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UNITED STATES DEPARTMENT OF LABOR

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BUREAU OF LABOR STATISTICS

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Union Agreements  
in the  
Tobacco Industry

January 1945



*Bulletin No. 847*

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## Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,  
BUREAU OF LABOR STATISTICS,  
Washington, D. C., October 1, 1945.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on union agreements in the tobacco industry. The tobacco industry as defined by the Census of Manufactures includes establishments engaged in the manufacture of cigarettes, cigars, smoking and chewing tobacco, and snuff, and which on the same premises may sort, dry, cure, or stem tobacco. For the purpose of this report, the industry is divided into two parts: The manufacture of cigarettes, smoking and chewing tobacco, and snuff; and the manufacture of all types of cigars.

Approximately 90 percent of the wage earners in the cigarette, smoking and chewing tobacco, and snuff branch, and about 50 percent of those in the cigar branch, are employed in plants which have negotiated agreements with national or international unions. This bulletin gives an analysis of 12 agreements covering nearly 80 percent of the workers in the former branch and 16 agreements covering nearly 70 percent of those in the latter branch who were under agreement at the beginning of 1945.

This report was prepared by Eleanor T. Royer under the general supervision of Florence Peterson.

A. F. HINRICHS, *Acting Commissioner.*

Hon. L. B. SCHWELLENBACH,  
*Secretary of Labor.*

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**Union Agreements in the Tobacco Industry in Effect  
January 1945**

**PART I.—Manufacture of Cigarettes, Smoking and Chewing  
Tobacco, and Snuff**

*General Characteristics of the Industry*

Cigarette manufacturing is characterized by large-scale production and a high degree of mechanization. The 1939 Census of Manufactures reports only 35 cigarette manufacturing establishments, with 3 companies producing almost three-fourths of the total United States output. Over 95 percent of the employees engaged in manufacturing cigarettes were in plants employing 1,000 or more workers.

New York was the leading State in cigarette manufacture before 1915, but owing to the economic advantage of locating near the site of tobacco markets, the industry has shifted in the past 2 decades; in 1939 virtually all of the large plants and 80 percent of the workers were in North Carolina and Virginia. A majority of the plants (19) were located outside these two States, but almost all of them employed relatively few workers, New Jersey and Kentucky being the only other States reporting any appreciable employment.

The manufacture of chewing and smoking tobacco and snuff is not so highly concentrated as is the manufacture of cigarettes. In 1939, 132 establishments were reported in this branch of the industry, with about 35 percent of the workers in plants employing less than 250 workers and nearly 60 percent in plants with less than 500 workers each. Snuff manufacturing is as highly mechanized as cigarettes. Although the manufacture of chewing and smoking tobacco is only slightly less mechanized, there are still many small factories in which little machinery is used.

Male employment predominates slightly. In 1940, male workers constituted about 50 percent of employment in the cigarette branch, 52 percent in smoking tobacco, 53 percent in chewing tobacco, and 62 percent in snuff.<sup>1</sup>

During the decade 1934-44 there was an increase in employment of about 50 percent in the cigarette branch—from about 22,000 to more than 34,000 wage earners. During the same period employment in the chewing and smoking tobacco and snuff branch declined by about one-sixth—from over 10,000 to slightly less than 8,500.

*Extent of Union Organization*

Much of the organization in this industry has taken place within the last decade. At the close of the year 1944 approximately 90 per-

<sup>1</sup> *Earnings and Hours in the Cigarette, Chewing and Smoking Tobacco, and Snuff Industry, 1940.* (U. S. Bureau of Labor Statistics.) Mimeographed.

cent of the 42,800 workers employed in the industry worked in plants which had agreements with national or international unions. Practically all of the cigarette companies are organized, the unorganized plants being small establishments in the smoking and chewing tobacco and snuff branch of the tobacco industry.

Agreements negotiated by the Tobacco Workers' International Union (AFL), organized in the 1890's, cover almost three-fourths of the organized workers.

The Food, Tobacco, Agricultural and Allied Workers Union of America (CIO), until recently, confined its organizing efforts to the leaf processing and stemming plants. In 1942 the union secured an agreement with the P. Lorillard plant at Middletown, Ohio, and in 1944 signed an agreement with the R. J. Reynolds Co. These two companies cover slightly more than one-fourth of the organized workers in the industry.

### *Coverage and Duration of Agreements*

The discussion in Part I is based on an analysis of 12 agreements in effect at the beginning of 1945, covering about 32,500 workers and representing about 80 percent of the total workers under agreement.<sup>2</sup>

Ten of the agreements were originally negotiated for 1 year and four of these are renewable automatically for additional yearly periods unless a 30- or 60-day notice of intention to change or terminate has been filed by either party. A fifth agreement is automatically renewable for an indefinite period in the absence of notice, and extension of another agreement is subject to negotiation 30 days prior to the expiration date. The four remaining contain no provision for renewal. Two of these, however, allow either party to request amendments or alterations on 30 days' written notice.

One agreement was negotiated for a 3-year period and was renewable automatically for yearly periods thereafter in the absence of notice; and the twelfth agreement was made in 1943 for the duration of the war, plus 6 months.

Agreements in the industry usually cover maintenance and plant-protection employees as well as production workers. However, certain groups such as executives; supervisory, office, and clerical

<sup>2</sup> Companies covered in this report and the unions with which the agreements have been made are listed below:

American Tobacco Co., Reidsville and Durham, N. C., and Richmond, Va.*	Tobacco Workers' International Union (AFL).
American Tobacco Co., Louisville, Ky. ....	Tobacco Workers' International Union (AFL).
Brown & Williamson Tobacco Co., Louisville, Ky.	Tobacco Workers' International Union (AFL).
Liggett & Myers Tobacco Co., Richmond, Va., and Durham, N. C.	Tobacco Workers' International Union (AFL).
Liggett & Myers Tobacco Co., St. Louis, Mo. ....	Tobacco Workers' International Union (AFL).
P. Lorillard, Jersey City, N. J., Danville, Va., and Louisville, Ky. †	Tobacco Workers' International Union (AFL).
P. Lorillard, Middletown, Ohio. ....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Phillip Morris & Co., Richmond, Va. ....	Tobacco Workers' International Union (AFL).
Penn Tobacco Co., Wilkes-Barre, Pa. ....	Tobacco Workers' International Union (AFL).
Pinkerton Tobacco Co., Toledo, Ohio. ....	Tobacco Workers' International Union (AFL).
R. J. Reynolds Tobacco Co., Winston-Salem, N. C.	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Scotten-Dillon Co., Detroit, Mich. ....	Tobacco Workers' International Union (AFL).

\*This agreement also covers the American Suppliers, Inc., at Reidsville and Durham, N. C., and Richmond, Va., and the American Cigarette & Cigar Co., Durham, N. C.

†This agreement also covers the company's cigar-making plant at Richmond, Va., and is signed by the Cigar Makers International Union for that plant; several craft unions covering specific groups of workers have also signed this agreement.

employees; and foremen are usually excluded from the scope of the agreements. Seasonal employees who work in green leaf tobacco are also excluded in two agreements.

### *Union Status*

*Type of recognition.*—All except two agreements include provisions regarding union membership; one agreement with a small company provides a closed shop and requires that all employees be hired through the union. A union shop under which employees must become union members within a stated period after hiring is provided in five agreements covering almost one-fourth of the workers, among them the two Liggett & Myers agreements and the Brown & Williamson agreement. Maintenance-of-membership clauses are included in four agreements covering over two-thirds of the workers. Among this group are the two American Tobacco Co. agreements, and those with R. J. Reynolds Tobacco Co. and Philip Morris & Co. The American interstate agreement and the Philip Morris agreement further provide that before the expiration of the probationary period each new employee shall meet with a union and a company representative to discuss union affiliation and company policies.

