

THE INSTITUTE OF INDUSTRIAL RELATIONS •



SUMMER

U.A.W.-C.I.O.  
UNION SCHOOL

Asilomar, Pacific Grove, California

September 10-16, 1950

given in cooperation with

U.A.W.-C.I.O., Region 6

UNIVERSITY EXTENSION •

UNIVERSITY OF CALIFORNIA

(L & IS)

UAW - CIO ASILOMAR UNION SUMMER SCHOOL ,

September 10-16, 1950 ,

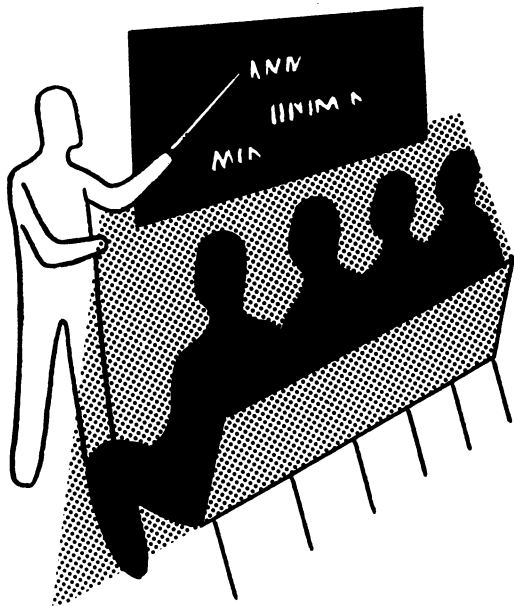
Pacific Grove, California ,

SPONSORED BY:

United Auto Workers of America, Region 6

and

Institute of Industrial Relations  
University of California, (Los Angeles and Berkeley)



ASILOMAR PLANNING COMMITTEE

Rex Mainord, Conference Chairman

LOS ANGELES AREA UAW EDUCATION COUNCIL

E. I. Pitkanen, President  
DeWitt Stone, Vice President  
Russell Hoffman, Vice President  
Maisy Killian, Secretary

OAKLAND AREA UAW EDUCATION COUNCIL

Andrew Lacy, President  
Bernard Evans, Secretary  
Joe Bean, Board Member  
Margaret Peterson, Board Member

## STAFF

CYRIL V. O'HALLORAN, Director, UAW-CIO, Region 6

Benjamin Aaron, Research Associate, Institute of Industrial Relations,  
University of California, Los Angeles

Irving Bernstein, Research Associate, Institute of Industrial Relations,  
University of California, Los Angeles

Frederick A. Breier, Assistant Professor of Economics,  
University of San Francisco

Arthur Carstens, Institute of Industrial Relations,  
University of California, Los Angeles

Jack Conway, Administrative Assistant to President Reuther, UAW-CIO

Jay A. Darwin, Attorney, San Francisco

Caroline Davis, Director, UAW Women's Bureau

Arthur Goldberg, General Counsel, National CIO

Ronald Haughton, Assistant Director, Institute of Industrial Relations,  
University of California, Berkeley

Bob Kanter, Time Study and Engineering Department, UAW-CIO

Alexander Liveright, Industrial Relations Center,  
University of Chicago

Olga Madar, Director, UAW Recreation Department

Rex Mainord, Education Director, Region 6, UAW-CIO

Bill Oliver, Co-Director, UAW Fair Practices Department

Brendon Sexton, Assistant Director of the Education Department, UAW-CIO

Edgar L. Warren, Director, Institute of Industrial Relations,  
University of California, Los Angeles

ACKNOWLEDGMENTS

ACKNOWLEDGMENTS

Ewan Clague, Commissioner of Labor Statistics, U.S. Department of Labor,  
provided up-to-date charts on economic data.

The Twentieth Century Fund granted permission to reproduce several charts  
from U.S.A. Measure of a Nation.

Joyce-Anne Lewis, Henry Schloten, Hugo Morris, and William P. O'Neil  
were responsible for other charts and/or the illustrations;  
Miss Lewis also prepared the text for the section on  
pensions.

Annette Sherwood was in charge of layout and printing.

Arthur Carstens supervised the preparation of the entire manual.

