation with the people from both our union and from the employers, what they did might have been legally right but was morally and humanistically wrong and, as of today, some of these people—I can give you cases of one or two of them who were cancer patients, and a few others, have had no medical or anything at all to take care of them.

Mr. THOMPSON. Thank you for telling us.

Mr. Miller?

Mr. MILLER. I have no questions, Mr. Chairman.

Mr. THOMPSON. Thank you very much, Mr. Berman.

Mr. MILLER. The committee will go ahead and ask Mr. Sam Herrod if he will come forward, and Mr. Campbell. It is our understanding that Mr. Duman is not here yet but will be here shortly, so if you want to come forward together—

**STATEMENTS OF NORMAN CAMPBELL, RECORDING SECRETARY;
L. D. TWIST, FINANCIAL SECRETARY-TREASURER; AND SAM
HERROD, MEMBER; THE RETIRED CARPENTERS' CLUB**

Mr. CAMPBELL. Gentlemen, the Retired Carpenters' Club certainly welcomes this opportunity to appear before you and come up with our beef that we've been fighting around with. We have fourteen members, I notice by looking around here, of the legal committee of the

Retired Carpenters' Club. That should demonstrate a little, I guess. Each one of these fellows has been somebody that has been very instrumental in the past years in pushing the programs and the development of the pension setup in the Carpenters Union in California. I myself am one of the original negotiators of the pension plan, as we call it.

Mr. THOMPSON. How many years ago was that, sir?

Mr. CAMPBELL. That was about 1956, sir.

We instrumented this thing and put it in effect April of 1957.

Mr. THOMPSON. How long had you been working on it before that?

Mr. CAMPBELL. Well, I had been working in the District Council of Carpenters for about 15 years prior to that time and had been put on the negotiating committee of the District Council of Carpenters here and was in that position when we negotiated this plan.

We thought we had a pretty airtight situation, we were a tough bunch of negotiators. We have a common phrase that we've "Fought through years" with the people that we were negotiating with and we won things that we've been coasting on ever since. But we found out that we were dealing with human nature and, as has been demonstrated by your other evidence put in here, the lackadaisical attitude of the general public. I am working regularly now on an election committee and I know how much the public turns out to an election, about 30 percent in my district that I serve, and we are suffering from the same situation, no question about it in my mind after hearing the other gentlemen. It's a general public situation where people do not get concerned about anything that doesn't affect themselves. They forget old people just very easy. I'm a veteran of 1917-18 myself and I recognize, as was brought out by the committee here, the situation of the First World War veterans. This is just a similar situation, there's no kidding about it.

We are dealing with a situation that is with us in the American public, and we've got to deal with it that way. That's why we've come to the Congress, because we haven't been able to deal with it other ways.

Mr. ASHBROOK. Could I interrupt and ask you about a point which you brought out? You said that you thought you had it fairly airtight but now you are finding it is not. What is the problem, is it single track or double track, is it the problem of inflation? Obviously, 10 or 20 years ago none of us thought that we would have the type of inflation that we're talking about. That would be one problem. But the other problem, the employer recanting on what you thought he had agreed to 20 years ago, or is it both?

Mr. CAMPBELL. No; we do not find that it is the employer recanting on this thing. We are suffering mainly from the fact that the older retiree is not being brought up with recent retirees, recent conditions.

Mr. ASHBROOK. So inflation is the big problem?

Mr. CAMPBELL. Inflation has moved in on the situation. As you mentioned, none of this was anticipated in 1956 when we consummated this thing and drew up the instrument I called the airtight agreement, it is the trust agreement that governs this sort of a thing, wherein the trustees were given the carte blanche responsibility of running the show, with equal representation from both parties.

