

DEPOSITION
EXHIBIT

Bundara 26
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PLAINTIFF'S
EXHIBIT

O-C 30

November 15, 1944

Memorandum for the Record

WAGE PREMIUM for installing Fiberglas in Shipyards

Wage premiums for installing Fiberglas insulation in shipyards have been approved by the Shipbuilding Commission of the National War Labor Board in at least six yards in the Atlantic Zone and two yards in the Great Lakes Zone. In addition, the "Tentative Conclusions" issued by the Shipbuilding Commission in its "Gulf Coast Wage Review" dated September 8, 1944, provides a premium of 10¢ per hour for workers installing "Span Glass and Fibre Glass".

The attached listing of NWLB Shipbuilding Commission cases and rulings, assembled following a trip to Washington on November 10, 1944, indicates the scope and extent of the premium, which originated in the Cramp Shipyard (Philadelphia) case of March 1, 1943.

The Cramp case, which was handled on a NWLB "Form 10" — i.e., by mutual agreement of employer and Union — followed within a few weeks the issuance of a joint Navy-Maritime Commission publication on "Minimum Requirements for Safety in Contract Shipyards". This booklet contained a statement on Fiberglas indicating that the material is hazardous. Philip Drinker, chief health consultant of the Maritime Commission, in a letter to W. G. Hazard dated May 24, 1944, stated that the section is to be rescinded. To date, however, no supplementary statement withdrawing or revising the section has been issued.

But the damage has been done, and the Fiberglas section in this publication gives a specious basis to union assertions that their men are entitled to extra pay for handling Fiberglas.

We have been asleep at the switch while this trend has been developing:

1. Our knowledge of the existence of the section on Fiberglas came in May 1944 (three months after issuance of the booklet) by way of Walter Paine, manager of Astor's engineering and inspection department, in a casual remark to Ames at a meeting of the Rhode Island Industrial Health Institute in Providence.
2. Our first word of a pending case wherein the premium was still under consideration came by way of Mr. Marshall's office in September 1944, when the Directive Order in the American Ship Case was brought to our attention.
3. It took a trip to New Orleans to learn (on October 25, 1944) about the Gulf Zone Wage Review. (See New Orleans trip report attached).

To attack the problem now is like trying to perform an autopsy on a body buried for a year and a half: It stinks.

But here is what we are doing:

1. We prevailed upon American Ship to protest the Fiberglas premium in its appeal

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From the Shipbuilding Commission's Directive Order, (See Cleveland trip report of September 12, 1944) and subsequently (October 13, 1944) we submitted a statement over Mr. Zimmerman's signature, which became part of the record in the American Ship case.

2. At the request of Mr. J. H. Love, industrial relations manager of Federal Shipbuilding and Dry Dock Co. (U. S. Steel subsidiary), Ames testified at a Shipbuilding Commission hearing in Washington on October 23, 1944, reading into the record a statement similar to that used in the American Ship case.

3. Steps have been initiated through W. G. Hazard, now director of the New Jersey Bureau of Industrial Health (Trenton), to get Drinker to issue the supplement rescinding the statement on Fiberglas in "Minimum Requirements." Meanwhile we have been using photostats of Drinker's letter to Hazard of May 24, 1944, to combat that section.

4. While the American Ship and Federal Ship cases are still pending, we have met informally with the industry members of the Shipbuilding Commission (Messrs. Paul and Howlett) requesting them to initiate an amendment to the Tentative Conclusions of the Gulf Coast Wage Review.

This step was taken at a luncheon at the Willard in Washington on November 10, 1944, at which, besides Messrs. Paul and Howlett, Messrs. Ames, Donovan, Brought, and Lieut. Tracy H. Ferguson (Navy Labor Relations Officer) were present.

Messrs. Paul and Howlett agreed that the award of a premium wage on "spun glass and fibre glass" was discriminatory.

Like Lieutenant Shields, Navy Labor Relations Officer of the Eighth Naval District, New Orleans, however, they admitted that there is no chance of a rollback now — that the premium has been in effect so long and is so widespread that "it's almost a cut and dried thing" from a precedent angle. It is recognized that there is no actual health hazard involved, that there is an element of discomfort and disagreeable handling which is sufficient to justify a premium on a "dirty job" basis under conditions peculiar to the shipbuilding industry, such as working in confined spaces, lack of adequate ventilation, lack of wash-up and locker room facilities.