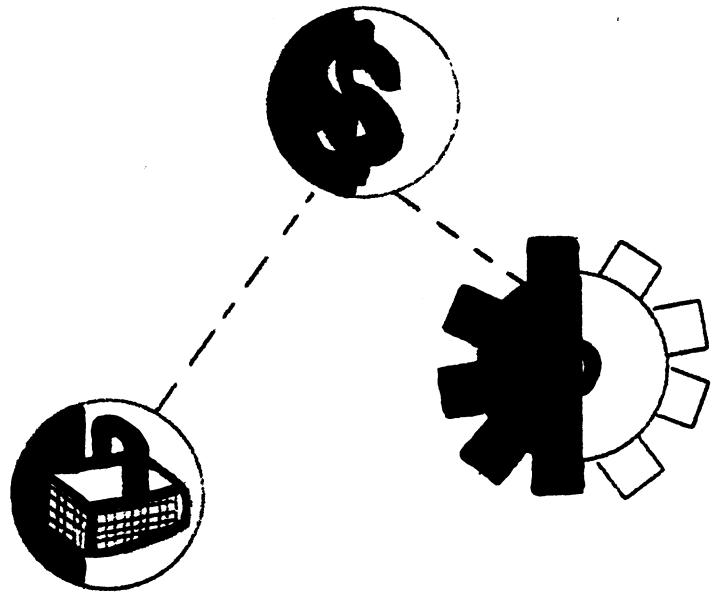
## TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE</u>
Everyday Economics	1 - 9
The Problem of Old Age Pensions	10 - 22
Health Plans	23 - 33
Political Action	39 - 45
Union Administration	46 - 53
International Relations	54 - 68

\* \* \*

EVERYDAY ECONOMICS

FREDERICK BREIER



Charts supplied by:

Ewan Clague,  
Bureau of Labor Statistics

THE PROBLEM OF OLD AGE PENSIONS

ARTHUR CARSTENS



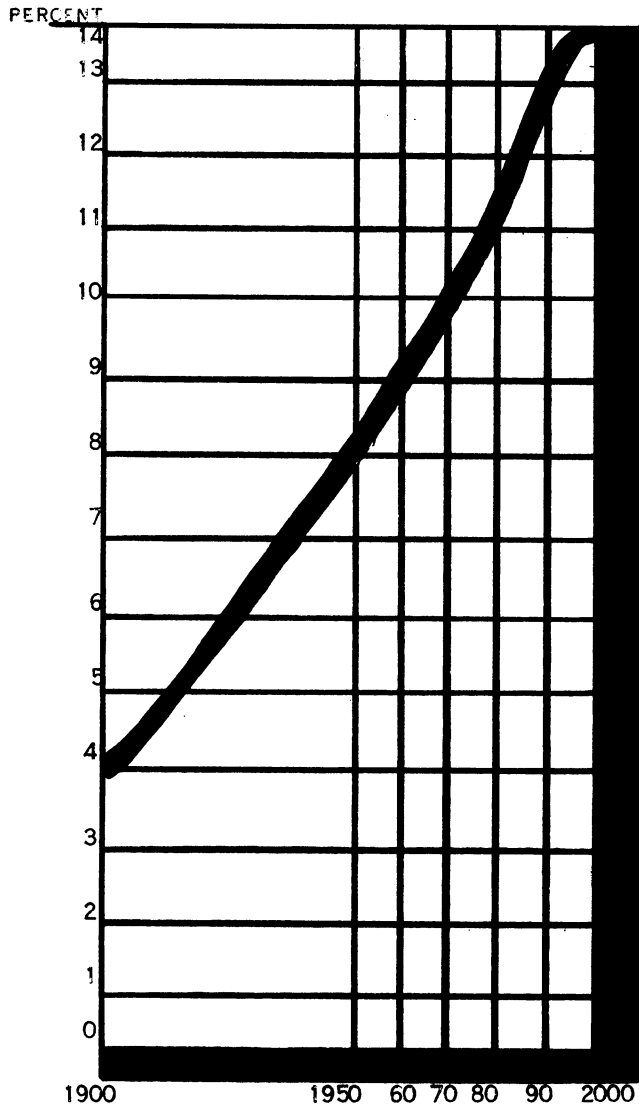


## THE PROBLEM OF OLD AGE PENSIONS

- I - POPULATION TRENDS - THE OLD AGE SITUATION
- II - THE OLD AGE PROBLEM
- III - PRIVATE PENSION PLANS
- IV - WHAT'S WRONG WITH PRIVATE PENSION PLANS
  - A - FINANCIAL DIFFICULTIES
  - B - PRIVATE PLANS AND THE OLDER WORKER
  - C - SOCIAL RESULTS OF PRIVATE PENSION PLANS
  - D - OTHER DIFFICULTIES
- V - FEDERAL OLD AGE INSURANCE PLANS
- VI - THE ROLE OF PRIVATE PENSIONS