Mr. ASHBROOK. But it is the problem that we all see, you might have heard me mention, where I know personally, because my superintend-

ent of schools, when I graduated 30 years ago—he is deceased now, but my superintendent of schools was getting \$90 in the State retirement system and, at the same time, a retired teacher who taught my daughter is getting \$375. The argument that the State gave, of course, is that “Mr. Adams, at the time that he taught you in 1945 and 1946, was making \$1,400 a year, so his retirement plan was based on that; where your daughter’s teacher was making \$7,500 a year and her retirement is based on that.”

That is all well and good, but it is like saying my superintendent of schools, who was very important to me, is only worth about a fourth of what my daughter’s teacher is. Somewhere there has to be some equity, and I know that is the problem we get into in retirement when your pay is based on the salary at the time, which might have looked like a reasonable pension at the time but, with the passage of time and the new salaries of people working now, as you point out—wages that none of us had even dreamed would be possible—somehow or other we have to bridge that gap. I think most of us recognize precisely what has happened there.

Mr. CAMPBELL. I think we do, and that is why we have come to nobody less than the Congress for assistance in this thing. We feel that we’re caught in the center and it catches the whole public and something has to be done about it. The only thing that gives us hope is in the final statements in our brief that we have filed with you gentlemen. We asked for three things in line with the way Congress is meeting this problem right now, and asking participation by the lower income pensioners in the administration of available pension funds we feel is in line with the practice that has been put into recent bills that have come out of Congress where the guidelines prescribe that there will be participation by the consumers in this thing. We are very much the consumers and we are the forgotten men.

Mr. ASHBROOK. Mr. Berman, the previous witness, indicated that the contract which would be applicable or possibly of some help to him would not come up for 3 years. What time frame are you talking about in your own pension plan, your own renegotiations by your union of your contract? When will it be of some help to you to be renegotiated properly?

Mr. CAMPBELL. We are in behind the eight ball since July 1, 1971, as our brief that we filed with you brings out here, for members of the Brotherhood of Carpenters—and we speak here as the brotherhood—took the same oath as all of these 14 gentlemen assembled here, took the oath to there never being any discrimination within this organization, and that rankles these 14 people more than anything else.

I was on the negotiating committee for a number of years. One of the negotiations we always had was an attempt by our employer associations, and we dealt with the representative of eight employer associations, not just one guy, and our stance was that there was absolute equality in the organization. And that equality business has been abandoned in our agreement.

Mr. ASHBROOK. The old adage that some are equal, but some are more equal than others.

Mr. CAMPBELL. That’s one way of putting it, sir.

Mr. ASHBROOK. I’m sure you recognize that most of that would be within the internal operation of the union?

Mr. CAMPBELL. That would be within the internal operation.

Mr. ASHBROOK. You don't have too much say over that.

Thank you, Mr. Chairman, those are the only questions I have to direct.

Mr. THOMPSON. You have with you, sir, a statement, accompanied by—

Mr. CAMPBELL. One that was written by Mr. Verrinder, who's a retired business agent and has a comprehension of the overall picture.

Mr. THOMPSON. Following your talk that will be printed as part of the record in full.

[The documents referred to follow:]

THE RETIRED CARPENTERS CLUB,
San Rafael, Calif.

Subject: Involvement of retired union members in management of pension funds.

THE RETIRED CARPENTERS CLUB submits: The Retired Carpenters Club formed in 1971 principally by the Retired Carpenters in the Bay Area who generally had earned retirement prior to July first, 1971 and around the slogan "To aid the Retired Carpenter in assuming his well earned position of honor and importance in our society."

Three principal concerns motivating most of them in acquiring membership in this Club:

1. Concern over the monetary discrimination perpetrated by the Trustees of the Pension Plan when they withheld equal increase for the 4000 Carpenters who had retired ahead of July first, 1971, out of the funds then available for increasing and maintaining their compensation in \$9.00 per unit of retirement, paying Carpenters retiring after July first, 1971, \$15.00 per unit of service identical with the service required for those retiring prior to July 1st, '71. Regardless of any smoke screen or reasons advanced for justification, and the traditional stance of the Carpenters that all were equal in all respects.

