

Berkshire Hathaway

1969-71

As in previous years, contract renewal demands of the Textile Workers Union of America (TWUA) called for closing the gap between wages in the textile industry and other industries. The union backed its demands by citing increases in the cost of living, relative wages in textiles and other industries, and rising sales and profits. The union sought a fairer share of profits for workers to help offset increases in the cost of living.

The TWUA met on Feb. 8, 1969, in New York City to formulate demands to be presented to the major northern cotton-synthetic textile companies. Their overall demands called for a 20-percent wage and fringe benefit package plus a pension plan. Other than a wage increase, the union sought increased medical-surgical-hospital insurance, life insurance, weekly sickness and accident benefits, vacations, holidays, and severance pay. Also sought was the establishment of an employer-paid pension plan. The union served its 60-day notice upon employers whose contracts were to expire Apr. 15, 1969.

Informal negotiations began in late February between the industry and union; formal negotiations with Berkshire Hathaway began on Mar. 11, 1969, in Boston. Bargaining continued through the early spring between the TWUA and the major textile companies. Settlement was reached on Apr. 10, 1969, between the TWUA and the American Thread Co. Unlike previous years, however, the industry did not follow the lead set by American Thread, and contracts signed by the other companies contained significant differences. Berkshire Hathaway and the union reached agreement on Apr. 14, 1969.

The agreement provided a 46-cent-an-hour package

increase, equivalent to a 20-percent wage and fringe benefit increase over 3 years. The first-year package amounted to 21 cents an hour as a result of an 18-cent general wage increase plus 3 cents in fringe benefits. The agreement also provided for deferred wage increases of 4.4 percent in 1970, and 5 percent in 1971.

Additional benefits included increased life insurance, hospitalization, and surgical benefits. Independence Day was added as a seventh paid holiday. The company extended its summer shutdown period from 1 to 2 weeks, retaining the option to close for only 1 week. Employees received 2 weeks of vacation during a 2-week shutdown, and the option to elect either a 1- or 2-week vacation in the case of a 1-week shutdown. Provision was made for paying accumulated prorata vacation pay to the surviving spouse or next of kin of an employee who died. Also established was bereavement pay for up to 3 days upon death in an employee's immediate family.

Effective Apr. 13, 1970, Berkshire Hathaway became a participating employer in the Textile Workers Pension Fund, National Plan Sub-Fund. The new employer-financed pension plan was integrated with the retirement separation pay plan under which benefits were formerly paid out of the employer's general fund. After Apr. 16, 1972, employees have the option of continuing to receive benefits under either the retirement separation pay plan or the pension plan.

The new agreement, effective Apr. 16, 1969, through Apr. 15, 1972, provided benefits for the 13,000 workers employed at the company's New Bedford, Mass., plant at the time the contract was signed. The following tables bring the Berkshire Hathaway Chronology up to date through Apr. 15, 1972.



Table A. General wage changes ¹

Effective date	Provision	Applications, exceptions, and other related matters
Apr. 14, 1969 (agreement dated Apr. 16, 1969).	18 cents an hour increase.	In addition, agreement provided for deferred increases on Apr. 13, 1970, and Apr. 12, 1971.
Apr. 13, 1970 (agreement dated Apr. 16, 1969).	4.4-percent increase, averaging 10 cents an hour.	Deferred increase.
Apr. 12, 1971 (agreement dated Apr. 16, 1969).	5-percent increase, averaging 12 cents an hour.	Deferred increase.

¹ General wage changes are construed as upward or downward adjustments affecting a substantial number of workers at one time. Not included within the term are adjustments in individual rates (promotions, merit increases, etc.) and minor adjustments in wage structure (such as changes in individual job rates or incentive rates) that do not have an immediate and noticeable effect on the wage level.

The wage changes listed above were the major adjustments made during the period covered. Because of fluctuations in incentive earnings, changes in products and employment practices, omission of nongeneral changes in rates, and other factors, the sum of the general changes listed will not necessarily coincide with amount of change in average hourly earnings over the same period.