## THE PROBLEM OF OLD AGE PENSIONS

### I POPULATION TRENDS



### THERE ARE MORE OLDER PEOPLE TODAY

1. In 1900, 4% of the population was over 65.
2. In 1950, 8% of the population is over 65.
3. In 1960, 9% of the population will be over 65.
4. In 1970, 10% of the population will be over 65.
5. In 1980, 11% of the population will be over 65.
6. In 1990, 13% of the population will be over 65.
7. In 2000, 14% of the population will be over 65.

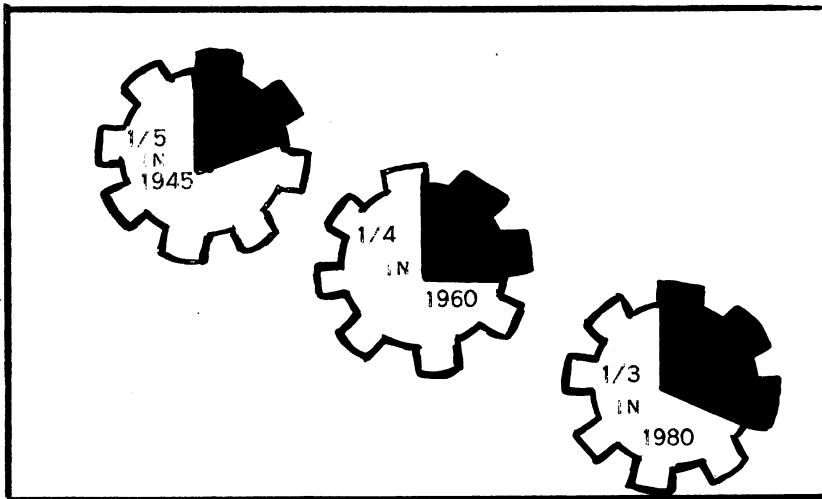
### THE AVERAGE AGE OF GAINFUL WORKERS HAS GONE UP

1. In 1890, the average age of a male worker was 33, female, 24.
2. In 1940, the average age of a male worker was 37, female, 31.
3. In 1960, the average age of a male worker will be 39, female, 36.

## DISCUSSION NOTES

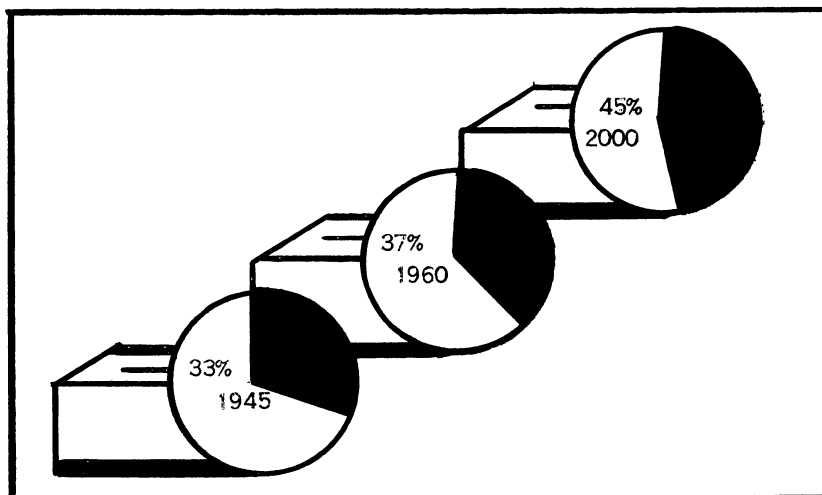
THE PERCENTAGE OF OLDER WORKERS IN THE WORK FORCE HAS INCREASED

1. In 1945,  $1/5$  of all workers were over 50.
2. In 1960,  $1/4$  of all workers will be over 50.
3. In 1980,  $1/3$  of all workers will be over 50.