*Check-off.*—Check-off of union dues by the company is specified in 10 agreements covering over 80 percent of the workers. In one agreement with a small company, individual employees must authorize deductions from their pay for union dues, but once authorized the deduction cannot be revoked. In the other nine, dues are checked off automatically. One agreement allows the company to keep 5 percent and another 2 percent of the money collected in payment for the service rendered. Five of these agreements specify a maximum amount of dues which may be checked off, ranging from \$1 to \$1.50 per month. One allows, in addition to the regular monthly check-off, a special assessment each year of not more than \$1.

Four of the agreements containing the check-off provision are union-shop agreements, and four have maintenance-of-membership clauses; the other two agreements have no membership requirements.

*Management prerogatives.*—Management specifically reserves the right in three agreements to operate the business, and to select and direct the working forces including, but not limiting itself to, functions such as promotions and demotions, transfers and lay-offs, and suspensions and discharges. Union activity, such as solicitation of members on company time, is prohibited in several agreements; the companies, however, specifically agree not to discriminate against any employee because of presenting a grievance or discharging his duties as a union representative.

Two agreements grant the union the right to use a bulletin board within the plant, although one specifies that notices to be posted must have management's approval.

*Union label.*—In the Brown & Williamson agreement, and in one other covering a small company, the union agrees to furnish union labels for all products manufactured. The Brown & Williamson Co. also agrees to use union-made materials, such as boxes, labels, paste, etc., as much as possible.

## *Wage Provisions*

These agreements contain very little information about specific wage rates and none refer to incentive systems. Four agreements, three of them with large companies, merely state that it is the policy of the company that its wage scale shall be as high as the scale for comparable work in other tobacco factories.

One agreement with a small company specifies plant-wide minimum wage rates of 78 cents an hour for male employees, 68 cents for female machine workers, and 58 cents for other female workers. One agreement covering a large company contains detailed occupational listings by department. The lowest rates listed are 58 cents per hour for women and 70 cents per hour for men. Male "helpers," however, start at 65 cents per hour and are raised to 70 cents after 6 months' service. Since both these agreements (as well as two others) prohibit wage differentials based on sex alone, it may be assumed that these specified differences in minimum rates reflect different assignments of work to men and women. None of the tobacco agreements mention differentials for disabled and older workers or for hazardous or onerous work.

One agreement, which is to run for the duration of the war and 6 months, stipulates that upon the expiration of the agreement all wage rates, with the exception of the starting rates of men and women and the schedule of automatic rate increases for men, shall be reduced by 4 percent.

*Pay for waiting time.*—All but two agreements with small companies stipulate that employees shall receive their regular rate of pay if required to wait in the plant an "unreasonable" length of time when machinery break-down or other unavoidable circumstances prevent them from continuing work. However, only one agreement defines the term "unreasonable"—meaning any delay of 30 minutes or more.

*Shift provisions.*—Night work is uncommon in the tobacco industry. Only four agreements make any reference to night shifts, and two of these, the American interstate and the R. J. Reynolds agreements, require night shift bonuses—8 percent above the regular hourly rate in American and 4 cents per hour in Reynolds.<sup>3</sup>

*Transfer rates.*—Several agreements protect an employee's earnings when he is transferred temporarily to another job by specifying that he is to continue to receive the rate of the job from which he was transferred. A few, however, specify that he shall receive the prevailing rate of the job to which he is transferred.

Eleven of the agreements make provisions for permanent transfers; 10 of these indicate that the employee is to receive the rate of the job to which he is transferred, and one requires the employee to be on the job for 4 weeks before the new rate becomes effective. The other agreement states that an employee transferred permanently (for more than 70 days) to a lower-rated job receives his old rate of pay or the maximum of the rate range of the lower-rated new job, whichever is lower; if transferred to a higher-rated job, he receives not less than his regular rate or the minimum rate of the new job classification, whichever is higher.

<sup>3</sup> Eight percent bonus in American interstate agreement, subject to approval of the National War Labor Board.

*Report pay.*—Two agreements require payment for a minimum number of hours to employees who report for work at their usual hour without having been notified sufficiently in advance that there is no work. The P. Lorillard agreement at Middletown, Ohio, grants 4 hours' reporting pay, and the Reynolds agreement stipulates 2 hours' pay "except in case of inability to operate beyond the control of the management."

One agreement, with the Brown & Williamson Tobacco Co., protects workers who may be asked to report for work before their scheduled time by requiring that they get time and a half pay for all work performed before their regular starting time.

*Interim wage adjustments.*—Two of the agreements, both of which were made for a 1-year period subject to renewal, allow either party to reopen the question of wage adjustments in the event of change in the "Little Steel" formula or because of any other "unusual circumstance." The P. Lorillard master agreement, which was negotiated for a 3-year period, allowed either party 6 months after the signing of the agreement to reopen the wage question for the Louisville plant only. Four other agreements imply the possibility of interim adjustments by providing that there shall be no reduction in the present scales during the life of the agreement.

Some provision for the adjustment of individual wage rates during the term of the agreement is made in five agreements: Four specify that wages shall be adjusted if there is an increase in machine speed or work load, while one merely states that the company agrees to continue its custom of making adjustments during the year.

*Miscellaneous pay provisions.*—Half of the agreements require that the time spent in cleaning machines be included at the regular rates of pay. One agreement specifies that an employee injured on the job is paid for the rest of the day on which the injury occurred. One agreement covering a small company provides a \$25 war bond Christmas bonus to each person in the employ of the company since August. None of the agreements provide for a guaranteed weekly or annual wage or dismissal or severance pay.

### *Hours, Overtime, and Week-End Work*

All the agreements provide time and a half the regular rate for time worked in excess of an 8-hour day or 40-hour week. Certain occupations, such as watchmen, power-plant employees, and other maintenance employees are not included under the daily hours provisions and the week-end and holiday premium rates in about three-fourths of the agreements.<sup>4</sup> Five agreements which include seasonal workers specifically exempt them from all hours, overtime, and holiday rate provisions under the seasonal exemptions provided by the Wage and Hour Law.<sup>5</sup> The Reynolds agreement does not define the workweek; all the others name a Monday-through-Friday week, one further defining the workweek for the purpose of compliance with Executive Order 9240 as being 7 days from midnight Sunday to the following midnight

<sup>4</sup> Under the Fair Labor Standards Act (Wage and Hour Law) time and a half must be paid for work over 40 hours a week, but not after 8 hours a day. The Walsh-Healey (Public Contracts) Act requires that all employees be paid time and a half after 8 hours per day. One agreement specifically mentions only daily overtime rates; but weekly overtime rates are established by the FLSA.

<sup>5</sup> Companies employing seasonal workers to handle green leaf tobacco may take advantage of the hour exemption under section 7-b-3, which allows limited exemption from the hour provisions of 12 hours per day and 56 per week for 14 weeks to persons engaged in any industry found by the Administrator to be of a seasonal nature.

Sunday.<sup>6</sup> One agreement requires time and a half pay for all work performed on the sixth day of the regular workweek, and two others require payment of double rates for Saturday work if more than 4 hours' work is done.

Nine agreements require payment of double rates for Sunday work, one of these containing the qualifications "except where changed by Presidential or other Government official order." Two specifically provide double time for Sunday work only if it is the seventh consecutive day in the workweek.

*Lunch and rest periods.*—None of the agreements studied in this industry provide for paid lunch periods and only one mentions rest periods. Under the two American Tobacco agreements the company may not require any employee to take extra time for lunch beyond the regular schedule for his job. Two other agreements prohibit the operation of machines during the lunch hour except for continuous process work or during an emergency. The Reynolds agreement specifies a 5-minute rest period each morning and afternoon for all employees.

### *Vacations and Holidays*

Paid vacations for regular employees who meet certain qualifications are established under all except three of the agreements analyzed. These three agreements grant all employees with a year's continuous service a bonus of 2 weeks' pay at the end of the year.