2. That four of the Trustees involved availed themselves of the advanced evaluation in their favor and retired in the next few months, enriching themselves several thousand dollars over those who had retired ahead of the July 1971 deadline.

3. That this was made possible because available funds were withheld from a large number, approximately 4000 men, and channeled to only a few, making it possible to pay \$15.00 per unit of retirement after July '71, because, and only because, such a large number were held at \$9.00 per unit for the same identical service, therefore, because the Trust Agreement between the employers and the employees gives equal representation to each party and complete management of the Pension Fund with life tenure to the six trustees from each side, or until the Carpenter members retire.

The Retired Carpenters Club through its official representative in the United States Congress, and in line with established requirements by Congress for revenue sharing Union activity and Pension controls respectfully request that as Congress, you amend or legislate or extend these controls to provide—

1. participation by these lower income pensioners in the administration of available pension funds,
2. promote the advocacy of the consumer's view point,
3. promote the advocacy of the unique and unrecognized needs of the Carpenters retired ahead of July 1st, 1971, as their cost of living has escalated the same as everything else.

The main thrust of all American labor negotiations has always been to maintain living standards, or better them if the economics allowed.

And, the recognized objective of the so-called American standard of Equal Pay for Equal Service.

Respectfully,

N. B. CAMPBELL,
Recording Secretary.
L. D. TWIST,
Financial Secretary.
JOHN ELZEY,
Chairman.

NOVEMBER 22, 1975.

The seven employee Trustees of the Carpenters Pension Trust Fund for Northern California are appointed to a term of whatever length of time they desire. This is a direct violation of the Constitution and Laws of the United Brotherhood of Carpenters and Joiners of America, Section 31, pages 28, 29, 30, and 31.

The Pension Plan was originally conceived in a way that a raise for one was a raise for all, just as in Social Security. Effective July 1, 1971, the Trustees took it upon themselves to change this and those of us who retired previous to the above date were granted a 5% increase in pension benefits and those who retired after that date were given 66 $\frac{2}{3}$ % increase. We can only interpret the above action as unfair and should revert back to the original rules.

Now the Trustees of the Pension Plan have gone a step further, to cover the women employees who work in the various union offices and who belong to their various office employees unions an opportunity to be covered by the Northern California Carpenters Pension Trust Fund and the respective Carpenters Local Unions involved would only have to pay in on 350 hours at approximately \$1.00 an hour to make them eligible.

[s] CALVIN M. VERRINDER.

P.S. I served Carpenters Union Local 642 in El Sobrante, California, in the following offices: Trustee, Treasurer, Financial Secretary and Business Representative for approximately 20 years. I retired in July 1967 at the age of 69 years.

Mr. CAMPBELL. We have other evidence that we would like to share. We've got Mr. Twist here, who was for 30 years secretary of a local union, who is now the financial secretary of our outfit, and he has assembled some statistics and data on this thing; and Mr. Quick, who was one of the originators of the club.

Mr. THOMPSON. Mr. Twist, would you like to be heard?

Mr. TWIST. Yes; thank you.

Mr. THOMPSON. I might say to you gentlemen that Congressman Miller has exhibited a great and continuing interest in your problem. We are indebted to him for that.

Mr. TWIST. I imagine you folks back there are pretty well burdened down with paper, so there is no use to give you a lot of paper. I do have one thing here that I would like to give to the committee, and that is the brochure that I have put out in our membership drive, and it gives you some of the background, some of the reasons, that we have formed this Retired Carpenters Club.

Mr. THOMPSON. Without objection, Mr. Twist, that will be made a part of the record.

[The document referred to follows:]

THE RETIRED CARPENTERS CLUB,
San Rafael, Calif.

DEAR FELLOW RETIRED CARPENTER: If you are a Retired Carpenter, or about to retire, you should strongly consider becoming a member of the Retired Carpenters Club for at least two basic reasons.

(1) After your Retirement you may have lost a certain prestige. And contacts in your local union, which you may regain by uniting with us.