To our argument that Fiberglas is a form of mineral wool and that we would have no serious objection to a premium — even though it is recognized that such a premium is a subterfuge to evade wage stabilization regulations — IF the premium were applied to ALL forms of mineral wool and IF it were predicated, NOT upon a health hazard, but upon "dirty job conditions peculiar to the shipbuilding industry, they replied that they did not wish to be in the position of extending the premium to rock wool and slag wool, implying that they knew this would bring down upon them the wrath of J-M, and other manufacturers of rock and slag wool. Then Ames pointed out that we were under no illusions that Federal Ship or any shipyard was fighting our battle for us, and that Federal's real concern was lest they be engulfed by a tidal wave of compensation claims based on an allegation of hazard — claims that might be made to stand up under conditions surrounding the administration of the workers' compensation laws in New Jersey, where the Commission's grant of a premium wage would be misinterpreted or misconstrued as a judicial finding that the material was hazardous.

This argument struck home.

"Gentlemen," Ames said, "you are used to dealing in quid pro quos. You may not want to throw to labor something that labor hasn't asked for. But you have told us you believe this premium as it is now written into your rulings is discriminatory. You have told us it cannot be rescinded. We have been the object of unwitting discrimination on your part, probably because our materials account for most of the insulation used in shipyards. But Fiberglas is a form of mineral wool — as shown by the specifications, by freight rate classification, and by trade association definition. And what you have

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said in your rulings is equivalent to telling a farmer that he has to pay a premium for harvesters when they thresh wheat, but not when they thresh rye, barley, or corn. Now, why don't you work the quid pro quo angle and use this situation to make a trade and get something else that you want from the labor representatives on the Commission?"

Then we offered the draft of a resolution (copy attached) which might be useful in amending the "Spun Glass and Fibre Glass" item in the Tentative Conclusions of the Gulf Coast Wage Review. Messrs. Paul and Hewlett looked it over, commented that they "couldn't do it that way", but indicated that the ruling in the American Ship case, then in draft form, provided a premium for installing "Mineral wool (including glass) insulation." Ames countered that this was like saying "grain (including wheat) threshing" and urged them to make it "Mineral wool (including rock, glass or slag) insulation."

They were adamant on this point, however, and thought they were going a reasonable way to make this concession, although their attitude was entirely friendly.

Probably outcome is that the American Ship ruling will be issued with this award:

"A premium of 11¢ per hour for workers actually engaged in installing mineral wool (including glass) insulation."

and that this phraseology will establish a pattern to be followed in the Federal Ship case and in an amendment to the Fiberglas item in the Tentative Conclusions of the Gulf Coast Wage Review.

It is urgently suggested that the Washington office keep in close touch with the Shipbuilding Commission and promptly relay to Toledo up-to-date and complete information on the status of all cases where our interests are affected.

In the meantime, Ames will undertake to follow through Hazard to Drinker or John Roche of the National Safety Council (Drinker and Roche wrote "Minimum Requirements") to see to it that an official supplement withdrawing the statement on Fiberglas is issued.

Meantime, too, it is suggested that the opportunity be made for Ames to present a story on this at the branch managers meeting November 30 - December 1 and 2, pointing out the implications of this situation, with special emphasis on the necessity of getting in bed with the unions (IUMSWA-CIO and Ship Carpenters-APL) to stimulate them to invoke the precedent of the newly established, generalized, all-forms-of-mineral-wool pattern to swacken labor to its opportunity to extend the wage premium to rock wool and slag wool, if-and-when the need arises.

Our competition isn't going to like us, and we're going to have a fight on our hands with the rock wool - slag wool people when they wake up to what has happened. But unless we do this, we are going to be in a bad competitive position, and if we're going to have a fight, these tactics will make an industry fight, and not a lone company fight.

We must watch closely, too, to make sure that the pattern established by the Shipbuilding Commission along the lines indicated above is followed in each ruling, that the premium is granted on the basis of disagreeable conditions — confined working spaces, lack of ventilation, etc. — peculiar to the shipbuilding industry, and that the assumption of health hazard is expunged from the record. In this fight, we may be obliged to enlist the help of such men as Mr. Rawls, president of Local 584 of the Ship Carpenters Union, New Orleans, of the international representative of this group (Henry Blumberg, Hotel Annapolis, Washington) and even of our semantic friend, Mr. Goldstein, attorney for IUMSWA, to get the pattern righted along proper lines.

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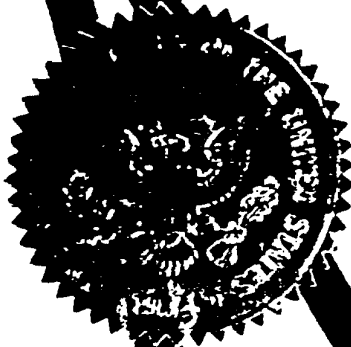
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Edward C. Ames

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