

# Massachusetts Shoe Manufacturers and United Shoe Workers, 1975-77

# Supplement to Wage Chronology Bulletin 1800,



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U.S. Department of Labor  
Bureau of Labor Statistics

In January 1975, the United Shoe Workers of America (AFL-CIO) reached agreement on new 2-year contracts with six shoe manufacturers in northeastern Massachusetts, but the union's gains were tempered by the closing of two other firms that previously had been part of the bargaining situation. The closings continued the decline the industry had suffered in the area since the early 1950's, when the union bargained with about 50 firms. The decline has resulted from increased shoe imports and plant relocations.

Negotiations toward new contracts began in mid-December 1974, when the union met with representatives of four of the six companies—Benson Shoe Co. in Lynn; Algy Shoe Co. in Everett; Salem Shoe Co. in Salem; and Allen Shoe Co. in Haverhill. The union's demands included a 25-percent wage increase over a 2-year period, with a \$2.50 minimum hourly wage and unlimited cost-of-living increases; a 10th paid holiday; increased pensions and severance pay; improved vacations and hospital insurance; and the establishment of major medical coverage.

Settlement between the four companies and the union was reached on January 6. The two remaining companies, Lesande Shoe Co. and Bernie Shoe Co., both located in Haverhill, settled on the same terms on the 11th, following a 4-day strike. Workers returned to their jobs on January 14.

The accords provided for a January 8, 1975, wage increase of 20 cents an hour and for a 10-cent increase a year later. The minimum hourly rate was raised, in two steps, to \$2.35 for employees with less than 6 months of service and to \$2.50 for those with 6 months or more.

Other terms included a 5-cent-an-hour increase in the employer payment to the pension fund and a \$4-a-month increase for the health and welfare fund; a fourth week of paid vacation after 20 years of service; and a \$500 increase in life insurance.

The contract, which covered about 750 employees, was to expire on January 7, 1977. The following tables bring the wage chronology up to that date.

Table 1. General wage changes<sup>1</sup>

Effective date	Provision	Applications, exceptions, and other related matters
Jan. 8, 1975 (agreement of Jan. 6, 1975).	20 cents an hour increase.	Added to total earnings. Agreement also provided for a deferred wage increase on Jan. 5, 1976. Piece-rate schedules were not revised.
Jan. 5, 1976 (agreement of Jan. 6, 1975).	10 cents an hour increase.	Deferred increase. Added to total earnings. Piece-rate schedules were not revised.

<sup>1</sup>General wage changes are upward or downward adjustments affecting an entire establishment, bargaining unit, or plant at one time. They do not include adjustments in individual rates (promotions, merit increases, etc.) and minor adjustments in wage structure having no immediate or noticeable effect on the average wage level.

The wage changes listed were the major adjustments in the general wage level made during the period covered. Because of the omission of nongeneral changes and other factors, the total of the general changes listed will not necessarily coincide with the change in straight-time average hourly earnings.

Table 2. Minimum plant wage rates

Effective date	Minimum hourly rate <sup>1</sup>	Applications, exceptions, and other related matters
Jan. 8, 1975 . . . . .	\$2.40	\$2.25 minimum for learners.
Jan. 5, 1976 . . . . .	\$2.50	\$2.35 minimum for learners.

<sup>1</sup>The minimum hourly rate applied to all employees who had at least 6 months of employment in the shoe industry.