THE PERCENTAGE OF OLDER VOTERS IS HIGHER

1. In 1945, 33% of all voters were over 50.
2. In 1960, 37% of all voters will be over 50.
3. In 2000, 45% of all voters will be over 50.

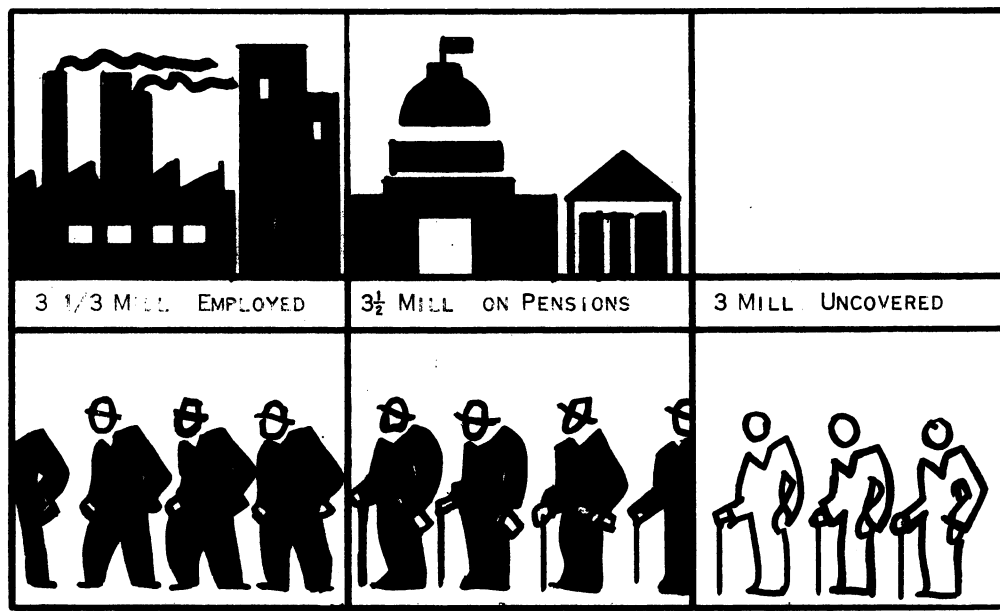


## DISCUSSION NOTES

## II - THE OLD AGE PROBLEM

### DEPENDANCY

1. 1/3 of 10 million persons over 65 are employed.
2. 3½ million are living on federal old age assistance or old age pensions.
3. 3 million others don't have jobs or are not covered by pensions.



### COST OF LIVING

1. \$44 00 per month in 1942 was the minimum requirement for an aged individual  
\$75 00 per month in 1942 was the minimum requirement for an aged couple
2. In 1950 the minimum requirement has almost doubled.