(2) As will be noted in our Preamble, We shall strive to be a voice for Brothers in our class, and attempt to right some of the injustices which have been, and still are being inflicted on us by a Board who is appointed for a lifetime, or age sixty-five term, and are not subject to censure, or review by any other body.

Preamble

The purpose of this Club shall be to promote the well being of the Retired Carpenters, and their wives; to uplift them spiritually, mentally, and financially; To create a happier, more joyful climate for them in their declining years; And to aid the Retired Carpenter in assuming his well earned position of honor, and importance in our society. A further purpose in joining together is that we may give voice to problems that we of this age group are likely to

encounter, and that these problems may be made known to the proper administrators of certain Boards responsible to the welfare of the Retired Carpenter.

You most likely are aware of the unjust decisions handed down by our pension Board, wherein those of us retiring prior to July 1, 1971, were on a \$9.00 per pension year basis, and then the Board ruled that after that date the rate was raised to \$15.00, but did not include those retiring prior to that date, thus creating two classes of retirees. This was certainly an unjust decision because historically in all Union negotiations a raise for one, was a raise for all, and at this time they have created still another class by raising the pension payments to \$20.00 per pension year. If this process is allowed to go on, all classes will be hurt.

The Club has retained Attorneys, and at the first hearing our request for a Jury Trial was denied. At this time our Attorneys are appealing that decision, and that appeal was heard before three Federal Judges, of the Federal Court of Appeals, in San Francisco, September 9, 1975, and it appears that we should win a favorable decision, and that we should be granted a trial by jury. Should this come about, we shall have a very good chance to attain justice.

It is difficult to assess the progress the Retired Carpenters Club has attained, but we do know that in unity there is strength, and by being a voice for the Retired Carpenters (and we have no other) we are in a position to at least change the thinking of the Boards who make decisions regarding the funds which we in part brought into being. And to the best of my knowledge, we were the only group who were ever allowed to appear before the Pension Board, and be heard.

We have over 800 members at this time. Our meetings are held in the Northbrae Community Church Meeting Halls, in Berkeley, on the second Friday of each month at 11:00 a.m. And we cordially invite all Retired Carpenters, and their wives, to attend. We would certainly be happy to have you join with us; our members receive a bulletin each month, so if you are out of this area you shall be informed as to our progress.

An application blank will be found on the other side of this sheet, and I personally believe that you, as a Retired Brother, should fill it out and join with us in our efforts to right some of the wrongs and injustices that have been perpetrated against us in our declining years.

Best wishes, and hoping to see you or hear from you soon.

Fraternally,

L. D. (LARRY) TWIST.

P.S. The \$1.00 per month dues also cover your wife's dues.

I HEREBY MAKE APPLICATION TO JOIN THE RETIRED CARPENTERS CLUB

Name ----- Wife's Name -----

Address ----- Zip ----- Local # -----

Initial Fee: \$2.00 ☐ Dues \$1.00 Per Month ☐ Legal Fund Send Information ☐

NOTE.—Preferably dues should be paid quarterly. (Example: OCT.-NOV.-DEC.). A letter announcing meetings, etc., will be mailed to you each month. In the event further information is desired, contact . . .

L. D. TWIST,

Financial Secretary,

15629 Tracy Street, San Lorenzo, CA 94580.

SOME POINTS TO PONDER

Should you and I allow an appointed pension board to make decisions that are detrimental to those of us who brought this plan into being?

Were not our hourly wages much less in our working years than now?

Was not the dollar we contributed then not equal to two dollars now?

Do you not feel that you should become a part of an organization that is striving desperately for justice?

In case the answers to the above questions are yes, this is the opportunity and the time for you to take part in this effort to get equal pension basis for all, regardless of the date when you came into the plan.

We have a fund which we call our legal fund, and as the name implies, it is used for that purpose. We have asked our members to contribute the sum of

\$20.00 to it, but only on the condition that they feel they can afford same; it is not mandatory. But in case you care to help us with this, you may mark your check (legal fund). You may pay in \$5.00 or \$10.00 a month if you like, and I shall send you a receipt promptly.

