twelve union agreements at plants in the United States and Canada. Our average increases in wages and fringe benefits were higher than they have ever been, but they were in line with the upward trend of contract settlements in most industries. The contracts in major pace-setting industries, negotiated in 1967, will have a strong influence on all union demands during 1968. Our wage costs will continue to rise.

Strikes occurred at three small plants during the year. One involved employees at the new Two Harbors, Minnesota plant where the initial contract was negotiated. Another occurred at a small plant in New Jersey. Also, a strike was called in early December at a foundry in the St. Louis area. This stoppage, caused by the inability to reach an agreement with a new union, was still in progress at the time this report went to press.

The total number of employees and the number of lost man-hours in all three strikes were small and they did not have a significant effect upon our over-all operations.

Generally, our relations with employees and union representatives continued on a satisfactory basis throughout the year.

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