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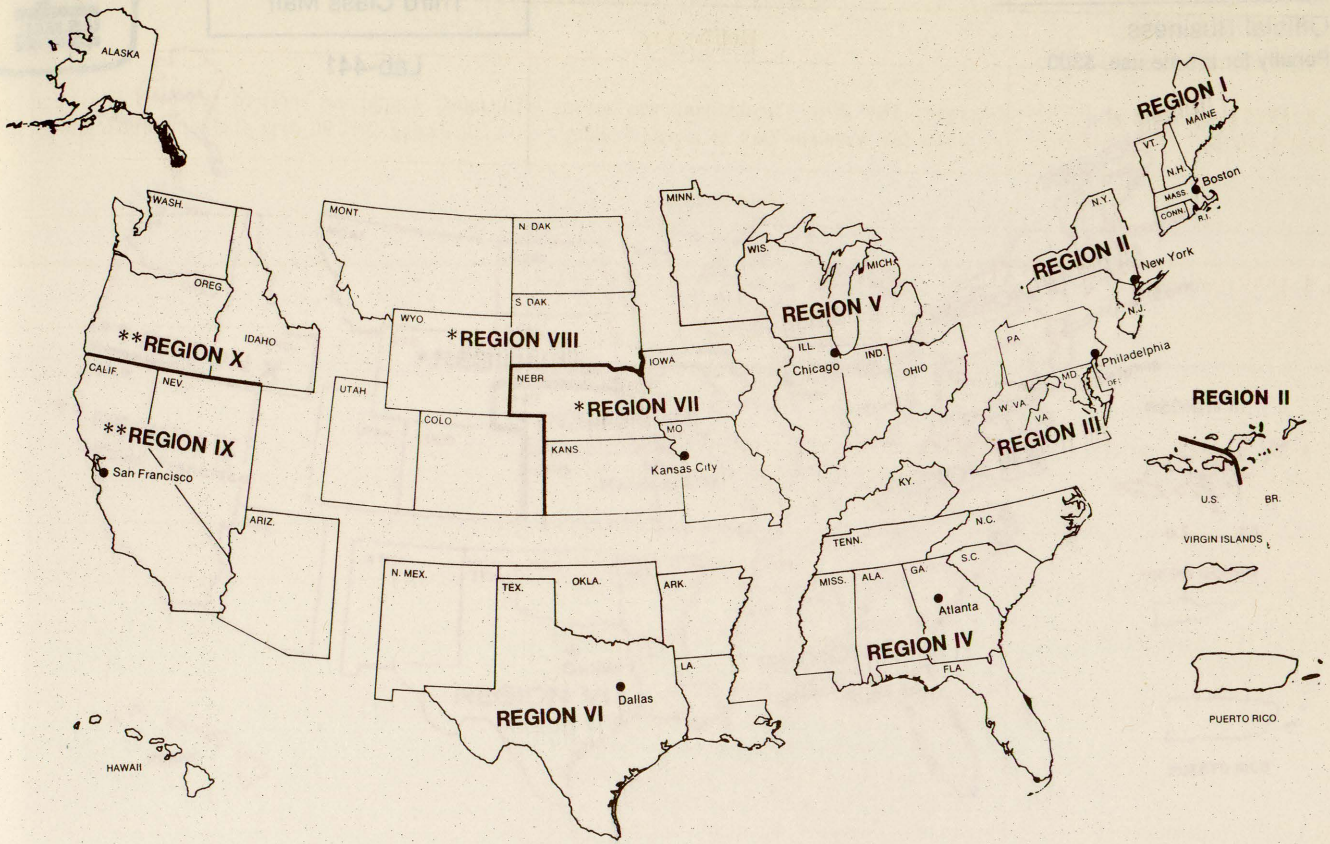
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**Table 3. Supplementary compensation practices**

Effective date	Provision	Applications, exceptions, and other related matters
<b>Holiday pay</b>		
Jan. 8, 1975 (agreement of Jan. 6, 1975).	Changed: Day after Thanksgiving was substituted for Veterans Day as a paid holiday.	Changed: Employees received pay for holidays that fell during first 90 days of absence due to illness.
<b>Paid vacations</b>		
Jan. 8, 1975 (agreement of Jan. 6, 1975).	Added: 4 weeks' vacation for employees with 20 years or more of service.	
<b>Bereavement pay</b>		
Jan. 8, 1975 (agreement of Jan. 6, 1975).	Terminated: Pay for Saturdays and Sundays that fell within the 3-day period for which bereavement pay was given.	
<b>Group insurance benefits</b>		
<p>July 1, 1975 (agreement of Jan. 6, 1975).</p> <p>July 1, 1976 (agreement of Jan. 6, 1975).</p>	<p>Increased: Company payment to health and welfare fund—to \$17 per employee per month.</p> <p>Established: Major medical expense plan, providing 80 percent of expenses after \$100 per calendar year deductible, up to a maximum of \$10,000 per medical occurrence.</p> <p>Increased: Company payment to health and welfare fund—to \$19 per employee per month.</p> <p>Increased: Life insurance—to \$2,000, with double indemnity for accidental death.</p> <p>Increased: Sickness and accident benefits—to \$50 a week.</p>	
<b>Pension plan</b>		
<p>Jan. 1, 1976 (agreement of Jan. 6, 1975).</p> <p>Jan. 5, 1976 (agreement of Jan. 6, 1975).</p>	<p>Added: 100-percent vested benefits after 10 years of service.</p> <p>Added: Provision for joint and survivorship annuity.</p> <p>Increased: Employer contribution by 5 cents per hour paid for (total 18 cents).</p>	