Table B. Minimum plant wage rates ¹

Effective date	Provision	Applications, exceptions, and other related matters
June 19, 1943 (New Bedford area). ²	52.03 cents an hour.	No change in the prevailing minimum wage rate.
Dec. 3, 1943 (Fall River area). ²	52.03 cents an hour.	No change in the prevailing minimum wage rate.
Oct. 1, 1944 -----	57.00 cents an hour.	The National War Labor Board directive of Feb. 20, 1945, affecting 54 northern and southern mills, established a minimum wage of 55 cents an hour and, in addition, provided that all jobs for which the rate was over 50 cents an hour be increased by 5 cents, retroactive to Oct. 1, 1944.
Nov. 4, 1945 -----	65 cents an hour.	
Aug. 5, 1946 -----	73 cents an hour.	
Jan. 6, 1947 -----	83 cents an hour.	
Aug. 4, 1947 -----	88 cents an hour.	
Jan. 5, 1948 -----	97 cents an hour.	
Sept. 18, 1950 -----	\$1.065 an hour.	
Mar. 19, 1951 -----	\$1.135 an hour.	
July 19, 1952 -----	\$1.065 an hour.	
July 18, 1955 -----	\$1.065 an hour.	
Apr. 16, 1956 -----	\$1.135 an hour.	
Apr. 20, 1959 -----	\$1.25 an hour.	
Apr. 18, 1960 -----	\$1.315 an hour.	
Apr. 16, 1962 -----	\$1.36 an hour.	
Apr. 16, 1964 -----	\$1.43 an hour.	
Apr. 16, 1965 -----	\$1.50 an hour.	
Apr. 18, 1966 -----	\$1.60 an hour.	
Apr. 17, 1967 -----	\$1.65 an hour.	
Apr. 15, 1968 -----	\$1.71 an hour.	
Apr. 14, 1969 -----	\$1.89 an hour.	
Apr. 13, 1970 -----	\$1.975 an hour.	
Apr. 12, 1971 -----	\$2.07 an hour.	Plus 3-cent-an-hour cost-of-living allowance. Plus 3-cent-an-hour cost-of-living allowance. Includes cost-of-living allowance incorporated into basic hourly rates.

¹ Minimum plant rates do not apply to learners or handicapped workers.

² Between 1939 and 1943, the following minimum plant wage rates prevailed in the Fall River and New Bedford areas:

Effective date	Minimum plant wage rate
Nov. 6, 1939 -----	36.8 cents an hour.
Mar. 24, 1941 -----	40.48 cents an hour.
Sept. 8, 1941 -----	44.53 cents an hour.
June 15, 1942 (in accordance with National War Labor Board directive of Aug. 20, 1942) -----	52.03 cents an hour.

Table C. Related wage practices

Effective date	Provision	Applications, exceptions, and other related matters
Holiday Pay		
Apr. 16, 1969 (agreement of same date).	Added: 1 paid holiday (total 7).	Added paid holiday--Independence Day.
Paid Vacations		
Apr. 16, 1969 (agreement of same date).		<p>Changed: Company given option to close for 2 weeks instead of 1 during the summer. In the case of a 2-week shutdown period, employees received 2 weeks of vacation with pay calculated as a percentage of income. In the case of a 1-week shutdown, employees were entitled to--(1) 2 weeks of vacation with pay calculated as above; or (2) 1 week of vacation with pay calculated as above, plus 1 week of work paid at the vacation rate of pay in addition to the regular straight-time rate.</p> <p>Accumulated prorata vacation pay to be paid to the surviving spouse or next of kin of an employee who died.</p>
Bereavement		
Apr. 14, 1969 (agreement dated Apr. 16, 1969).	Established: Up to 3 day's bereavement pay when a member of employee's family dies.	Family included grandparents, parents, children, spouse, brothers, and sisters, and also included half-brothers, half-sisters, step-children, and step-parents living in household of employees.
Health and Welfare Benefits		
Apr. 16, 1969 (agreement of same date).	<p>Increased:</p> <p>Life insurance--to \$ 2,000.</p> <p>Hospitalization--maximum to \$ 32 a day for up to 120 days.</p> <p>Special hospital benefits--maximum to \$ 330.</p> <p>Surgical benefits--maximum to \$ 500.</p>	
Retirement Separation Pay and Pension Plan		
Apr. 13, 1970 (agreement dated Apr. 16, 1969, and Apr. 15, 1970).	<p>Established: Pension plan with an initial company contribution of 3 cents an hour each covered employee. Monthly pensions calculated at 20 cents a month for each 1 cent an hour average employer contribution for service before Apr. 13, 1970, and 30 cents a month for each 1 cent an hour average employer contribution for service after Apr. 13, 1970.</p> <p>I. Normal pension--employee eligible at age 65 and over after 15 years of credited service, provided 2 years of service was after Apr. 13, 1970. Employee must have worked for a contributing employer 5 of the last 10 years before retirement. Pension paid until employee's death.</p> <p>II. Vested interest and early retirement at age 55--employee credited with 10 years of service after Apr. 13, 1970, was entitled to vested interest and eligible to retire with pension at age 55. Pension to be reduced by 6 percent for each year under age 65. Requirement that employee must have worked 5 of the last 10 years before retirement was not applicable.</p> <p>III. Early retirement at age 62--employee eligible for normal retirement could retire at age 62; benefits reduced 6 percent a year for each year under age 65.</p>	<p>Company became a participating employer in the Textile Workers Pension Fund, National Plan Sub-Fund, by agreeing to the terms of that fund. Pension plan was integrated with Retirement Separation Pay Plan in effect through Apr. 15, 1972.¹ Employees received credit for work performed for any employer for 20 years before the time such employer joined the plan and also for work performed during such 20-year period for any employer that had a collective bargaining agreement with the Textile Workers Union of America. Employees were limited to 10 years of service before Apr. 13, 1970, for work performed outside the bargaining unit. Credit for service after Apr. 13, 1970, was limited to work for a contributing employer, and was limited up to 70 years of age unless such service was necessary to qualify for minimum pension. Length of service was credited as follows: 1 through 3 months worked during a calendar year--no credit; 4 through 7 months--1/2 year of credit; 8 months or more--1 year of credit. Employment of 24 hours or more during a calendar month entitled an employee to credit for such month. Employees were also credited for any future work performed for any contributing employer of any other sub-fund of the textile workers pension fund according to the rules of such sub-fund. Retirees were guaranteed pension payments for 60 months. In the event of retiree's death, any unused balance of payments was to be paid to the beneficiary.</p>

