

To Our Neighbors In Torrance And Surrounding Communities:

The strike that was called Sunday, December 2nd, by the employees of The National Supply Company who are members of the Oil, Chemical and Atomic Workers International Union, Local 1-128, continues into its second week.

This strike being a matter of economic concern to many families in Torrance and its surrounding communities, prompts me to acquaint you with the Company's offer, which was rejected by the Union membership. 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 increases 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
2.60	R	2.743	2.840	2.938
2.67	R-3 Leadman	2.814	2.913	3.013
	P-2 Leadman			
	N-1 Leadman			
2.74	R-2 Leadman	2.885	2.986	3.088
	P-1 Leadman			
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 6% premiums will apply on the increased rates.

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 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

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.

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."

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. We have expressed by letter our thanks and appreciation to Mayor Isen for his offer, but in view of the Federal Mediation and Conciliation Service having already taken jurisdiction of the dispute, we have informed the Mayor that further mediation would be continued through that Federal agency. In fact, a meeting with the parties has been scheduled for next Monday by Commissioner Frederick J. Ferguson, who has been assigned to this dispute.

I share the hope of all employees that this strike is not needlessly prolonged.

Very Truly Yours

J. D. Spalding

Works Manager

THE NATIONAL SUPPLY CO.