A single vacation period after a qualifying period of service is provided by six agreements. Three of these, covering about one-eighth of the workers, among them the Philip Morris and the P. Lorillard interstate agreements, grant 2 weeks' vacation after 1 year's service. The three others grant 1 week's vacation; one after only 6 months' employment and the other two after a year. One of the latter, the Brown & Williamson agreement, grants in addition a Christmas bonus equal to 40 hours' pay.

Graduated plans are included in three agreements covering approximately 60 percent of the workers: the American interstate agreement provides 1 week's vacation after 6 months' service and 2 weeks after 1 year;<sup>7</sup> the Reynolds and the P. Lorillard (Middletown, Ohio) agreements provide 1 week after 1 year and 2 weeks after 5 years, respectively.

The Reynolds agreement grants to seasonal employees who work 1,000 hours, one-half week's vacation, or 20 hours' pay, and if the employee returns the next season and works 1,000 hours he is granted 1 week, or 40 hours' pay.

Several of the agreements which grant paid vacations specify that in addition to the minimum service requirement, the employee must have completed specified work requirements during the year—for example, 75 percent of the working days; 36 weeks. One requires that the employee must not have been absent because of illness for more than 13 consecutive weeks before the vacation date, and one

<sup>6</sup> Executive Order 9240 regulates pay for week-end and holiday work "on all work relating to the prosecution of the war" for the duration of the war emergency. It prohibits premium pay for Saturday and Sunday work, as such, and makes the payment of double time for the seventh consecutive day of a regularly scheduled workweek mandatory. Payment of a premium rate on the sixth day is permitted if it has been paid previously either on the sixth day or on Saturday. Time and a half compensation is required for all work performed on six specified holidays. If any of these companies were doing "war work" the order superseded agreement provisions not in accordance with it.

<sup>7</sup> One week's vacation after 6 months' service, subject to approval of the National War Labor Board.

requires that the employee must be on the active pay roll on June 30 of the calendar year in which the vacation occurs. In a few of these, if the employee does not meet the specific requirements he receives a proportionate part of the vacation pay.

A week's vacation pay is generally calculated at 40 times the employee's average hourly earnings; in one case pay is one fiftieth of his previous year's wages. Compensatory pay in lieu of vacations is permitted at the discretion of management under three agreements.

Under most of the agreements the company reserves the right to designate the time of the vacation period, and those which grant 2 weeks' vacation usually stipulate that 1 week be taken during the summer and the other during the winter, several of them specifying Christmas week. One agreement specifies that the summer vacation schedule shall be based on seniority.

The R. J. Reynolds agreement and one other prohibit cumulation of vacation periods; under the former agreement, however, employees may substitute a week of temporary lay-off or illness for the week of vacation, if it is other than the Christmas vacation.

*Holidays.*—None of the agreements analyzed grant pay for holidays not worked, but all establish premium rates for work done on specified holidays. Nine agreements name six holidays, two name five, and one which was negotiated since Executive Order 9240 specifies eight. One agreement which specifies six holidays calls for an extra holiday when Executive Order 9240 is no longer in effect.

The nine agreements which require double time for Sunday work also require double time for holiday work and the other three state that in order to conform to the Executive Order time and a half shall be paid on six specified holidays.

### *Leave Provisions*

*Leave for union business.*—Four agreements provide leave of absence for union business, one of them specifying that the employee's seniority is to be retained but not accumulated, and the others stating merely that the employees shall suffer no "loss of seniority." The Reynolds Co. agreement and one other specify a maximum of 1 year's leave of absence, and the former agreement limits the number of employees who may be absent for union business to 7 employees, for a union convention to 25 employees, and for a union conference to the number of employees which will cause no more than an aggregate of 25 man-days' absence in any 1 year.

*Leave for personal reasons.*—None of the agreements provide for paid sick leave, but six indicate that an employee will not lose seniority because of absence caused by illness. One of these limits the time allowed to 3 months with extensions if necessary, and another allows a maximum of 1 year for maternity leave. Three agreements require that the employee submit a doctor's certificate every 2 weeks during an extended illness. Another states that an employee must have a certificate from the company's medical department before he returns to work, with the reservation that the employee cannot be required to resume work if his personal physician certifies that he is unfit.

Two agreements indicate that leave of absence will be granted for other personal reasons but do not specify the length of absence allowed or the seniority status.

## *Seniority Rules*

Seniority rights, granting preferential treatment based on length of service, are found in all the agreements studied. In most cases employees do not acquire these rights until they have completed a probationary period, ranging from 30 days to a year—most commonly 3 months. Seniority rights, once acquired, usually apply to lay-offs, rehiring, and promotions, and in one case to the choice of shifts. Seniority lists for each department must be posted in a conspicuous place available for inspection at any time, under the terms of three agreements.

According to all the agreements the plant is the ultimate unit to which accrual of seniority applies, although five of them provide a combination of departmental and plant-wide seniority with respect to transfers; one of these five defines seniority for the purpose of lay-off as length of service in the plant, and for the purpose of promotion as length of service in the department.

*Seniority for special groups.*—Under three agreements, seasonal employees who handle leaf tobacco are excluded from all seniority rights, except that they will be given preference over new applicants for regular employment if they are qualified.

Under the Reynolds and the P. Lorillard (Middletown, Ohio) agreements, shop stewards are put at the top of the seniority lists in their respective departments so that they will be the last laid off and the first rehired.

*Loss of seniority.*—Seniority is usually lost by voluntary quitting, discharge, failure to return to work after a lay-off when requested by the company to report, or absence of several days (usually 7) without notifying the company. Loss of seniority is the penalty under the Reynolds agreement for the fourth unexcused absence of 1 day or more. In one agreement seniority is also broken by more than 6 months' sick leave in any 1 year and in another by more than 30 days' absence during the year for personal reasons other than illness. Three agreements provide for the retention of seniority rights for a limited period during enforced lay-off, 6 months in two cases, and 1 year in one case.

## *Lay-Off and Rehiring*

In the selection of workers for lay-off and rehiring, seniority is the determining factor in all except the Reynolds agreement, which indicates that lay-offs and reemployment will be determined by seniority if other qualifications such as skill, efficiency, and responsibility are equal. The P. Lorillard (Middletown, Ohio) agreement provides that the company will pay for all time lost because of mistakes made by the company in the lay-off or recall of employees on the seniority list provided the mistake is reported within 48 hours.

The American Tobacco Co. agreements protect a worker laid off for a short period by requiring that an employee laid off and reemployed within 6 months will be given his previous job at his previous rate of pay if a vacancy exists. If there is no vacancy, he is to be paid the rate of pay of the previous job for the job to which he is assigned.

*Lay-off notice.*—According to three agreements the company agrees to give employees advance notice of lay-off: one agreement specifically

requires 24 hours' notice if possible, and the two others merely state that as much notice as possible be given.

*Work sharing.*—Reference to work sharing is found in only one agreement, which provides that if lay-off becomes necessary in a department, the work requirements will be given consideration and, if possible, the hours of work will be reduced in the department.

### *Promotion and Transfer*

Competence is the primary consideration in making promotions in almost all the agreements, with seniority applicable only where the competence and ability of the applicants are approximately equal. In two agreements, however, the employee with the longest service is given a trial period on the job to determine his competence. Under four agreements the management and the shop committee, and under one the superintendent, judges the applicants' competence. Several agreements specifically state that the management reserves the right to decide promotions to supervisory positions without regard to seniority.