See footnote at end of table.

Table C. Related wage practices—Continued

Effective date	Provision	Applications, exceptions, and other related matters
Retirement Separation Pay and Pension Plan—Continued		
Apr. 13, 1970 (agreement dated Apr. 16, 1969, and Apr. 15, 1970)—Continued	<p>IV. Disability benefits—employee totally and permanently disabled for 6 months or more was eligible for disability benefits if employee received a disability social security award and: (1) Had vested interest; or (2) had 15 years' credited service of which 5 years were after Apr. 13, 1970; or (3) was at least 50 years of age and had 15 years' credited service, of which 2 years were after Apr. 13, 1970. Amount of pension was determined the same as normal retirement pension with no reduction for early retirement.</p> <p>V. Death benefits—\$ 1000 for each \$ 1 per month of credited service benefits after Apr. 13, 1970, payable to beneficiary of employee who died before retirement, provided employee had earned 10 or more years of credited service after Apr. 13, 1970. Employees credited with 7 to 9 years' service after Apr. 13, 1970, were entitled to 2/3 of the 10 years' benefit. Employees credited with 4 to 6 years' service after Apr. 13, 1970, were entitled to 1/3 of the 10 years' benefit. An employee credited with fewer than 4 years' service after Apr. 13, 1970, but who was eligible to retire under early or normal retirement was entitled to a death benefit of 60 times his normal monthly pension if death occurred before actual retirement.</p> <p>Employee eligible for any type of pension could take a lump-sum payment of 60 times his normal monthly pension instead of any other pension or benefit.</p>	
Apr. 6, 1972 (agreement dated Apr. 15, 1970).	<p>Increased: Company contribution to the pension fund, to 5 cents per man-hour worked.</p> <p>Eligible employees could elect to receive benefits under the Retirement Separation Pay Plan or the Pension Plan but not both.</p>	<p>Union pension fund assumed responsibility for the administration of the Retirement Separation Pay Plan and the Pension Plan.</p>

¹ Terms of the Pension Plan were effective Apr. 13, 1970, and were integrated with the Retirement Separation Pay Plan in effect at that time, continuing through Apr. 15, 1972. Effective Apr. 16, 1972, employees had the option of electing either, but not both, the Retirement Separation Pay Plan or the Pension Plan.

