

MICHIGAN STATE UNIVERSITY  
OF AGRICULTURE AND APPLIED SCIENCE • EAST LANSING

VIETNAM PROJECT • OFFICE OF COORDINATOR

December 12, 1956

To: Members of the Planning Group  
Through: Dr. Wesley R. Fishel, Chief Advisor  
From: Dr. Edward W. Weidner, Coordinator  
Subject: Merit Increases

I think all of you will find useful a recapitulation at this point of the work by the East Lansing Office in regard to dependents schooling and merit increases. As you will recall, when I was in Saigon last summer, I said that the Coordinator's Office was going to insist on these two points in negotiations with ICA this Fall. Looking back on the Fall it is unbelievable the amount of time that these issues have taken, including four trips to Washington and perhaps well over a dozen long distance phone calls plus hours of negotiation, letter writing and sheer strategy sessions alone or in a group situation. I am sure that something that looks as simple as these two items do from your side of the ocean doesn't seem to require such a great effort but given the interpretations and practices of ICA an unbelievable chain of events has occurred.

The dependents schooling issue is perhaps the simplest. As you know, after repeated efforts we finally hung ICA on this issue because of the equal privileges clause. This takes care of the first two years under the contract and future years will have to be subject to contract negotiation. It is not at all clear that we will be able to hold on to this right in the future since we are the **ONLY UNIVERSITY UNDER CONTRACT WITH ICA THAT IS PAYING DEPENDENTS SCHOOLING COSTS!** I think this fact will give you some idea of the struggle that we have had to go through to maintain our position on these two items.

Likewise, I am certain that we have gotten approval by ICA for more merit increases than any other University has ever had approved. There were twenty-five merit increases which needed ICA approval. Our progress in this connection has been as follows:

- (a) ICA approved the first ten shortly after my return in August. However, it took ICA 30 days to notify us of its action and 90 days to write a letter which we needed before we could make the payment. It should be pointed out that this is the first time we have ever had such trouble getting a letter out of ICA after a decision had been made. Because this was the first time that such difficulty arose the Coordinator's Office was inaccurate in estimating when the payments would be made on these first ten. They were actually made in the November 30<sup>th</sup> checks whereas we sincerely thought they would be reflected in the October 31<sup>st</sup> checks.

- (b) the eleventh merit increase, that for Smuckler, came through as part of a several day sit down strike on my part in Washington in Mid-November. This is being paid this month.
- (c) the latest five for which we are receiving written approval this week (says ICA) are Boudrias, Marlow, Haney, Sanderson, Sloane and these increases should be paid for in the December 31st checks if all goes well and that letter is received this week. Otherwise, it will be the January pay period.
- (d) in addition to receiving approval on some sixteen out of twenty-five we have written assurance from ICAW that we no longer need to receive written permission from ICAW on merit increases for those who have been appointed under the first of the three alternatives listed in the contract (see II. A. 1. a. (1)).
- (d) we have also received verbal assurance from a high level ICA official that ICA will have no objection to our contract being amended effective April 19, 1957 in a manner that will permit the University to decide on merit increases without the necessity of ICA prior approval. Thus if this promise remains firm our present problem is very simple: how to get the remaining nine merit increases approved from July 1, 1956 to April 18, 1957. As you can see, this is a considerably reduced problem from the rather formidable one with which we began.
- (f) we are still negotiating with ICA concerning these nine as rapidly and as hard as we can. I have offered to make a fifth trip to Washington to discuss these matters if that would prove profitable. In addition, upon President Hannah's return, I am going to propose that the University pay these merit increases at once out of its own funds so that the individuals need not suffer because of ICA's behavior. Up until now I have not been in an administrative position where I could make this request since I had not come to the point of nearly exhausting the remedies of negotiation with ICA.
- (g) all of this probably leads you to ask why these sixteen people have been selected for merit increase approval by ICA and not the other nine. This is a long story and I am not at all sure that I can portray it accurately. Furthermore, ICA's position has changed repeatedly over the last four months. Without going into the details of the six or seven major changes in ICA's position during the last four months let me briefly outline its present rationalization:
  - 1. the first ten were approved because all ten people were clearly appointed under paragraph II A. 1. a. (1). You will note in the contract a sentence permitting merit

increases. Incidentally, I was the one that insisted upon this sentence so I am at least happy on that score.