The five agreements which establish a combination of plant and departmental seniority mention the effect of a transfer on an employee's seniority status. One states that an employee who transfers to another department at his own request, loses his accumulated department seniority rights. A second agreement provides that an employee transferred to another department because of a reduction in working force starts at the lowest job in that department and his seniority in the department starts from the date of transfer, but in case of further reduction of force the date of original employment continues to prevail. Another stipulates that a transferred employee retains seniority rights in his old department for a year, after which his seniority is carried over to the new department. The fourth contains separate seniority lists for men and women by department, with each retaining seniority in a separate labor pool to which he can transfer in case of reduction of force in his regular department and from which he can transfer later if work which he can perform is available in other departments. Under the fifth agreement an employee temporarily transferred to another department continues to accumulate seniority in his regular department; if the transfer is permanent (for more than 70 days), he may apply the accumulated seniority in his new department.

### *Military Service and War Work*

Clauses referring to the reemployment and seniority rights of employees who volunteer or are drafted for military service are found in all but 1 of the 12 agreements. Generally the agreements merely state that any employee who is honorably discharged will be rehired "with seniority rights unimpaired" or in accordance with the Selective Training and Service Act. The R. J. Reynolds agreement and 2 others specifically provide for accumulation of seniority during military leave. Under the Brown & Williamson agreement employees who are drafted into war work will not lose their seniority rights "insofar as practicable."

Under the Reynolds agreement the company pays an employee entering the service 2 weeks' pay as a "severance allowance" if he has

been a regular employee for 6 months, gives all employees their vacation pay for the first year they are in the military service, and continues the employee's payments on the existing group life insurance plan, or if the employee is ineligible under the company's plan, pays the employee a sum sufficient to purchase Government term life insurance. This agreement also provides that an employee may retain, at his own expense, his family membership in the hospital-service plan of the company. Regular employees who go into the maritime service are specifically included in the military-service rights of the Reynolds agreement, but seasonal and casual employees are excluded.

### *Health and Safety*

The R. J. Reynolds agreement specifies that the company shall maintain a well-ventilated, well-lighted plant; continue its safety education; furnish gloves, boots, and other protective equipment when necessary; continue its provision of medical examinations for applicants for work; and continue the provisions for the prevention of the spread of contagious diseases, and for the protection of the general health of its employees. Any employee who becomes ill while at work may be excused from work, after examination by the company nurse or doctor, and any employee who is discharged because of recommendations by the company nurse or doctor may have his case taken up as a grievance if he feels the discharge is unjust.

Two other agreements contain health and safety provisions, one being merely a statement that the company will continue provisions for the general health of its employees, and the other that the company will furnish an adequate supply of soap and towels in the lavatories.

### *Working Rules*

Under the Brown & Williamson agreement the company is specifically prohibited from having an operator of a cigarette making or packing machine or a Patterson Tobacco Packer operate more than one machine at a time. This agreement also specifies the number of workers to be used on the Standard stemming machine and the Pasley stemming machine.

### *Adjustment of Disputes*

Each of the 12 agreements establishes formal machinery for the adjustment of grievances and 6 of them provide for arbitration. Generally a grievance is defined as any dispute regarding the interpretation or application of the agreement or an alleged violation of the agreement.

*Grievance machinery.*—According to half of the agreements an employee with a complaint must notify the union representative or union committee, and the latter, after investigation to determine that the complaint is legitimate, takes it up with the foreman. Several agreements grant the aggrieved employee the option of taking the complaint directly to the foreman alone or of being accompanied or represented by his union representative, while one specifically provides that both the employee and his representative take up the matter with the foreman.

The agreements generally provide that in case the grievance is not adjusted satisfactorily with the foreman, there are to be negotiations between the plant grievance committee and higher company officials. Two agreements provide for the participation of international union officials in the final stages of the dispute. About half of the agreements require that the grievance be in written form before it is taken to persons higher than the foreman.

Very few tobacco agreements indicate when formal grievance meetings are to be held, or say whether or not union representatives and employees are paid for the time spent in the negotiations. The Reynolds agreement is the only one which specifies that formal grievance committee meetings with representatives of management are to be held during working hours, and that committee members are to be paid by the company for time lost. It calls for regular meetings every 2 weeks to begin 2 hours before quitting time. The P. Lorillard master agreement indicates that grievances can be handled during working hours without loss of pay, and the P. Lorillard (Middletown, Ohio) agreement, while requiring that conferences between the grievance committee and management be held after working hours, allows emergency meetings to be held during working hours without loss of pay. Three other agreements allow adjustment of disputes during working hours but do not indicate whether the time lost is to be with or without pay. Only one other agreement mentions the time of meetings; it requires that they be held after working hours.

### *Arbitration*

When disputes cannot be settled through the grievance machinery, 6 agreements, covering over two-thirds of the workers employed under the 12 agreements, provide for final settlement by an impartial agency or individual at the request of either party. Two of these exclude from the scope of arbitration demands for general wage changes. One prohibits arbitration which involves any change in agreement provisions. Any dispute over alleged violations of the National Labor Relations Act is also excluded in this agreement unless the company, union, and employee involved agree to arbitrate it. Another agreement specifically prohibits arbitration regarding the constitution of the Tobacco Workers' International Union.

In each case the impartial arbitrator or the board of arbitration is chosen at the time of the dispute. Five agreements establish a tripartite arbitration board consisting of one or two representatives chosen by each of the parties and an impartial chairman selected either by the board itself or by the National War Labor Board. According to three of these five, however, the two representatives each of management and labor are the same for the duration of the agreement, only the impartial chairman being chosen at the time of the dispute. The sixth agreement provides for referral of unsettled disputes to the Conciliation Service of the United States Department of Labor and specifies that if the Conciliation Service is unable to effect a settlement, it is to name an arbitrator to settle the dispute.

None of the agreements mention any time limit on the arbitration procedure.

### *Discharge*

Although almost all the agreements state that the company may discharge any employee for "just" cause, only the Reynolds agreement mentions specific causes, some of which are misrepresenting the reason for desiring leave of absence, failing to report back at the expiration of leave of absence unless the company grants an extension, and violating the no-strike pledge.

The right of the union or employee to appeal cases of allegedly unfair or unjustified discharge is specifically provided for in all but two agreements. Several specify that discharge cases are to be taken up through the regular grievance procedure while the others state merely that the employee has a right to a hearing, or that an investigation will be made, without indicating whether or not the grievance machinery is employed. Most agreements require that cases involving appeal of discharges be presented to the company as soon as possible after the discharge, one agreement specifying 24 hours, but three allowing up to 30 days. One agreement requires that the company notify the union promptly when a worker is discharged. Every agreement that allows discharges to be appealed provides for reinstatement with back pay for all time lost if the discharge is found to be unjust.

### *Strikes and Lock-outs*

Strikes and lock-outs are banned for the duration of the agreement in two agreements, and in six others stoppages are prohibited only until all the steps in the grievance machinery have been exhausted. Both of the former and two of the latter agreements contain arbitration machinery.

## Part II.—Cigar Manufacture

### *General Characteristics of the Industry*

Before the invention of the automatic cigar-making machine in 1917, the cigar industry was typically one of small-scale operations. Now thousands of these small establishments have disappeared and the industry has become increasingly dominated by large companies. The 1939 Census of Manufactures reported 598 cigar manufacturing establishments,<sup>1</sup> with 24 establishments (4 percent) employing more than half of the total wage earners. Mechanization, combined with a decline in demand caused by the shift in consumer preference from cigars to cigarettes, caused a decline of more than half in the total employment in the cigar industry in the 20-year period 1920-40. During the past 4 years the downward trend has continued, with employment decreasing from 49,000 to 34,500, or approximately 30 percent, from 1940 to 1944.

Although there is some cigar manufacturing in nearly all States, the greatest production is concentrated in a few States east of the Mississippi River. More than one-third of the establishments and over two-thirds of the wage earners are located in Pennsylvania, New Jersey, and Florida. Other important producing States are Illinois, Ohio, Connecticut, Michigan, Wisconsin, New York, and Massachusetts.