We shall be looking forward to hearing from you soon. You may surely need us, and we surely need you, to get in this effort to gain equal pension payments for all.

A late Bulletin informs us that a 12% increase will appear on our October checks, and 5% to those on the \$15.00 per pension year credit.

So we are slowly gaining, step by step, in our united efforts for a just distribution of our Pension monies.

Mr. TWIST. I guess I am one of the average people that have retired and come under the status of the conditions that exist. I retired in 1970 when I was going on 65 years of age, and at that time, my retirement looked pretty good. It looked like the retirement that I would receive from the Carpenters and from the social security would take us through quite nicely to support my wife and I, with a home that is about paid for—I was one of the lucky ones, just about half of my home paid for. However, inflation came along—you probably know more about that than I do, and I guess we all know just about all about it—and since that time, why—when we retired, we had a specific sum, I think mine about that time was about \$257 a month, and the moneys that we paid in working prior to that time were pretty hard dollars, and I think that they would probably be equal to darn near \$2 at that time than the money is worth right now, and inflation came along and ate this thing up, ate up what we had, were receiving.

As illustration, about that time I went out and bought a pair of Florsheim shoes, I paid \$12 for them, and I have a pair of shoes on right now that I bought about 10 days ago, about the same quality of shoes, and they cost me \$31.85 with the tax, and that's a pretty good sign of the inflation.

I take it that the other speakers here have probably covered most of the things here and the reason. I can see no financial reason why we people that retired prior to 1971, this July date of 1971—I think that it's probably been brought out that a man, say he retired, got his retirement papers in over here at San Francisco in June, processed in June, he was in one classification, and then, if he got those papers classified after July 1, 1971, he received an increase over us of 66 $\frac{2}{3}$ percent. According to their 1973 financial statement, they had assets, a fund balance of \$144,296,751; and according to their 1974 annual report, their assets had gone up to a total of \$160,314,449, so it was not the financial burden on the fund that kept them from giving us the same increase as they have given—and they formed a classification, they formed three classes. We claim that's a very bad thing to do, because primarily and historically with the Carpenters, when they negotiated for an agreement, that negotiation covered every one of us, and we contend that we are just as much a part of the negotiations as that man that works out in the field. That was brought out.

We had a case over here before Judge Renfrew in the Federal court, and we asked for a legal trial, a jury trial. Judge Renfrew denied that, and one of his reasons was that it was perfectly legitimate for the negotiating board to not negotiate our pension payments. That was one of his tenets in that.

Do you bear me out on that?

Mr. CAMPBELL. Yes.

Mr. THOMPSON. One of the problems Mr. Ashbrook referred to earlier is the problem of recomputing pension benefits.

Mr. TWIST. That's right, and that's about the way it stands right now.

That is about all I have; I think it is pretty well covered, and it's been a pleasure to have you people here, to appear before you, and we appreciate what you will consider for us.

Mr. MILLER. Thank you. Mr. Herrod, you had a statement?

Mr. HERROD. Yes; I have a short statement, Mr. Miller.

First of all, I would like to compliment your chairman and yourself for the work that you have done on behalf of the building trades movement in the United States in the situs picketing legislation.

Mr. THOMPSON. The New York Times didn't like us very much on that.

Mr. HERROD. We appreciated it.

Mr. THOMPSON. They didn't like the first half; they liked the second half.

Mr. HERROD. We certainly appreciated it, and we think it is a move in the right direction. We have been discriminated against for a good many years because of that act.

Yes; it's a privilege for us to be here, Mr. Chairman and members of the committee. I heard on the radio the other day Senator Church made a statement that I think is really applicable in this case. I don't think I can quote him verbatim, but he said something like this, that ever since the investigation of the Watergate fiasco and down to his present committee investigations, the main thing he felt had been learned by everybody was that you can't trust a few people with too much power and authority for too long. Now, this is the substance of what he had to say. I think that applies in our case as well as any case you can mention.