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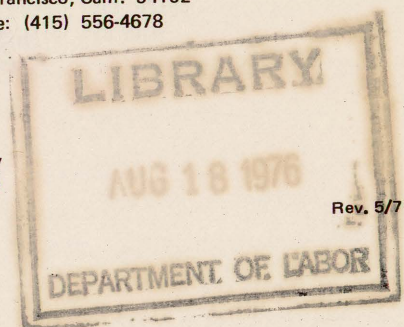
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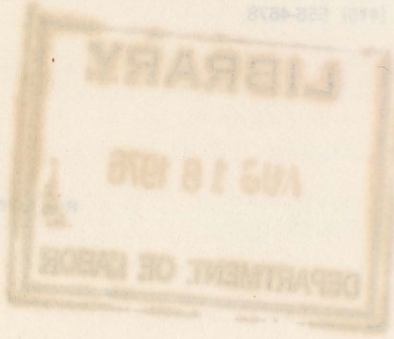
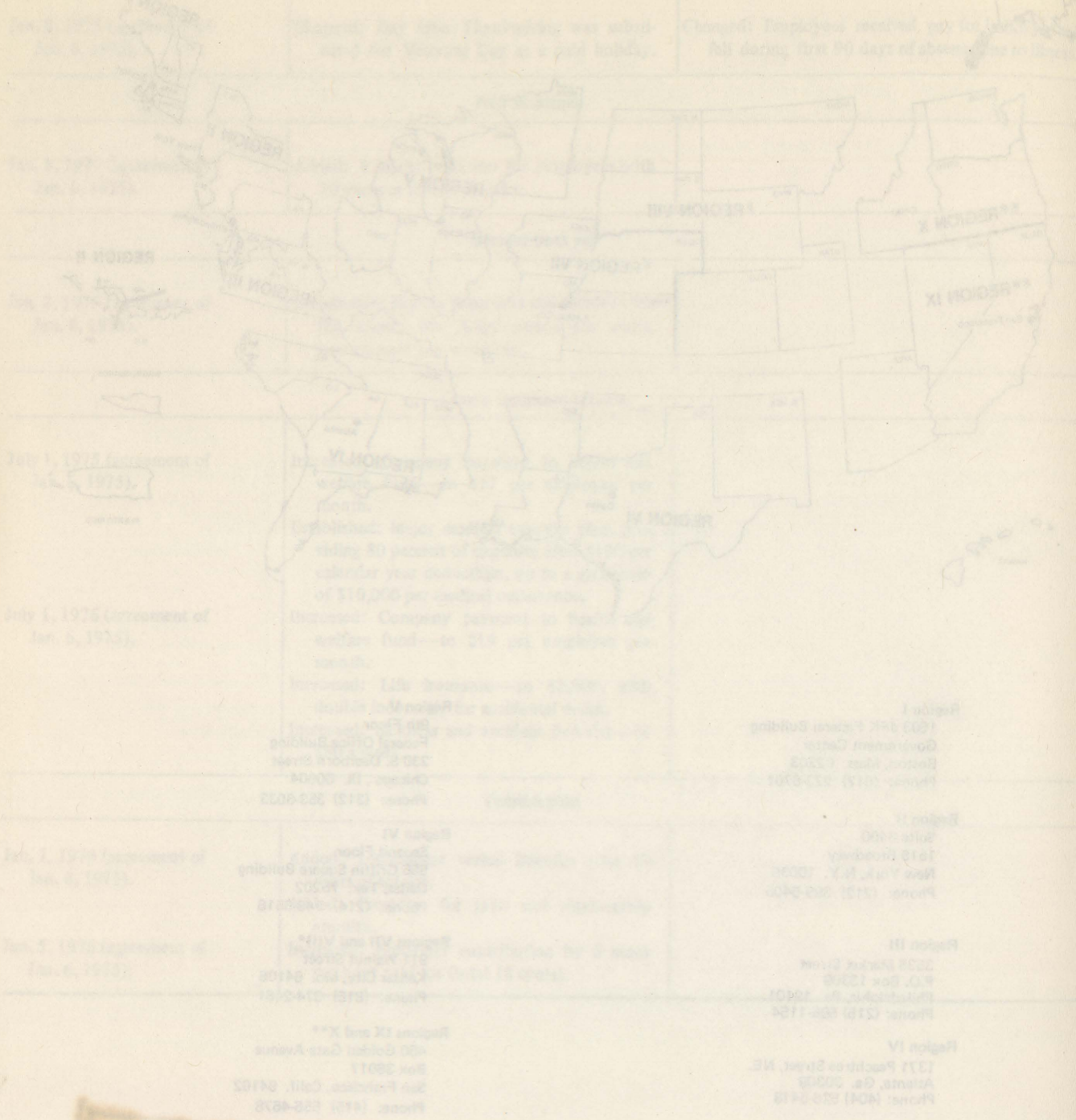
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