Prior to mechanization, skilled male workers dominated the labor force in the industry, but at present over 80 percent of the workers are female. A great majority of the semiskilled machine operators as well as a substantial number of the skilled hand rollers and hand and machine strippers are women. Male workers are usually either out-and-out hand cigar makers or unskilled maintenance workers.

### *History of Unions and Collective Bargaining*

The Cigar Makers' International Union of America (AFL) was established in 1867 and is one of the oldest organizations in the trade-union movement, some of its leaders being active in the formation of the American Federation of Labor. It was composed of skilled hand craftsmen and, because of its unsuccessful opposition to the growth of machine methods, it began to decline about 1920. Currently, agreements negotiated by the Cigar Makers' Union cover slightly more than half of the organized workers in the cigar industry, with most of its strength concentrated in the Florida area. In a number of plants organized by this union the bilateral agreement consists of wage rates only, other working conditions being dependent on the custom and practice in the trade.

After the CIO was established it began organizing cigar workers in New York City and in 1937 formed the United Cigar Workers' Union. Several years later these and other CIO cigar workers were affiliated with the United Cannery, Agricultural, Packing and Allied Workers

<sup>1</sup> This figure does not include the nonmechanized one-man or family shops known as "buckeyes" which are still in business. The Bureau of Internal Revenue reported 3,213 cigar factories in business in 1941, but 2,805 small plants, or 87.3 percent of all plants, produced less than 3 percent of the total number of cigars manufactured.

of America, which recently changed its name to the Food, Tobacco, Agricultural & Allied Workers Union of America. The FTA has recently undertaken an organizing campaign in the New York, New Jersey, and eastern Pennsylvania area among employees of the largest manufacturers. The CIO union now has agreements covering slightly less than half of the organized workers in the industry.

### *Extent of Union Organization*

Approximately half the workers in the cigar industry, or between 17,000 and 18,000 wage earners, are now covered by union agreements. Among the large plants not yet organized are most of the plants of the General Cigar Corporation, several units of Webster-Eisenlohr, Inc., and the Consolidated Cigar Corporation.

### *Coverage and Duration of Agreements*

The discussion in Part II is based on an analysis of 16 agreements covering about 12,000 workers and representing nearly 70 percent of the total number of workers under agreement at the beginning of 1945. One of these agreements, which was negotiated by the Cigar Makers' International Union with the Cigar Manufacturers Association of Tampa, covers approximately 15 companies in that city which employ more than one-third of the workers under the 16 agreements studied. Another agreement was negotiated by the FTA and the Deisel-Wemmer-Gilbert Corp. for 7 plants in Michigan and Ohio. The Cigar Makers' Union signed the P. Lorillard agreement for its plant in Richmond, Va., other AFL unions signing the same agreement for other plants of this company which manufacture cigarettes and smoking tobacco.<sup>2</sup> The remaining agreements were negotiated by local unions and individual companies or plants.<sup>3</sup>

Certain occupational groups, such as office and clerical workers, supervisors, and foremen, are usually excluded from the scope of the agreements and in a very few instances maintenance workers such as machinists, engineers, watchmen, and mechanics are also excluded.

<sup>2</sup> Several craft unions covering specific groups of workers have also signed this agreement.

<sup>3</sup> In addition to the three mentioned above, the plants covered and the unions with which the agreements have been made are listed below:

Altmore Bros, Inc., New York, N. Y.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
American Tobacco Co., Charleston, S. C.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Consolidated Cigar Corporation, Lancaster, Pa., and Camden, N. J.	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Consolidated Cigar Corporation, Perth Amboy, N. J.	Cigar Makers' International Union of America (AFL).
DeNobile Cigar Co., Long Island City, N. Y.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
D. Emil Klein Co., Inc., New York, N. Y.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
M. Marsh & Sons, Inc., Wheeling, W. Va.....	Cigar Makers' International Union of America (AFL).
Nieves & Claremont Cigar Co., New York, N. Y..	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Palumbo Cigar Co., Inc., New York, N. Y.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Pennstate Cigar Corp., Philadelphia, Pa.....	Food, Tobacco, Agricultural and Allied Workers Union of America (CIO).
Augustus Pollack, Inc., Wheeling, W. Va.....	Food, Tobacco Agricultural and Allied Workers Union of America (CIO).
John H. Swisher & Son, Inc., Jacksonville, Fla...	Cigar Makers' International Union of America (AFL).

All but 2 of the agreements were negotiated for 1-year periods with automatic renewal—12 for yearly periods, and 2 for indefinite periods in the absence of notice of intention to change or terminate. One agreement was negotiated for a 2-year period renewable automatically for a like period in the absence of notice of intention to change, and another was made for a 3-year period with automatic renewal for yearly periods thereafter unless notice is given. Generally, notice of intention to change must be served 30 days prior to the expiration date, although in several cases the notice period is 60 days and in one, 40 days.

### *Union Status*

*Membership requirements.*—Union membership is required as a condition of employment under eight agreements which cover over half of the workers under the agreements studied. Five of these, among them the agreement with the Cigar Manufacturers Association of Tampa, specify closed-shop conditions and require all employees to be hired through the union. Three agreements, including that of John H. Swisher & Son, Inc., establish union shops, the Swisher agreement providing, in addition, that “the company agrees to give preference of employment to union members.” Another of these three, while stating that all new employees must join the union within a specified period, exempts maintenance employees, floorladies, shipping clerks, and members of any other union and allows them to pay a service fee equal in amount to union dues.

Five agreements covering over 30 percent of the workers and including those with the American Tobacco Co., the Deisel-Wemmer-Gilbert Corp., and the Lancaster and Camden branches of the Consolidated Cigar Corp. require “maintenance of membership” for employees who were members when the agreement was signed or who later became members. Three agreements have no membership requirements but merely grant the union sole bargaining rights.

*Check-off.*—Ten agreements, covering almost half of the workers, include some form of check-off of union dues; 5 of these provide maintenance of membership, 4 are closed- or union-shop agreements, and 1 has no membership requirements. Six agreements, including those of the Swisher Corp. and the Lancaster and Camden branches of Consolidated Cigar Corp., specify that the dues of union members are checked off automatically; according to the other 4, including American and Deisel-Wemmer-Gilbert, dues are checked off only after the individual employee has authorized it but, in 2 of the cases, once authorized, the deduction cannot be revoked during the life of the agreement.

In order to compensate the employer for the bookkeeping expenses incurred in administering the check-off, the M. Marsh & Sons agreement allows the company to keep 3 percent and the Swisher agreement 5 percent of all the money collected.

While the agreement with the Tampa Association does not provide for check-off arrangements, the company agrees to facilitate dues collections by furnishing a table and chair at the main entrance to be used by the shop collector during working hours; under this agreement the company also agrees to furnish the shop collector with the union book of each new employee hired.

*Activities affecting union status.*—Several of the agreements specifically state that the company retains the right to manage and direct the working forces including the right to hire, fire, and transfer employees as the business requires. The agreements add, however, that this right will not be used by the company to discriminate against any member of the union. Several agreements contain clauses prohibiting discrimination by either party because of race, color, creed, or national origin; several specifically forbid discrimination by the company against employees because of union activities; and a few also include statements forbidding coercion by the union of nonunion employees.

One agreement specifically forbids solicitation of membership on company time, but this agreement and four others expressly allow an outside union representative access to the plant during working hours to help in settling grievances.

In about half of the agreements the company agrees to furnish a bulletin board in the plant for the posting of union notices, but reserves the right to approve notices before posting.

*Union label.*—The Cigar Makers' Union agrees under two agreements to furnish free of charge the union label for all the company's products. The other agreements make no reference to the use of the label.