Personally, I feel that we have an ideal situation for wheeling and dealing between the employers and the union representatives on the board of trustees. The trustees are in a position to negotiate for better pensions for themselves. I believe after the last negotiations we had four members of the trustees who did retire after a considerable boost, about a 60 percent boost in the pension plan, so we feel that this should be corrected. We don't think that this should be left in the hands of such few people. We feel that there should be some way for the retired people to have a voice in the administration and handling of pension funds. We, maybe I should say I, personally feel that there should be Federal referees to look in upon such trustees who have so much authority to cover and affect the lives of so many people.

It seems a bit unfair that retired carpenters have so much of a problem trying to find out even what the salaries are of the people who are handling our funds. We feel that these things should be open and above board and available to any member who asks for this information. We practically had to go to court to get any information in this respect. In fact, the administrator of the fund told a delegate to the district council of carpenters when he asked what his salary was, that, "It's none of your goddamn business," and this is the response that came from the administrator of the carpenters' fund, Mr. Sutherland. If there's anything fair about that, I'd like to know it.

We're not making any accusations that there has been wheeling and dealing between the management members of the trustees and the Carpenters representatives; we feel that the integrity is equal on both sides of the fence.

Mr. THOMPSON. If you asked the management man how much he makes, he would tell you to go to heck, too.

Mr. HERROD. I don't doubt that.

Mr. ASHBROOK. Is it fair to say that you hold them all in high regard?

Mr. HERROD. To sum up here, Mr. Chairman, we feel that the retired people should have something to say about how our money is being invested and how it is applied in the way of benefits. We do feel that it is our money.

That is just about the sum and substance of what I have to say. I am a very junior member of this retired carpenters club, I've been retired $2\frac{1}{2}$ years, I'm only 70 years old. Compared to these other fellows, I'm just a kid.

Mr. MILLER. Currently the trustees are selected how?

Mr. HERROD. Right now they are selected by the 46-county conference board we have recently established in negotiations that negotiates for the whole 46 northern California counties, and we have a conference board of so many representatives from each local union. In the future this is where they will be selecting the trustees, but this is sort of a lifetime job; until they get ready to retire they stay on that board and we don't know of any way to move them off, we don't know how to hold them responsible to their local union, and this is something else that we feel is unfair.

Mr. MILLER. But there is nobody on the board of trustees who is retired?

Mr. HERROD. No; when they retire they have to move off the board.

Mr. MILLER. They leave the board?

Mr. HERROD. Yes. We had four members, four trustees I believe—

Mr. Campbell, is that correct?

Mr. CAMPBELL. Yes.

Mr. HERROD [continuing]. Who retired after the negotiations increased the pension plan somewhat, to something like 60 percent.

Mr. MILLER. And they retired right after that?

Mr. HERROD. Right afterward.

Mr. MILLER. Let me thank you, the three of you, for your testimony before the committee. I think it will be very helpful to us and also it has drawn into perspective some of the problems that you are forced to live with in your own in-house operation.

I wonder, Mr. Campbell, if you would like to introduce the other gentlemen who are here with you for the record. They could stand up and identify themselves to make it part of the record.

Mr. CAMPBELL. There's been one subject here that has not been brought out, Mr. Miller and Mr. Chairman, and that was that this thing functioned for 14 years, from 1957 to 1971, across the board. It was increased three or four times since that time and everybody got an increase, but, effective July 1, 1971, the board came out with this decree, that those retiring after July 1971 would get \$15 pension for the same thing that the people retiring ahead of that would get \$9,

and that is a considerable sum of money. This went on for 14 years, though, with about three or four or five increases to everybody and then within a year before these four trustees retired, why, they upped the ante.

Mr. TWIST. May I have a brief conference with him?

[Discussion off the record.]