## DISCUSSION NOTES

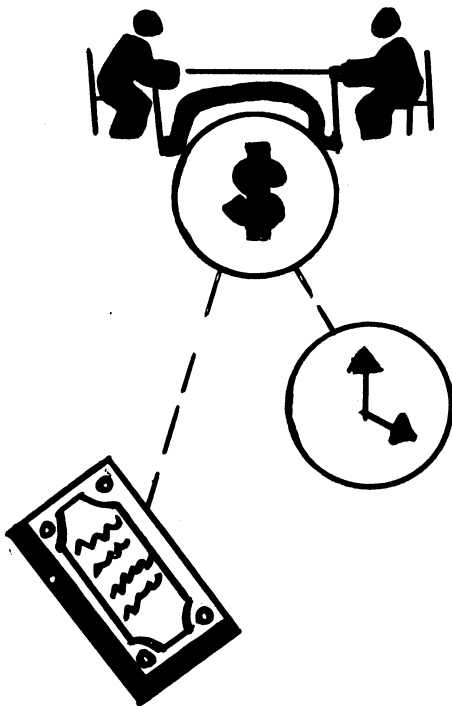
### III - PRIVATE PENSION PLANS

#### THERE HAS BEEN AN UPWARD TREND OF PRIVATE PENSION PLANS

1. In 1939, there were 600 private plans.
2. In 1950, there are 13,000 private plans

#### WAR-TIME PRESSURE INCREASED THE POPULARITY OF PRIVATE PLANS

1. Man power was needed.
2. Wages were frozen.
3. Pensions became company means of attracting workers.



#### PENSIONS BECAME A BARGAINING ISSUE.

1. Krug-Lewis agreement, May 1946.
2. N.L.R.B. ruling on the case of Inland Steel Co. and United Steelworkers, Locals 1010, 64:  
EMPLOYERS MUST BARGAIN ABOUT PENSIONS AS WELL AS WAGES AND CONDITIONS OF EMPLOYMENT.
3. Steel Industry Board, Sept. 1949:  
Recommendation that United Steelworkers of America and basic steel companies bargain on pensions.

THE FEDERAL GOVERNMENT HAS HELPED, NOT HINDERED,  
UNION BARGAINING FOR PENSIONS.



## DISCUSSION NOTES

IV - WHAT'S WRONG WITH PRIVATE PENSION PLANS -- FINANCIALLY.  
ONLY OLDER, WELL-ESTABLISHED, LARGE FIRMS CAN ABSORB  
PRIVATE PENSION PLANS.

1. Pre-war plans were limited almost entirely to companies

with 500 or more employees.

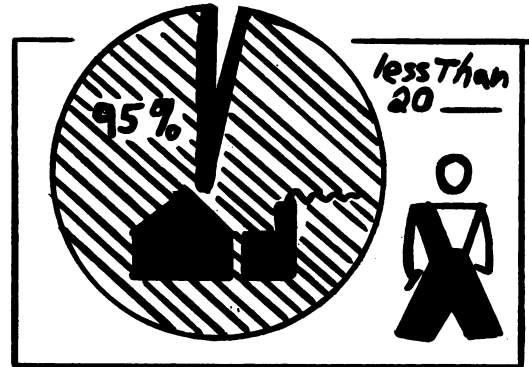
Less than 1/10 of 1%

of companies have 500

or more employees.

95% of business firms

have less than 20 employees



2. The future of the company  
for the next forty years  
must be secure.
3. Some private plans may  
collapse when business  
slows up.
4. If the company fails at  
any time the pension  
plan fails

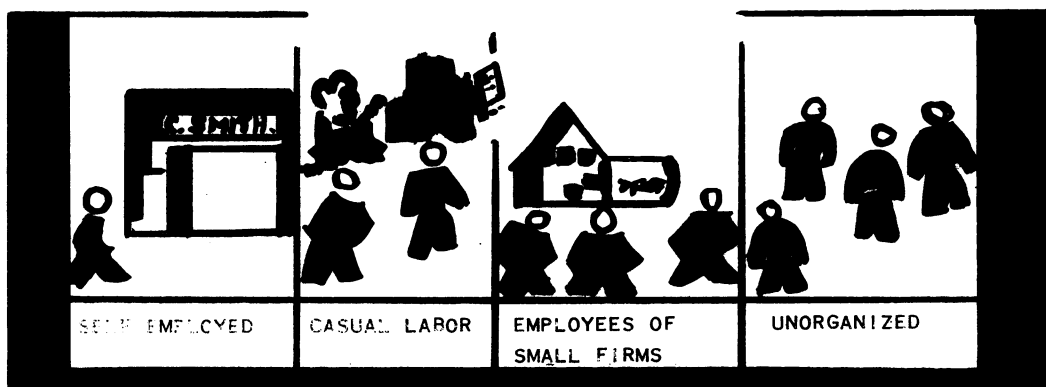
## DISCUSSION NOTES

## PRIVATE PENSION PLANS PRODUCE GREAT INEQUALITIES

### LESS THAN 1/2 OF WORKERS WILL BE COVERED

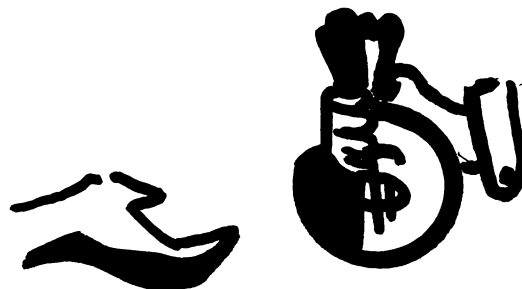
1. Self-employed will not be covered.
2. Casual workers will not be covered.
3. Employees of small firms will not be covered.
4. Members of weaker unions will not be covered.
5. Many of the unorganized will not be covered.

