

AMERICAN SMELTING AND REFINING COMPANY
Tacoma Plant
Tacoma, Washington

July 26, 1971

Dear Asarco Employee:

Our letter of July 2 gave you the important details of the Company's offer which we hoped would avoid a needless strike. We also stated the Company was prepared to offer more if the Union would just bargain instead of sticking to its "Pittsburgh Pattern" demands.

This letter is to let you know that at the recent San Francisco meetings the Company did increase its offer, and that once again the Union would not even budge on a single item--unless the Company was willing to collapse on the single issue of cost-of-living. We suggest this is one-way-street bargaining!

The first-year Wage offer was increased to 60¢ for a total 3-year Wage increase of \$1.10--in solid cash, not "maybe if the Consumer Price Index goes up high enough." The Company told the Union that we were also prepared to offer additional improvements in Pensions, Weekly Sickness and Accident Benefits, the Health and Welfare Plan, Safety and Health Provisions, Civil Rights - to mention just a few. A detailed explanation of our offer is attached. If you would like to know exactly how much your own Wage Increase would be, just call the Plant Personnel Office.

Result of our efforts?

Absolutely "zero".

The Union's long list of demands is still on the table, and they wouldn't even discuss bargaining them out. Either the Company offers some type of cost-of-living clause or the Union won't bargain. And be sure you understand, the Union told the Company it could reduce the Wage offer substantially in return for this one item that Pittsburgh says is a "mandate". Certainly, inclusion of cost-of-living would very substantially reduce the Wage portion of our offer, and elimination of certain fringe-type items, which the Union understands is our position.

We think it is wrong for the Union to give up solid cash that you and your family can count on for a Pittsburgh "mandate" that may produce less in Wages. By applying the money in our Wage offer now we can project the amounts available at each job level in the second and third years so there will be adequate spreading of the job rates and you can have specific guaranteed rates to look forward to. It is also wrong for the Union to keep everyone on strike by refusing to even discuss the numerous other demands until the Company surrenders to the Pittsburgh cost-of-living "mandate".

But that's what the Union is doing--that's why the strike continues--that's why no meetings are even scheduled.

We are sorry about all this, but until your Pittsburgh leaders decide to bargain on Issues there's nothing more the Company can do.

Very truly yours,



A. L. Labbe

ALL
Attach

WAGES

Effective July 1, 1971, the average wage increase will be 60 cents per hour. The range of increases will be from 44¢ to 81 1/2¢ per hour.

Effective July 1, 1972, the average wage increase will be 25¢ per hour. The range of increases will be from 19¢ to 34¢ per hour.

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SHIFT DIFFERENTIALS

The present shift differentials are 8¢ per hour for the afternoon shift and 16¢ per hour for the night shift. The Company offers to increase their differentials to 10¢ for the afternoon shift and 20¢ for the night shift.

HOLIDAYS

The Company has offered to increase the number of holidays from 8 to 9. In addition work performed on holidays will be paid for hereafter at three times the straight time hourly rate of pay.

SECURITY & SEVERANCE PLAN

The formula for determining the amount of the employee's benefits under the Plan will be increased from 1% of Average Annual Earnings times Years of Service, plus \$25.00 times Years of Service to: 1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service.

The layoff benefits under the Plan will be increased from \$25.00 to \$35.00 per week.

PENSIONSActive Employees

During the first year of the agreement basic pension benefits will increase from the present \$5.00 to \$7.00 for each month of continuous Asarco service in the U.S.

Present Pensioners

Each present pensioner will receive an increase of \$15.00 per month in his pension payments.

Eligibility for Widows Pension

Effective July 1, 1971, the widow of an active employee will be eligible for a lifetime pension, if at the time of the employee's death he had:

1. Completed 10 years of Company service and was at least 55 years of age.

OR

2. Completed 30 years of Company service regardless of his age at time of death.

LIFE INSURANCEActive Employees

Coverage for active employees will be increased from \$5,000 to \$6,000 and hereafter employees will be covered for life insurance after 31 days of employment instead of one year as at present. In addition, the age 60 waiver of premium requirement under the disability provision of the plan will be removed.

PERMANENT AND TOTAL DISABILITY BENEFITS

At present, Permanent and Total Disability Benefits are reduced by 1/2 of the disabled employee's Social Security benefits. The Company has offered to stop such reduction of Asarco benefits for both current and future disabled employees. The immediate result of this offer would be a very substantial increase in monthly benefits to disabled employees currently receiving P. & T. benefits.

WEEKLY SICKNESS AND ACCIDENT BENEFITS

Weekly Sickness and Accident Benefits will be increased from \$75.00 to \$80.00 per week. These benefits are payable for up to 52 weeks for disabilities resulting from non-occupational accidents or sickness.

PIERCE COUNTY MEDICAL BUREAU PLAN

The Company has offered to improve your benefits under the Plan by providing P.C.M.B.'s standard Major Medical coverage. After a \$50 deductible, the Major Medical coverage will reimburse you for 80% of a wide range of hospital-medical-surgical expenses not covered under the basic plan