Mr. CAMPBELL. It has been suggested that there was one evidence of further irresponsibility of these people that we hold as brothers and who are responsible around here. They made a small increase of 12 percent in our pension last year after negotiations and sent down an elaborate brochure that due to their efforts of negotiation they were able to increase our pension, but, at the same time, they blanketed in a bunch of office girls, about 40-some odd, and made available our pension funds for pensions for them with the same pension credits, and rumor has it—now, this is strictly rumor—that they started paying these to the tune of \$580 and \$600 per month retirement out of the funds that were available for pensions we feel that we, some of the members that are retiring in there now, paid in on this, had money paid in on them since April 1957, and now they say they're blanketing in 40, females principally, for the payment of 350 hours back pension remuneration, and they are competing with these people who pounded nails since April 1957 to get the same pension credit. That has come up since we started our little instigation on this thing, but it is part of the evidence of irresponsibility that we talk about.

Mr. THOMPSON. We hope that the new laws will cure those things. Of course, it will take some time not only for them to go into full effect but also the operation of them will have to be watched very carefully. You know there are many, many billions of dollars in pension funds and they have never been controlled uniformly.

Mr. CAMPBELL. There's no question about that, and the thing that sticks with groups like this—this organization was formed, as my statement says, just because of the resentment toward those three or four practices, and we have noticed that, as borne out by the evidence that was submitted to you gentlemen here this morning, that there is a general lackadaisical attitude of forgetting the guy that is the "has been" all the day dawn the line, and that Congress has taken cognizance of this and tied into labor-management laws and guidelines—I happened to quote a guideline in the final statements on this thing here that was put out by the Congress to our supervisors of Marin County, and they put it out as coming direct from the "horse's mouth," as the statement says, and I'm repeating that here. There is a precedent established of guidelines put on these guys out of necessity by you gentlemen. We ask you to extend it and incorporate it in this legislation.

Mr. MILLER. Thank you, Mr. Campbell.

Could we have the other members of the Retired Carpenters Club who accompanied you here stand and identify themselves for the record?

Mr. McMAHON. Frank McMahon.

Mr. ELZEY. John Elzey, I am the chairman.

Mr. WATKINS. J. A. Watkins, one of the original seven charter members.

Mr. VERRINDER. Calvin Verrinder.

Mr. ASHBROOK. Is he the gentleman who wrote the letter that's attached to your statement?

Mr. CAMPBELL. Yes, he's the gentleman who wrote the letter. He is a retired business agent of the union.

Mr. THOMPSON. Thank you for your letter, Mr. Verrinder.

Mr. SCIROCCO. Mario Scirocco.

Mr. MCKENZIE. I'm Lowell McKenzie, the past president of the Retired Carpenters Club.

Mr. QUICK. Ernie Quick.

Mr. CAMPBELL. One of the incorporators of this club.

Mr. KING. Ralph King.

Mr. MCKINNEY. William H. McKinney, vice president of the club.

Mr. REUTZ. George Reutz, a 50-year member of 483 of San Francisco.

Mr. ELZEY. May I ask a question?

Mr. THOMPSON. Yes; you may.

Mr. ELZEY. On our pension trustee board there are 14 members, 7 from industry and 7 from the employees. The retired carpenters have no word, voice or vote or any of that. Is it legal for a trustee to profit by his own actions as a trustee?

Mr. THOMPSON. No; it is not.

Mr. ELZEY. Thank you, sir.

Mr. THOMPSON. We thank all of you gentlemen for this valuable testimony and commend you for your efforts in organizing and wish you well. We'll do whatever we can to help.

Mr. CAMPBELL. Thank you very much for giving us your ear here this morning. We are deeply indebted to you. We are in this fight, we are going to keep fighting whether anybody helps us or not.

We have an attorney, but he hasn't gotten here yet.

Mr. THOMPSON. We will leave the record open for any statement which your attorney, who has not arrived, wishes to make. All he need do is to mail it to us in Washington.

The subcommittee will adjourn, subject to call of the Chair. Many thanks.

[Whereupon, at 11:30 a.m., the hearing adjourned.]