### NOT COVERED BY PRIVATE PENSIONS



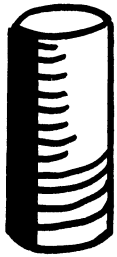
### BENEFITS FROM PRIVATE PLANS WILL VARY:

1. Depending on the power of the union.
2. Depending on the ability of the firm to pay.
3. Depending on the employer's charity.



## DISCUSSION NOTES

## PRIVATE PENSION PLANS HANDICAP THE OLDER WORKER



1. The cost of providing pensions for older workers is greater.
2. Under private plans it is better to have fewer older workers in a plant.
3. When there are fewer older workers, the employer carries a lower pension burden; younger workers will get higher pensions per individual.

## PRIVATE PLANS BREED RIVALRY BETWEEN OLDER AND YOUNGER

### WORKERS IN A PLANT

### THE OLDER WORKER'S CHANCES OF FINDING AND HOLDING A JOB WILL BE CUT

Private plans may result in getting rid of older workers before they reach pension age.

## WAYS MAY BE FOUND TO KEEP OLDER WORKERS FROM JOBS

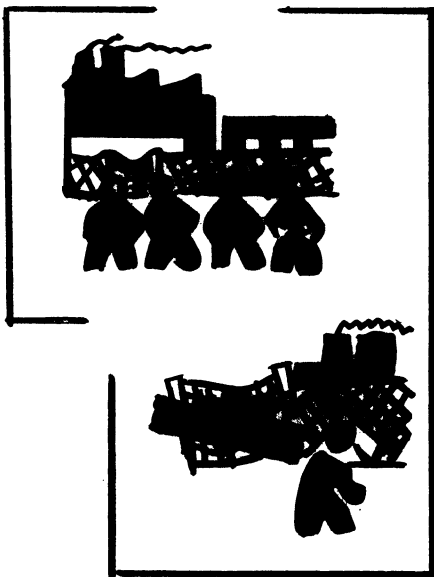
1. Strict insistence on union seniority rules; new employees can be hired only as helpers.
2. Tightening of physical standards and physical exams.
3. Changing of job descriptions which rules out older workers without saying so.



## EMPLOYERS AND YOUNGER WORKERS MAY UNITE IN KEEPING OLDER WORKERS OUT.

## DISCUSSION NOTES

### PRIVATE PLANS TIE WORKER TO HIS JOB



1. The average worker has 10 - 12 jobs in his lifetime.
2. Private plans prevent free movement of worker from job to job.
3. Private plans hold him to a company-attached labor pool when unemployed.
4. If the worker is discharged by company or union under maintenance of membership rules, he is out of a job and his pension.

### RECEIVING BENEFITS WILL BE COMPLICATED IF THE WORKER

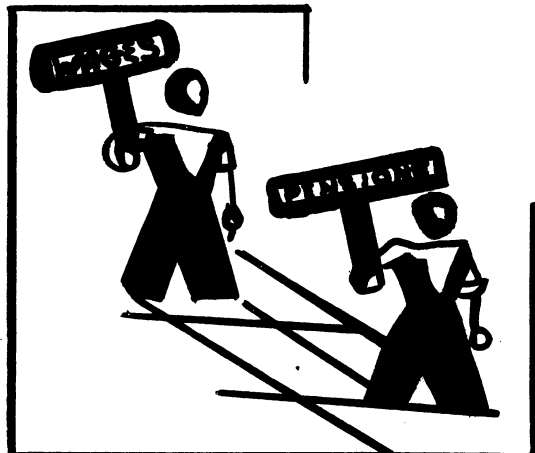
#### CHANGES JOBS

1. He will be drawing income according to provisions of several different plants.
2. All of the companies he works for may not have pension plans.

### UNIONS DON'T AGREE ON THEIR VIEWS ON PENSIONS

1. Some unions are opposed to company-financed pensions.
2. Some unions prefer increases in money wages rather than benefits.