### *Wage Provisions*

*Minimum rates.*—Only five agreements, two of them with large companies, contain plant-wide minimum wage rates. One specifies 65 cents an hour; three specify 50 cents an hour for all employees; another specifies 50 cents an hour for male and 45 cents for female hourly paid employees, but only 40 cents an hour as the basic rate for piece-work jobs. One of these provides a 5-percent increase pending approval by the National War Labor Board.

Hiring rates of 5 cents below the minimum are contained in one of the agreements specifying a plant-wide minimum rate, the employee reaching the 50-cent rate after 60 days. Three other agreements which mention only piece rates and do not stipulate plant-wide minima, mention hiring or learner rates. One states that new employees who have not completed their probationary period are to be paid 5 cents less than the basic hourly minimum until they reach minimum production. Another provides that new employees are to be paid 30 cents an hour until they exceed this amount on a piece-work basis; the third states that new employees while learning are to be paid not less than the minimum hourly rates provided by the Wage and Hour Law.<sup>4</sup>

Two agreements contain clauses stating that wages are to be paid on the basis of equal pay for equal quantity and quality of work. Since one of these is the agreement with different plant-wide minima for male and female workers, the different rates presumably indicate that different work assignments are given to men and women.

No mention is made in any of these cigar agreements concerning differentials for disabled and older workers.

*Dead time pay.*—Half of the agreements, covering almost half of the workers, mention pay to employees during waiting time when machinery break-down or other circumstances halt work temporarily.

<sup>4</sup> Under the Fair Labor Standards Act (Wage and Hour Law) the minimum hourly rate for the cigar industry was raised to 40 cents an hour on August 10, 1942.

Under two agreements, including that of the American Tobacco Co., employees are to be paid for the total time lost for any stoppage which exceeds 15 minutes, pieceworkers being paid either on the basis of their average earnings for the preceding week or their minimum hourly rate, whichever is greater. The Deisel-Wemmer-Gilbert agreement requires pay at the prevailing hourly rate based on the normal piecework earnings for all time lost if the time is more than 10 minutes. Another agreement requires pay at the rate of 35 cents per hour if the period of time lost does not exceed a half hour; if more than 1 hour's stoppage is anticipated the employee may either go home or wait without pay. The remaining agreements that mention "stand-by" pay do not name any specific amount of time the break-down must last before compensation is made. One states that for the time lost the employees will receive "an average of regular pay" and another that "no wage reduction shall be made." The other two merely state that employees shall be compensated as before but fail to give details of the former method.

*Incentive wages.*—Payment on a piece-rate basis for certain classes of workers is indicated in 11 of the 16 agreements. Advance participation by the union in piece-rate setting is specifically provided in three agreements: the Tampa Association agreement provides for a joint equalization committee, made up of union and employer representatives, to settle any question regarding the price scales of the so-called "Cartabon"; the second agreement provides that any new job is to have a price established by the union and company before it is put into effect; under the third agreement new or revised schedules of piecework rates, unless they are previously approved by the union, are to be posted 5 days before they become effective, and differences of opinion are to be settled through the regular grievance procedure.

*Interim wage adjustments.*—Provisions for general wage changes during the life of the agreement are found in six agreements; five of these cover small plants and are signed for 1-year periods, and the sixth, the Tampa Association agreement, is negotiated for a 2-year period. Three agreements allow the wage scale to be opened for negotiations at any time if conditions in the industry, such as a change in the price of cigars, warrant a change. Two others permit the reopening of the wage scale in the event of the abandonment of the "Little Steel" formula or any change in national wage stabilization policy. The Tampa agreement allows the union to request a change in wage scales every 6 months during the term of the agreement.

*Transfer rates.*—A few agreements protect an employee's earnings when he is temporarily transferred to another job or division, and in one agreement when he is permanently transferred, by stipulating that he is to receive no reduction in rate because of a transfer at the company's request.

*Minimum call and call-back pay.*—Eight agreements covering almost 40 percent of the workers provide payment for a minimum number of hours to employees called to work or who report for work at their regular time but for whom no work is available. The Deisel-Wemmer-Gilbert agreement provides that any employee who reports is paid for a full 8-hour day if it is proved to the satisfaction of the company that the lack of work is the company's fault; otherwise, the employee is paid 1 hour's call pay. Four agreements guarantee a minimum of 4 hours' call pay and three provide 2 hours. One of the group which

specifies 4 hours' pay for all other employees provides only 2 hours' pay for cigar makers.

The Deisel-Wemmer-Gilbert agreement and one other provide for time and a half pay for all time worked by an employee who is called back to work after completing his regular shift.

### *Hours, Overtime, and Week-End Work*

All except seven agreements provide for a regular 8-hour day and 40-hour week and for time and a half the regular rate in excess of these hours. The agreement with the John H. Swisher & Son Corp. is the only one which indicates that more than one shift is worked, and it does not specify any differential or bonus for second shift work. An agreement in the Philadelphia area specifies a 40-hour week; daily hours for the first shift are 8 on Monday, Tuesday, and Wednesday, 6 on Thursday and Friday, and 4 on Saturday, and for the second shift 6 hours on Monday, Tuesday, Wednesday, and Saturday and 8 on Thursday and Friday; daily overtime is paid after 8 hours' work. The Tampa agreement and one other name the regular 8-hour day, 40-hour week, but fail to state whether or not overtime is paid in excess of these hours.<sup>5</sup> The John H. Swisher & Son and the American Tobacco agreements provide weekly overtime after 40 hours, and the latter provides daily overtime after 10 hours. Two agreements which cover small companies fail to mention hours and overtime rates.

One agreement specifically provides that time spent in preparing and cleaning machines is counted as time worked. Only one agreement mentions lunch periods, and it requires that time and a half be paid for any work done during the lunch hour.

Two agreements specifically refer to Executive Order 9240 with respect to premium rates for week-end and holiday work, and one of them provides Sunday and holiday rates which are to be substituted when the order is terminated.<sup>6</sup> Seven other agreements provide premium rates for Sunday work, time and a half in two cases and double time in the others. (If these companies were doing work "relating to the prosecution of the war" these provisions, of course, were superseded by Executive Order 9240.)

Four agreements specifically require payment of time and a half rates for any work done on Saturday. Five other agreements specifically name a Monday through Friday workweek and presumably any work done on Saturday is paid for at overtime rates since the regular workweek ends on Friday. Three agreements, two of which specifically require time and a half rates for Saturday work, provide that a holiday not worked during the week is considered as time worked as far as computing time and a half pay for hours over 40 is concerned. Under three agreements, however, no premium rates are paid on Saturday if there is a holiday not worked during the week.

A very few agreements specifically exclude from the week-end and

<sup>5</sup> Under the Fair Labor Standards Act employees would have to be paid time and a half after 40 hours per week, but not after 8 hours per day. Under the Walsh-Healey Public Contracts Act all employees are paid time and a half after 8 hours per day.

<sup>6</sup> "On all work relating to the prosecution of the war" Executive Order 9240 prohibits premium pay for Saturday and Sunday work as such, and makes the payment of double time for the seventh consecutive day of a regularly scheduled workweek mandatory. It permits the payment of time and a half for the sixth consecutive workday when such pay is specified by the agreements.

holiday provisions certain maintenance employees, such as watchmen and firemen, and one excludes seasonal employees who work in green leaf tobacco.

### *Paid Vacations and Sick Leave*

*Annual paid vacations.*—Annual paid vacations are provided for regular employees under all the cigar agreements analyzed. A single vacation period after a qualifying period of service is specified in four agreements; the others provide graduated plans with increased allowances for workers with longer service. One of the four agreements with the single-period vacation clauses grants 2 weeks' vacation after 1 year of service; the other three allow 1 week's vacation after 1 year of service.

