

To Our Neighbors In Torrance And Surrounding Communities:

The strike that was called last Sunday by the employees of The National Supply Company who are members of the Oil, Chemical and Atomic Workers International Union, Local 1-128 being a matter of economic concern to many families in Torrance and its surrounding communities, prompts me to address this letter to you to acquaint you with the Company's offer which was rejected by the Union membership.

The Company representatives met with the Union representatives on October 18th for the purpose of beginning negotiations on a new agreement to become effective upon termination of the agreement then in effect. After an exploratory discussion of the new terms and conditions that the Union was asking for in the new agreement, the Company submitted to the Union on October 19th its complete Group Insurance proposal covering improved hospital and surgical benefits, one of the important items re-

quested for negotiations. I mention this October 19th date of our negotiations because of press reports "that the first Company offer was received by the Union just 10 hours before the contract expired at midnight on October 31."

After several days of discussion with the Company's Insurance Manager present, the Union replied to our offer on October 25th by saying they were still making a study of hospital and surgical plans and would not be able to finalize their position with respect to insurance until Tuesday, October 30th. In addition to the subject of Group Insurance, much of the time between October 18th and October 30th was spent in discussion and clarification of the various provisions of the Union's proposal for a new agreement.

On October 30th, the Union Committee indicated they were then in a position to submit the Company's proposal on Group Insurance to the membership, with certain recommended changes.

At this point the spokesman for the Union Committee suggested the subject of Group Insurance be tabled and then move on to other matters. Immediately at this point, the Company presented in writing the balance of its proposal for a complete agreement, including a new wage schedule and all other economic benefits that the Company was willing to provide.

I apologize for burdening you with all the above detail on the negotiations, but had the Union Committee been prepared to discuss the Group Insurance subject to a conclusion before October 30th, we could have begun negotiations on other areas of the new agreement sooner. Up to strike time, over 85 hours were actually spent in joint meetings with the Union Committee since October 18th.

The following schedule of economic benefits was contained in the Company's offer:

1. INCREASED WAGES

Effective upon the signing of the new agreement, the following wage schedule will become effective, showing the automatic increments in each successive year:

PRESENT RATE	LABOR GRADE	ON SIGNING AGREEMENT	EFFECTIVE DATE	
			FIRST ANNIVERSARY DATE OF AGREEMENT	SECOND ANNIVERSARY DATE OF AGREEMENT
1.62	A	1.749	1.817	1.885
1.69	B (Labor Rate)	1.820	1.890	1.960
1.76	C	1.891	1.963	2.035
1.83	D	1.962	2.037	2.110
1.90	E	2.033	2.110	2.186
1.97	F	2.104	2.183	2.262
2.04	G	2.175	2.256	2.337
2.11	H	2.246	2.329	2.413
2.18	J	2.317	2.402	2.488
2.25	K	2.388	2.475	2.563
2.32	L	2.459	2.548	2.638
2.39	M	2.530	2.621	2.713
2.46	N	2.601	2.694	2.788
2.53	P	2.672	2.767	2.863
2.65	R	2.743	2.840	2.938
2.67	R-3 Leadman P-2 Leadman N-1 Leadman	2.814	2.913	3.013
2.74	R-2 Leadman P-1 Leadman	2.885	2.986	3.088
2.81	R-1 Leadman	2.956	3.059	3.163

Leadman L-3 rates from A to P inclusive, one labor grade higher for each respective labor grade.
Leadman L-2 rates from A to N inclusive, two labor grades higher for each respective labor grade.
Leadman L-1 rates from A to M inclusive, three labor grades higher for each respective labor grade.

The foregoing wage scale represents an increase for the first year of 12.9 cents on the "A" labor grade and progressively increases to 14.6 cents on the "R-L-1" labor grade.

The shift differentials under the new wage scale will automatically increase each year, since the 4% and 8% premiums will apply on the increased rates.

2. COST OF LIVING ADJUSTMENT

The offer provides a cost of living adjustment schedule, which would adjust wage rates by one cent per hour for each one-half point change in the cost of living index. This would be examined every six months beginning with the first pay period on or after May 1, 1957. The cost of living index for September 1, 1956, will be considered as the basis for any adjustments, but in no event will the wage rates be less than the basic rates set forth in the foregoing Paragraph 1.

