

# Kaiser Embarks on Labor-Management Plan

By GEORGE C. HARLAN  
United Press International  
Kaiser Steel Corp., the "maverick" of the steel industry, is embarking on a labor-management experiment which could provide a blueprint for the future of all industrial labor relations.

On March 1, the big west coast steel producer, which broke industry ranks in 1959 to sign a separate strike-ending labor contract, puts into effect a precedent-shattering share the savings plan. The 7,000 mill hands at Kaiser's sprawling Fontana, Calif., works voted last month to approve it.

The Kaiser agreement takes an added significance because 1963 is a wage bargaining year for the basic steel industry.

The plan's success or failure in ending bitter wrangling over wage rates and in cushioning the impact of the lengthening shadow of automation will be watched closely by the other steel companies as well as all industries with a strike-scarred history.

Highlights of the monthly share-the-savings Kaiser agreement are:

-All plant employees will



**THREE MEN INVOLVED**—David C. Cole (center), Paterson, N.J. lawyer and a member of President Kennedy's labor-management advisory committee, is one of chief architects of Kaiser Steel's share-the-savings labor contract. The contract goes into effect March 3 and may have influence on industry wage bargaining. United Steelworker's President, David J. McDonald (left), said it would be discussed during reopened contract talks in the summer. U.S. Steel Chairman Roger M. Blough (right), recently expressed doubt it would have much importance (UPI)

receive 32.5 per cent and the company 67.5 per cent of any cost savings, figured on a basis of the 1961 labor-plus-material costs at the Fontana mill.

Cash benefits will accrue regardless of whether the company is making a profit and/or whether savings stem from increased or better work, new equipment, improved methods, better materials, or any other reasons.

-Employees automatically will get any wage increases negotiated by the rest of the steel industry. While the Kaiser local will not negotiate wage scales it will be free to bargain on non-economic matters.

-Mill workers idled by plant automation would be placed in an "employment reserve" and paid at the rate of their old jobs until a new job opens up at the comparable pay scale.

**Continue Plans**

-Existing incentive plans will continue in effect but a worker will have the option to forfeit his incentive in return for a lump sum payment. Some workers with "out-of-line differentials" will not participate in the sharing plan payments.

-The four-year pact is subject to annual review and revision by the company and the union.

Will the Kaiser plan set a future industry-wide pattern? No one yet is prepared to say, but the other steel companies have made no secret of the fact that they hope not.

One of the chief architects of the accord, David L. Cole, told United Press International

that the plan was drafted to fit Kaiser's "peculiar" situation as a single, fully integrated (ore-to-product) steel operation. He questioned the applicability of the formula in its present form to such big steel companies as U. S. Steel with their multi-mill structure.

**Concept Sound**

Cole, a member of President Kennedy's Labor-Management Advisory committee, said he feels the Kaiser plan could be tailored to other steel firms and industries because the "basic concept" is sound.

Cole, who divides his time between practicing law in Paterson, N.J. and acting as a neutral peacemaker in thorny labor disputes, said his mail in recent weeks has been flooded with inquiries from a wide assortment of companies asking how the Kaiser accord might be adapted to their respective operations. He said he has received no such inquiries from steel concerns.

But Cole said he has detected some change in steel management sentiment since its initial blanket condemnation of the plan. "They seem to feel it may be 'All right for Kaiser but not for us,'" he said.

Some steel officials have assailed the plan chiefly on the grounds that under it management abdicates its "basic right" to decide how income is spent and must disclose confidential cost data that unions

long have been clamoring to see.

Shortly after the new formula was made public United Steelworkers President David J. McDonald said it would be "discussed" during reopened contract talks this summer.

U.S. Steel Chairman Roger M. Blough expressed doubt recently that the Kaiser plan would figure in any settlement growing out of the negotiations.

It is generally thought that McDonald will hold off seeking to deal other union members in on the shared savings benefits until he has had time to gauge the potential gains from the pact.

Cole rejected the notion that the Kaiser agreement is a "give-away." He pointed out that the plan still leaves the company about two-thirds of any gains in production cost savings and that its incentive features should lower costs and pep up output performances.

**Plan Is Guaranteed**

Should this summer's wage talks break down and plunge the industry into a prolonged shutdown, the plan will place Kaiser in an enviable position. Since the agreement eliminates bargaining on money issues, Kaiser will not be a party to these discussions. In effect, the plan is a four-year guarantee against production interruptions arising from economic issues and offers a potent sales argument to customers who are anxious to avoid costly steel stockpiling as a hedge against threatened labor troubles.

There is, however, one joker in the pact that could work against Kaiser. The company could be losing money and yet still be paying out savings benefits to workers. But this situation only could develop when its plant is operating far below capacity and at the same time the few workers still on the job increased their per man-hour efficiency.

**Industry Wails**

It is doubtful that the Kaiser formula, even if it proves a resounding success, will be swallowed whole by other companies. But some backers of the plan feel that its feature aimed at allaying growing labor fears over automation eventually may win industry-wide acceptance.

The Kaiser accord stipulates that workers whose jobs are wiped out by automation would go into an "employment reserve" or labor pool where they would be paid at the rate of their old jobs for at least the average hours worked a week in the plant for not more than a year. The

company figures these workers would have to be carried in the pool not longer than five or six months before the normal attrition would open up new jobs for them with pay equivalent to their old positions.

This provision is designed to encourage workers to welcome technological changes. As Cole expressed it: "You cannot expect cooperation for efficiency if that cooperation leads ultimately to walking the streets."

The four year settlement also provides for an annual review to air any grievances and the calling in of the three public members who help shape the plan in the event the agreement is near collapse. If either side is disenchanted with the plan at the end of the four years it can be scrapped.

Cole, who labored nearly three years to help bring the formula into being, said that failure to give the experiment a "fair chance" for success would be a grave disservice to the cause of better labor-management relations.

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**Interpreter Pleads 'Guilty' To Many Crimes**

By JOAN SWEENEY

Los Angeles (UPI)—Dolores Campillo Martin has pleaded guilty to so many crimes she's lost count of them.

And she's pleaded innocent to everything from murder to arson. She never committed any of these crimes. But as an interpreter in the Los Angeles county courthouse, it is her job to act as the voice for Spanish and Italian speaking defendants in court.

After she is sworn to testify, the platinum blonde, 25, translates the statements of witnesses and defendants into English for the court and vice versa. And often she finds herself performing a similar service between lawyers and their clients.

Miss Martin takes her responsibility to the defendants very seriously.

"I try to find out something about the case," she said, "so I can tell the defendant before hand what he is charged with and explain what it means legally."

Apparently her work has made quite an impression, because she said that now people come up to her in the courthouse halls and ask her to defend them.

Miss Martin's work is not confined to criminal matters. She also works in civil courts including domestic relations.

Most of Miss Martin's work is with Spanish-speaking people. Raised in Mexicali, Mexico, she is bilingual in English and Spanish. However, she occasionally is called upon to interpret Italian—a language she learned from her grandmother.

Despite the many pleas she has been called upon to give in court, there is one crime to which she has never entered a guilty plea—murder.

"Murder cases always plead not guilty," she said.

Miss Martin's most frightening experience was not with a criminal, but with a courtroom spectator. He followed her everywhere she went for three days until he was picked up by the police.

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