Five of the 12 agreements with graduated plans, among them the American and the D. Emil Klein Co. agreements, provide a maximum of 2 weeks' vacation after 5 years' service and, in all except 1, a minimum of 1 week's vacation after 1 year's service; the exception provides prorated vacation beginning with 3 days for 6 months' service. The remaining 7 graduated plans, including the Diesel-Wemmer-Gilbert and the 3 Consolidated agreements, grant a maximum of 1 week's vacation after 1 year's service. Shorter periods are granted for less than 1 year's service—one-half week is allowed after 6 months, in 3 cases; in 2 others the vacation is prorated and begins with 2 days after 3 months' service; the remaining 2 allow a full week's time, but in 1 case pay is equivalent to one-half week's wages after 6 months' service while in the other the pay ranges from 2 days' wages after 1 month's service to 5 days' wages after 6 months' service.

In addition to the minimum service requirements, one agreement provides that to be eligible for a vacation, the employee must have actually worked 1,600 hours during the preceding year and another that he must have worked 90 percent of the time worked by the department during the preceding year. Under several others, absences of specified amounts of time make the employees ineligible; for example 90 days' lay-off immediately preceding the vacation period; absence of more than 60 days or 90 days because of illness during the year; absence of more than 30 days in any 6-month period for reasons other than illness. According to one agreement, if the employee is absent more than 10 days without a doctor's certificate the question of whether or not he gets a vacation is left to the discretion of the plant manager.

A week's vacation pay is generally 40 times the employee's average hourly earnings, although in one agreement the pay is based on a 48-hour week and in another on the number of hours per week the plant has normally operated during the preceding year, not exceeding 48. One specifies 2 percent of the employee's total earnings for the preceding year.

Compensatory pay in lieu of vacations is permitted in several agreements, generally at the discretion of the company. In the Deisel-Wemmer-Gilbert agreement, however, the employer can substitute compensatory pay for the vacation only if he pays 10 percent extra, and if a majority of the employees agree. In most of the agreements the company reserves the right to schedule the vacation periods.

*Sick leave.*—One agreement, covering a small New York City company, which grants a maximum of 2 weeks' vacation, also grants each employee 6 days' paid sick leave with the added provision that 10 days before the agreement terminates the employee is to receive pay for any unused portion based on the average daily earnings exclusive of overtime for the 3 months preceding the date the payment is made. Two additional agreements, while not granting paid sick leave, indicate that an employee will not lose seniority because of absence due to illness. One of these, the Swisher agreement, provides that the employee retains his seniority for 90 days, and if the absence is more than 90 days but not more than 150 days, he is put on a preferred list for employment. The Tampa agreement provides that the employee shall retain seniority for 60 days after an illness, or 120 days in the event of childbirth, and may retain it for 6 months provided a medical certificate is furnished by the employee every 60 days. If an employee is absent more than 6 months he is put on a preferred list for employment.

### *Holidays*

Five agreements, all covering companies in the New York area, provide pay for holidays not worked, four of them designating six and one designating four holidays. Under two of these agreements the paid holidays are conditioned upon a minimum of 1 month's consecutive employment preceding the holiday. Holiday pay in all cases is based on the average of the employee's earnings for a specified time preceding the holiday. Only one of these five agreements mentions pay for work performed on the allowed holidays; it provides regular pay in addition to the holiday pay. Two other of the five agreements specify premium rates of time and a half for all work done on five additional designated holidays.

The other agreements, which do not provide pay for holidays not worked, with the exception of several which fail to specify the regular daily and weekly hours and overtime rates, provide premium rates for work done on specified holidays, generally six. Half of the agreements require time and a half, and half require double time.<sup>7</sup>

### *Leave of Absence*

*Leave for union business.*—Five agreements allow leave of absence for union business, four of them specifying time limits: Three grant 1 year and extensions if necessary, and one allows 2 years. Under two agreements, one which allows a 1-year period and one which fails to limit the period, seniority accumulates during the absence. One agreement provides 2 years' leave for a full-time union job, and also allows up to 15 days' leave for temporary union business to not more than five additional employees.

*Leave for personal reasons.*—Of the seven agreements which allow leave for personal reasons (such as illness in the family), three specify a tentative limit on the time granted, subject to extensions in two cases. The original period of leave is 30 days in two cases and 15 days in the other. After the original period of 30 days, the Tampa agreement

<sup>7</sup> Executive Order 9240 requires payment of time and a half on New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, and either Memorial Day or one other holiday of greater local importance, and prohibits premium pay for any other holiday.

allows extensions up to 6 months, and after that the employee is put on the preferred list for employment. Almost all of these seven agreements state that this leave is to be "without prejudice" or "without loss" of seniority rights.

### *Seniority Rules*

Seniority rules recognizing length of service for preferential consideration in lay-off and rehiring and occasionally for promotions are found in all the cigar manufacturing agreements except the one with the Tampa Association, which contains detailed work-sharing provisions to prevent lay-off if possible. Usually these rights do not apply until the completion of a probationary period varying from 3 weeks to 3 months, but generally about 30 days.

In contrast to the cigarette agreements, in which seniority is usually applied on a plant-wide basis, a majority of the cigar manufacturing agreements name the department as the unit for the application of seniority. Five agreements, all of them with New York companies, specify seniority by job or classification. One agreement with a large company provides plant-wide seniority for promotions and in the case of the closing of an entire department, and department seniority for other lay-offs. Two agreements, both with large companies, fail to define the unit to which seniority applies.

*Seniority for special groups.*—Four agreements grant union stewards preferential seniority rights by providing that they shall be the last laid off and the first to be rehired.

Several agreements contain a provision that employees hired during the peak season in the fall are to be considered temporary employees accumulating no seniority. One specifies that employees hired after April 30, 1942, shall not receive the benefits of the work-sharing provision, although such employees are put on the seniority list in the order of hiring.

*Loss of seniority.*—Three agreements provide for the retention of seniority rights for 12 months during periods of enforced lay-off. Over half of the agreements list the following as causes for the loss of seniority: Voluntary quitting, discharge, and failure to report after lay-off within a specified time, usually 5 days, after being notified. A few agreements also list absence of a certain number of days, usually 7, without proper notification.

Several agreements stipulate that the company is to post seniority lists or have them available for inspection at any time.

### *Lay-off and Rehiring*

Lay-offs and rehiring are to be made on the basis of strict seniority in almost all the agreements. In one of the exceptions, seniority is to govern lay-off and rehiring if the employee has worked 5 years; if the employee has less than 5 years' service, seniority is qualified by other factors such as skill and ability to do the work. This agreement also allows the company to lay off workers for a period of not more than 7 days without regard to seniority. In two other agreements, seniority is recognized as an important factor, but in one of these merit and ability and in the other the employee's attendance record

is considered in determining order of lay-off and rehiring. One of the agreements, which provides job seniority only, specifies that when lay-offs are necessary four women are to be laid off for every three men. The Tampa Association agreement and agreements with two small companies do not indicate the part played by seniority in lay-offs.

One week's advance notice of lay-offs is required by two agreements.

*Work sharing.*—Provisions for work sharing are found in 10 agreements including all the agreements in the New York area and the Tampa agreement. Three agreements indicate that in slack seasons the work is to be divided so as to distribute it among the regular employees, but they do not name a specific number of hours to which work is reduced before lay-offs are made. The remaining agreements provide for reducing hours of work to a stated minimum per week—32 hours in four agreements and 24 hours in three agreements—before lay-offs are made. The Tampa agreement calls for consultation with the union before lay-offs are made if the employer is still unable to retain his full working force after reducing hours to 32 per week.

### *Promotion and Transfer*

The method of promoting and filling vacancies is outlined in 12 of the agreements. In most of these, seniority is considered along with other factors such as ability, competence, and skill, and when these qualifications are equal seniority is the determining factor; four of these state specifically that management is the judge of the applicant's ability and competence. The one agreement with combination plant and department seniority provides that the new job or vacancy is to be posted on the plant bulletin boards for 5 consecutive days, and the bidding employee who has the greatest plant seniority, and who is competent in the judgment of the company and the union, is to be given a trial on the job. After the trial period the company is the sole judge of the applicant's competence.