2. Smuckler was finally approved on our swearing on a stack of Bibles that his case represented customary salary practice of the University. At first ICA was unwilling to admit that our certification to this effect was adequate from a legal standpoint.
3. Sloane, Marlow, Haney and Sanderson were given approval for the following reason: they were appointed under II. A. 1. a. (3). ICA admits that there is no reason why it cannot establish a policy of approving all merit increases of people appointed under this clause. However, as a policy matter (not as a legal matter) ICA has decided to interpret clause three in the light of clause two not in terms of clause one, that is to say clause one obviously specifies merit increases. However, the ICA lawyers interpret clause two in a manner that no self-respecting University would agree with, namely, that "the customary salary practice of the University" does not mean that the University can give merit increases. Naturally, at the time of negotiating the contract we assumed that the reverse was true since that is our customary salary practice. In any event, in thus interpreting clause three in the light of clause two they come out with the conclusion that those who did not receive a 25% increase in base pay on joining the project can have merit increases. On the other hand, if the total salary exceeds \$10,000 then ICA must use its own judgment as to what percentage should be allowed in each individual's case. This, of course, is an obnoxious kind of policy from our standpoint and completely unacceptable. But, the reason these four received merit increases was that they did not receive a 25% increase in pay on joining the project and, furthermore, their salary does not exceed \$10,000.
4. As for Boudrias, he was appointed to the project on the basis of the salary he had previously been receiving. This meant that as far as ICA was concerned he was appointed under paragraph II. A. 1. a. (1). Therefore, his merit increase was approved.
5. Of the remaining nine people all except Mrs. A were appointed under paragraph II. A. 1. a. (3). There are two kinds of reasons why these merit increases have not yet been approved by ICA:

First of all, there are those with salaries under \$10,000 who received the full 25% increase on appointment. Therefore, ICA will not approve their increases.



Secondly, there are those whose salaries exceed \$10,000 and, therefore, ICA will not approve in these cases either for it uses its own standards in such cases. We have even gone to the ridiculous point of arguing dollars and cents on particular salaries for at this juncture I care not how these nine increases are approved by ICA but only care if they are approved. Since ICA has given us verbal assurance that this will be remedied on contract amendment this is the last time we will have to worry about these individuals cases.

6. Obviously the University's basic argument is that ICA must accept University standards as a policy matter in the case of paragraph three and that as a legal matter it must recognize that the customary salary practice of the University is to grant merit increases as this applies to paragraph two.

- (h) not only have we been able to get sixteen out of twenty-five merit increases approved which is a far superior record to any other University but we have also made two important advances over the previous years accomplishments. It took nine months, or until March of 1956 to get merit increases approved for regular MSU employees a year ago. This year it only took four and a half months. Secondly in December of 1955 the Coordinator's Office received a straight turn down on Smuckler's salary and we have now gotten his salary adjustments approved in total retroactively from the beginning of the project.

All of this may sound confusing to you. It is somewhat confusing and I think you can see in this situation how time consuming it has been this Fall to try to exhaust all remedies before one throws in the towel of negotiation and resorts to brute force. I hope that this somewhat lengthy account will give you a renewed spark of confidence in the Coordinator's Office and in the University. You may be sure that not a day goes past that we don't worry about merit increases and try to take some appropriate action to bring about an end to this long and drawn out situation. If we are successful we will be the first University in the history of ICA contracts with universities to be successful just as we are the only University that has been successful on dependents schooling. I think it is in this kind of context that you should review our efforts.

With best wishes for a fine holiday season.

Cordially,



Edward W. Weidner  
Coordinator

EW:jb

P.S. Reading this over I realize I forgot to comment about Mrs. A. She was appointed under paragraph II. A. 1. a. (2). Therefore ICA takes the position that legally they cannot grant her merit increase. We, of course, dispute this legal interpretation and say that we are only following the university customary salary practice.

P.S. for Wes and Howard

I think that both of you will be interested in a p. s. to this memo. You asked concerning Beed. Unfortunately in our cable on this matter we made a small mistake and the phrase "three remaining increases" should have read "the remaining increases". The idea simply has been that I thought it worthwhile sending Beed out at once if ICA would play ball with us and approve the merit increases as a condition. What I am trying to get ICA to do is to recognize that there is a policy matter underlying this problem of administrative standards. We are unwilling to play ball with ICA and continue a contract under which only part of our people can be paid for their merit. Therefore, we are unwilling to go along with Beed's appointment until ICA crosses this essential condition for continuing our contract. I thought that this might be a way of steaming out the last nine approvals (at the time I made this condition it was the last fourteen approvals). I am not at all sure that this little game will work but in any event that is what is involved. Apparently Art's friends want this man to go out at once. Since I feel a new cut of the cards is in store for us in this cooperative relationship, I don't think that you would find, as a matter of fact, that it would be bad to have this person aboard and I thought that the greater good was to get our essential condition recognized by ICA. Thus, Wes, you are putting the cart before the horse when you say that I am saying that you must take Beed if the remaining increases are to be received by our personnel. If the situation was that simple I am sure I would have accepted in your behalf long ago. The point of this whole thing is to get ICA to recognize the necessary condition for MSU continuing the contract after April 18. Without their agreement to this condition MSU will not continue its contract with ICA after April 18 Beed or no Beed. Thus, I am sure in your scale of values it would be less undesirable to have Beed a couple of months early than not to have a contract after April 18. Furthermore, if ICA approves our basic policy on merit increases there would be no contract disagreements remaining except, of course, the little matter about Art's friends which I am sure will die on the vine should we handle the next few weeks of negotiations appropriately. At any rate maybe this will give you the feel of the situation as it is seen from East Lansing. Rest assured that we are selling no one down the river in this deal, least of all ourselves.