

PARTNERS??



Without any job assurances like those outlined above and some others, the request for union members to freeze wages has no basis. Will you feel any more secure in your job by taking a wage freeze if management makes no corresponding job guarantees? We think not.

The examples of Chrysler, A.O. Smith, and the A-C plant in Pittsburgh and others have shown time and again that "one-way" concessions have provided no security. Concessions were made in Pittsburgh and the plant closed; Chrysler workers took huge wage cuts and afterwards Chrysler executives gave themselves retroactive raises and built a new engine plant in Mexico; A.O. Smith workers took a pay cut and now hundreds are being being layed off. We need job assurances.

Finally, during all those years when A-C was raking in huge profits, they still were moving our jobs out and never offered to give us a piece of the pie.

But when things slow down a little, we're the first ones asked to sacrifice.

We have taken time to prepare these facts for you (and we have more) so that you can better make your own judgements.

The situation we face at A-C is a difficult one. Our actions will influence the contracts of thousands of Ag-Impliment workers and others in the labor movement. Let's not make the same mistakes others have under the pressure for a quick solution to a long standing problem.

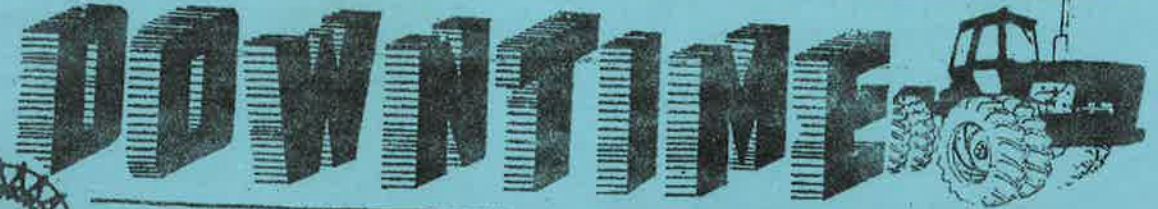


"So long, partner!"

labor donated

SPECIAL EDITION

Tractor Division Newsletter



BUILDING A BETTER UNION THROUGH BETTER COMMUNICATION
Vol. 1, No. 3
October, 1981

WAGE FREEZE???

BY BOB RUSSELL AND FRANK SHANSKY COMMITTEEMEN
DIVISION 1 & 2

CONCESSIONS? What are the facts?

With the present management request for a wage freeze and the rhetoric about our "run-away" wages, we felt it was important to inform our members of the following information.

A-C INCOME- 1980 was the first year A-C exceeded 2 billion in sales. Real financial success is measured by steady growth in sales and earnings per share of stock. A financial overview can better help you understand A-C has been financially successful especially the last 5 years.

	SALES	NET INCOME	INCOME PER SHARE
1972	960.3mil	8.7mil	70¢
1976	1.51 bil	58.7mil	\$4.51
1979	1.97 bil.	81.4mil	\$6.23

CONTRACT RE-OPENING

Not only has the financial picture of A-C increased over the last several years but the employment levels have also increased. In 1972 A-C had 26,362 employees worldwide with about 5000 workers at West Allis. In 1980 A-C employment rose to 28,899 while West Allis employment dropped to about 3000.

A-C's investment decisions have funneled money to other plants (overseas & the South) while investing little in West Allis and allowing our plant to deteriorate. Last year A-C paid out 26 million dollars in dividends and only reinvested 20 million back into the entire company. This figure represents only 1% of their total revenues.

Thus it is clear by looking at A-C's income and the number of employees that they are not doing poorly. While Allis Chalmer's highly paid executives tell us and the community that we are overpaid and thus want concessions, the real motive is solely more profit. It should be clear from facts we have outlined that A-C is not in a "Chrysler" type

situation nor do they claim they are. But with the general economic problems of inflation and high interest rates, they're looking for a way to make up the differences and as usual we're the ones who are having the finger pointed at us.

The real question is not whether A-C can make more money by paying workers in the South and overseas a substandard wage, but can A-C "survive" by paying workers in West Allis a living wage. And the answer over the years has been resounding yes. Even with the current business slump all over the country, A-C has turned a profit in every business quarter so for this year. It is about time that the rhetoric about "runaway" wages is stopped. No man or woman who earns \$11 or \$12/hour and who can hardly keep up with inflation, is earning too much. And as most of you already know in tractor shop the amount of money paid to us is a tiny fraction of what A-C sells their tractors for. It is, in fact, the smallest part of what goes into producing a tractor.

?? CONCESSIONS ??

Lastly, if management is serious about the problem of high wages at West Allis plant, they need look no further than themselves. The following is a breakdown of just one officer of A-C, David Scott, Chairman of the Board. These figures are for the fiscal year ending Dec. 31, 1980 and does not take into account what he is making this year.

DAVID C. SCOTT

<u>Salary & Directors Fee</u>
\$386,190
<u>Incentive Compensation</u>
\$ 37,044
<u>Securities or Property & Personal Benefits</u>
\$ 55,187
<u>Aggregate of Contingent Forms of Remuneration</u>
\$181,552
Just these figures total
<u>\$659,973</u>

Mr. Scott also owned as of 1980 248,323 shares of stock which amounted to 1.93% of ownership equalling several more million dollars. These figures do not include additional deferred compensation paid during 1980 nor do they consider the tremendous pension plan which offers as much as \$145,000 a year for 15 years of service. Mr. Scott is presently in his 13th year of service. Now who do you think is overpaid???

JOB GUARANTEES

Any considerations or sacrifices by us can only be seriously considered if the company can assure us future employment at West Allis. The company can demonstrate their commitment to us by

1) Bringing back our work on the Fiat series tractors that is now being done in Italy. This decision by management alone has cost workers in West Allis hundreds of jobs and months on the street.

2) A commitment to reinvesting more of their money into the West Allis plant.