Table D-3. Base rates by level,¹ 1969-71

Rate level	April 14, 1969	April 13, 1970	April 12, 1971
1 -----	\$1.890	\$1.975	\$2.070
2 -----	1.915	2.000	2.100
3 -----	1.920	2.005	2.105
4 -----	1.930	2.015	2.115
5 -----	1.935	2.020	2.120
6 -----	1.945	2.030	2.130
7 -----	1.955	2.040	2.140
8 -----	1.965	2.050	2.155
9 -----	2.000	2.090	2.195
10 -----	2.010	2.100	2.205
11 -----	2.040	2.130	2.235
12 -----	2.055	2.145	2.250
13 -----	2.070	2.160	2.270
14 -----	2.075	2.165	2.275
15 -----	2.085	2.175	2.285
16 -----	2.090	2.180	2.290
17 -----	2.100	2.190	2.300
18 -----	2.145	2.240	2.350
19 -----	2.180	2.275	2.390
20 -----	2.185	2.280	2.395
21 -----	2.275	2.375	2.495
22 -----	2.300	2.400	2.520
23 -----	2.320	2.420	2.540
24 -----	2.355	2.460	2.585
25 -----	2.370	2.475	2.600
26 -----	2.385	2.490	2.615
27 -----	2.415	2.520	2.645
28 -----	2.480	2.590	2.720
29 -----	2.490	2.600	2.730
30 -----	2.565	2.680	2.815
31 -----	2.595	2.710	2.845
32 -----	2.665	2.780	2.920
33 -----	2.715	2.835	2.975
34 -----	2.795	2.920	3.065

¹ The company does not have a formal labor grade system. To simplify the presentation of occupational base rates, the Bureau of Labor Statistics has assigned numerical designations to each of the 34 rates in the collective bargaining agreement as of Apr. 14, 1969. Rates for 1970 and 1971 were obtained by adding the general wage increases for those years to the 1969 rates; thus the table does not reflect any job classification or individual wage-rate adjustments since that date.

Changes in the basic wage-rate structure over the years can be seen by comparing this table with tables D-1 and D-2 of the basic chronology. These changes have resulted from changes in departmental and occupational structure, as shown in the tables E-1, E-2, and E-3.

Table E-3. Occupation by rate level, ¹ 1969

Department and occupation				
Rate level	Carding	Spinning	Twisting	Warp and filing preparation
1	Picker helper.	Yarnman-cleaner, traveler changer, scourer-changer.		
2				
3		Roving man.		Yarn conditioner.
4				
5				
6	Can man.			
7				
8				Tractor operator.
9	Opener tender, picker tender, card tender, drawing tender.			Tie-in girl.
10				
11				Warper tender helper.
12		Buffer and recoverer.		Nonauto. winder tender (foster).
13				Slasher tender helper.
14			Redrawing machine tender.	
15				BC spooler tender-automatic, BC warper tender, auto. winder tender.
16		Spinner.		
17				Drawing-in hand—plain.
18		Spinner doffer.		
19				BC drawing-in machine helper, new type; BC knotting machine helper.
20			Uptwister tender-unirail.	
21	Assistant picker boss.			
22	Superdraft—rove-matic tender.			Rayon high speed warper tender.
23				Third hand (section man).
24				Drawing-in hand—fancy and leno.
25	Picker boss, card grinder, third hand.	Third hand, head scourer.	Unirail third hand.	
26				
27		Spindle setter.		
28				
29				BC drawing-in machine operator (new type); BC & LS knotting machine operator, stationary and portable.
30				
31	Boss grinder.			
32				Slasher tender-color; slasher tender-filament.
33				
34				

¹ The company does not have a formal labor grade system. To simplify the presentation, the Bureau of Labor Statistics has grouped jobs according to applicable base rates, effective Apr. 14, 1969. This table does not reflect changes in occupational classifications since that date. Jobs are listed in ascending rate order.

Table E-3. Occupation by rate level, ¹ 1969-Continued

Department and occupation—Continued				
Weaving	Cloth room	Maintenance	General	Rate level
Cloth doffer, unifil supply hand, peg boy, cleaner, loom oiler-greaser.			All auxiliary or utility jobs.	1
	Output service-cloth stacker, cloth receiver.			2
				3
Unifil tender.	Sewing & rolling machine operator.			4
	Carton man.			5
				6
	Inspector.			7
Tractor operator, pallet transporter.				8
	Package yardage recorder.			9
				10
	Regrader-inspection machine, inspector-cutter.			11
		Wastehouse man.		12
				13
	Repairman-input service.			14
				15
				16
				17
				18
	Trimmer machine operator.			19
				20
				21
Weaver: XK and XD, smasher piecer, XK and XD.				22
				23
				24
				25
		Helper: Machinist, carpenter, electrician, piper, welder, blacksmith and air conditioning man.		26
				27
Changer.		Shuttle man.		28
				29
				30
		Painters, 1st class.		31
Loom fixer, unifil fixer.				32
				33
		1st Class: Machinists, carpenter, electricians, piper, welder, blacksmith and air conditioning man; firemen.		34
Third hand.				34