Two agreements with small companies, which apply seniority on a job basis, indicate that promotions are made on the basis of competence alone, regardless of seniority. Only one agreement provides for promotions on the basis of strict seniority, and this agreement also provides that if after a reasonable period of time the employee fails to qualify for the job in question, the position shall be available to the next person in line of seniority.

Two of the agreements state that seniority does not apply to promotion to supervisory jobs.

Only one of the cigar agreements analyzed mentions the effect of transfer of an employee's seniority status. The agreement with the plant and department seniority provides that if an entire operation or department closes, an employee may transfer to another department if a job is available there, but does not indicate whether or not he takes with him to the new department his accumulated seniority. Under this agreement an employee may transfer from night to day work and retain his position on the seniority list. If an employee requests a transfer to a new department, however, he loses his seniority in the former department, and seniority in the new department starts at the time of transfer.

## *Military Service*

Reemployment and seniority rights of employees who enter the armed forces are protected in almost all of these agreements. Generally, the agreements provide that an employee honorably discharged shall be reemployed "with all rights and privileges including seniority status" or in a job of "like seniority and status" if he is qualified. Agreements with the American Tobacco Co., the Deisel-Wemmer-Gilbert Corp., and two other companies specifically provide for the accumulation of seniority by employees on military leave. Five agreements name the specified time within which the employee must apply after discharge to be eligible for his job: three agreements allow 40 days and two allow 60 days.<sup>8</sup>

Several of the agreements state specifically that an employee who replaces another employee who enters the armed forces is only a "temporary" employee and must forfeit the job upon the return of the first employee, and one states further that military service reemployment rights do not accrue to this "temporary" employee should he enter the service.

Clauses granting vacation pay or a bonus to employees entering the armed forces are found in three agreements. The American Tobacco Co. agreement grants prorated vacation pay plus a bonus of 2 weeks' pay to employees with 1 to 2 years' service, and 3 weeks' pay to employees with more than 2 years' service. The Deisel-Wemmer-Gilbert Corp. grants a bonus of 1 month's pay to all employees with more than 1 month's service, and another agreement grants 2 weeks' pay to employees with 1 year's service.

Employees "drafted" into war work are entitled to the same reemployment rights as veterans under agreements with three small companies in the New York area.

## *Learners and Apprentices*

One agreement stipulates that when apprentices reach the standard production output per hour they are to be classed as skilled workers, and two others state that they will be kept at the apprentice rate until "in the judgment of the company" they can be put on the regular rate of pay. The Tampa agreement merely states that apprentices are to be permitted in all departments according to existing rules and regulations.

## *Health and Safety*

The clauses relating to health and safety which are included in several of the agreements generally consist of statements to the effect that the employer will make reasonable provisions for the safety and health of the employees by providing adequate safety devices, sanitary working conditions, etc.

One agreement specifies that the company may require a certificate of health from any worker who appears unfit, and another, that the company may require any employee to be examined by the company doctor. If the employee protests the result of the examination, he

<sup>8</sup> The Selective Training and Service Act of 1940 was amended in 1944 to permit the employee to apply up to 90 days after honorable discharge. This extended period, of course, supersedes lesser periods provided in agreements negotiated before the act was amended.

may be examined by his own physician also, and if the two doctors do not agree a jointly selected third doctor makes the final decision. One agreement with a New York City company requires that the employer provide for each worker a life insurance policy of \$1,000.

### *Adjustment of Disputes*

All the cigar agreements analyzed provide some machinery for the presentation and negotiation of grievances, and all except two provide for final settlement by arbitration.

*Grievance machinery.*—In 9 agreements, including over 70 percent of the employees covered by the 16 agreements studied, initial presentation of a grievance to the management official is made by the shop committee or the shop steward of the union. The employee, accompanied by the shop steward, takes the grievance to the foreman in 3 agreements, and in 1 the employee may present the grievance to the foreman himself, or be accompanied and represented by his union representative. Three agreements fail to outline the initial step.

Failing satisfaction, agreements generally provide for negotiations between the shop committee and higher management officials, nine of them granting the union the right to call in officials of the international union to negotiate with management in the final steps of the grievance procedure. Three agreements require all grievances to be presented in writing, and two others require the grievance to be written before it reaches the last steps. Several agreements impose time limits on some or all of the steps in order to prevent delays in settling disputes.

Although several agreements mention that shop stewards or grievance committees may have time off during working hours to receive complaints, only three agreements specifically allow pay for the time lost. One agreement calls for regular monthly meetings between the union grievance committee and the company during working hours, with pay by the company up to 2 hours' time. This agreement also allows union stewards not more than 5 hours and chief shop stewards not more than 6 hours per month time off with pay for handling grievances. The other two agreements simply state that stewards, in one case, and the shop committee, in the other case, shall not lose any pay for time spent in handling grievances during working hours.

### *Arbitration*

Twelve of the 14 agreements which provide for arbitration as the final step in the settlement of disputes, state that arbitration may be invoked at the request of either party. One allows arbitration only at the request of the union, and the Tampa agreement provides for arbitration as specified by the constitution of the Cigar Makers' International Union, which states that "the union, the manufacturer, or the international president with the consent of the international executive board" may appeal to arbitration.

All differences between the company and the union regarding the meaning and application of the agreement are specifically included within the scope of arbitration in most of the agreements, the Tampa agreement explicitly naming also any dispute regarding an increase or reduction in wages, and one other naming any dispute concerning computation of pay. Three agreements exclude the subject of wage

changes from arbitration, and two others exclude any modification of the agreement.

A permanent umpire selected and compensated by both parties is named in two agreements, but in all the others an arbitrator or an arbitration board is chosen at the time arbitration is requested. The most common arrangement is a tripartite board composed of one member chosen by each of the parties and a third member selected by the board itself. In the event of failure of the parties to agree on the selection of an impartial man one agreement refers the choice to a Federal district judge. In four of the agreements with companies in New York the arbitrator is designated by the New York State Board of Arbitration, and in the Tampa agreement a State or Federal board of mediation and conciliation or any mutually decided upon civic jury of citizens may be selected.

The Tampa agreement names a time limit of 30 days within which the arbitration board must make its decision, and an agreement with a small New York City company makes it obligatory for the parties to comply with the arbitrator's decision within 48 hours.

### *Discharge*

A majority of the agreements say that the company may discharge an employee for "just" cause, although only a very few agreements define specific reasons for discharge—such as inefficiency, failure to produce a certain number of cigars per week, and violation of company rules.

To safeguard the worker against arbitrary discharge, four agreements require that the company must notify the union in advance before any action is taken, and under one of these agreements (with a small company) the employee can be discharged only with the consent of the union. In another, if the union and company cannot agree the employee will be discharged and the union can later appeal the case to grievance machinery. The Tampa and the Swisher Corp. agreements state that if the employee is charged with inefficiency he will be given advance notice so that he can correct the inefficiency, and if it is not corrected within the specified time, he will be discharged.

The remaining agreements which mention discharge provide for the appeal of allegedly unfair or unjust discharge through the regular grievance machinery, most of them requiring reinstatement with back pay for the worker found to be unjustly discharged. A few agreements establish special time limits within which the employee must make the appeal, or in which the case must be disposed of; limits in both cases are usually 5 days.

### *Strikes and Lock-outs*

Strikes and lock-outs are banned completely during the life of the agreement in 10 agreements, and until all the steps of the grievance machinery have been exhausted in 1. The latter agreement does not provide for arbitration. Disciplining of workers who violate the "no-strike" clause is provided in 1 agreement which states that employees failing to return to work within 24 hours after having been notified to return shall be deemed to have forfeited their jobs.

Four agreements prohibit employers from forcing employees to do work for another plant which is on strike.