3. IMPROVED GROUP INSURANCE PLAN

The Group Insurance plan, with hospital and surgical benefits changed to meet the newly established Blue Cross-Blue Shield national program, would materially improve this coverage, and will cost the Company an additional one and one-half cents per hour, making a total of six cents per hour contributed by the Company toward the cost of the Group Insurance program.

4. SUNDAY OVERTIME AS SUCH

Time and one-half will be paid for work on Sunday as such. We do pay time and one-half for Saturday and double time for Sunday when these are respectively the sixth and seventh days worked.

5. SEVENTH HOLIDAY

Good Friday has been added as a paid holiday.

6. INCREASED PAY FOR HOURS WORKED ON HOLIDAYS

- (a) 2.1 times base pay beginning with holidays on or after the next anniversary date of the contract.
- (b) 2 1/4 times base pay beginning with holidays on or after the second anniversary date of the agreement. (Our present holiday pay is double time for hours worked).

7. VACATION

Beginning in 1958, an additional half week of vacation pay will be paid to employees with 10 up to 15 years of continuous service, and with 25 or more years of continuous service; that is, the vacation pay for these two groups will be two and one-half (2 1/2) and three and one-half (3 1/2) weeks respectively.

8. PENSIONS

A pension plan is in effect that was negotiated with the Union in 1954.

I have informed our employees by letter that our offer meets or exceeds the pattern of benefits negotiated in national and local agreements in recent months by the Steel Industry for more than a million employees, and by the American Railroads for more than 700,000 employees.

The total "package" of benefits is the biggest that has ever

been offered in the history of our negotiations with the Union, and for the employees in the Union bargaining group it amounts to nearly \$400,000 in the first year, \$600,000 in the second year and \$800,000 in the third year—making a total package of \$1,800,000 for the three years. In addition, the protection against an increase in the cost of living is also provided.

The foregoing will acquaint our neighbors in the Torrance Community with the scope of the Company's offer.

In a Thanksgiving Day letter, I informed all employees in the Union bargaining group that "the long history of amicable relations at this Plant between the Employees and Management is a matter of great personal pride to me. I am deeply aware of the fact that the preservation of that relationship is a matter of fundamental concern to all of us who work at The National Supply Company. It is with that thought in mind that the Management in its negotiations was encouraged to make the generous offer it did."

In view of the fact that the Federal Mediation and Conciliation Service has already entered the dispute, we have acknowledged Mayor Albert Isen's offer to act as mediator as per our reply, a copy of which accompanies this statement.

As I have stated in my letter to Mayor Isen, I share the hope of all employees that this strike is not needlessly prolonged.

On December 5, 1956, in a letter to the National Supply Company, Mayor Albert Isen of Torrance, in the interest of employees, the company and the community, offered the assistance of his office to mediate the present dispute, and Mr. Spalding's reply was as follows:

THE NATIONAL SUPPLY COMPANY Torrance, California

Honorable Albert Isen
Mayor of the City of Torrance
Torrance, California

December 6, 1956

Dear Mayor Isen:

Thank you very much for your letter of December 5, 1956, showing an interest in the economic loss to our employees, the Company and the community that is occasioned by the unfortunate strike now in effect at The National Supply Company, and offering the assistance of your good office to mediate the present dispute.

I am enclosing a letter which I have written to a number of our civic leaders who have expressed a like interest, which outlines in a brief way the negotiations and the events leading up to the strike, including the efforts by mediation of the dispute that has already been undertaken by the Federal Mediation and Conciliation Service.

The National Supply Company and its predecessor company, the Union Tool Company, is Torrance's first industry. This plant and its people established the industrial keystone upon which our great industrial community has grown. We are not only mindful of our responsibilities to this community, but are proud of our contribution to its development and achievements. We hope to be able to continue to take part in its future.

I am sure after you review the contents of the enclosure, you will readily appreciate the propriety of the Company's position in this situation, which in the interest of our employees and the community, we hope will not be needlessly prolonged.

Again thanking you for your considerate offer, I remain
Respectfully yours,
J. D. Spalding
Works Manager.

THE NATIONAL SUPPLY COMPANY

VERY TRULY YOURS,

J. D. Spalding
WORKS MANAGER