### COMPANIES DON'T AGREE ON THEIR VIEWS ON PRIVATE PENSIONS



1. Some feel they increase employee loyalty.
2. Some feel that employee welfare is an individual matter.

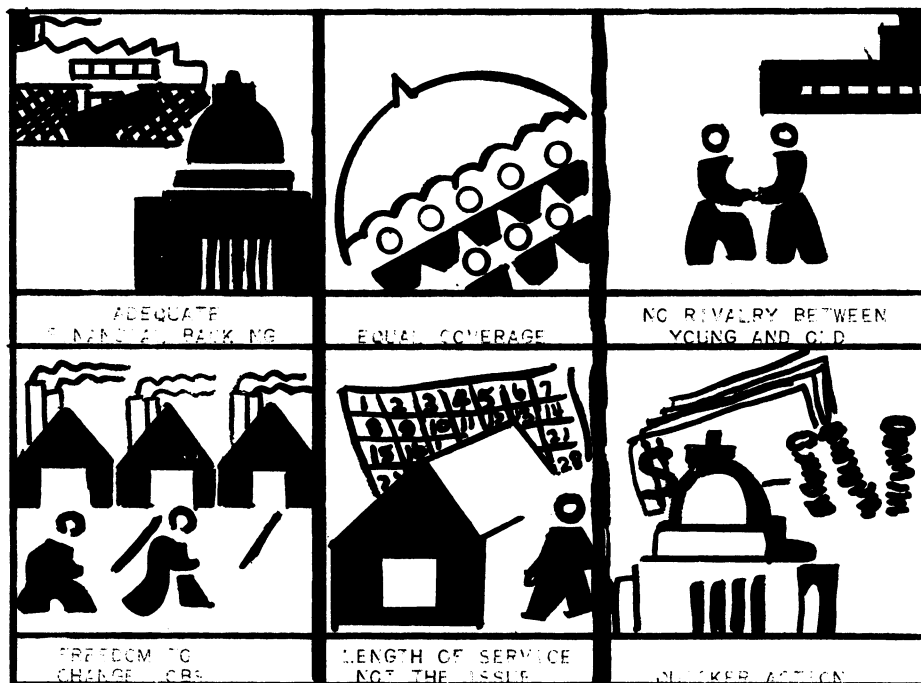


## DISCUSSION NOTES

## V. GOVERNMENT PENSIONS AS AN ALTERNATIVE TO PRIVATE PENSION PLANS

### FEDERAL OLD AGE PENSIONS HAVE MANY ADVANTAGES OVER PRIVATE PLANS

1. Adequate financial backing: federal pensions will continue to function in depressions or when a business goes bankrupt.
2. All workers will be covered equally
3. The older worker will not find life more difficult
4. Workers will not be tied to one company - they can move from job to job
5. Length of service with one company will not be the basis for old age security
6. Quicker action can be taken on pension issues (with collectively bargained plans, bargaining may be drawn out, and settlements thereby handicapped)



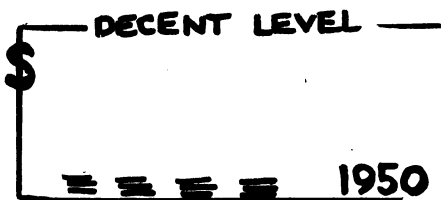
## DISCUSSION NOTES

## VI. THE ROLE OF PRIVATE PENSION PROGRAMS

Although private pension programs have many shortcomings of which labor leaders are aware, it is important that these programs be developed until an adequate social security system can be developed.



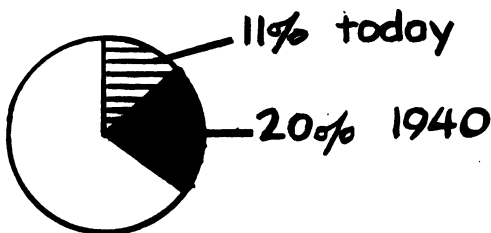
There are still two out of every five jobs in the United States not covered by a pension program.



Benefits remain at a pitifully low level.

1950 ≡ ≡ ≡ \$ 25  
1940 ≡ ≡ ≡ \$ 22

Since 1940 when benefits were first payable the average benefit has increased only from \$22 per month to about \$25.



In 1940 the average benefit represented 20 percent of the wage; at the present time it represents only about 11 percent of the average wage.



Until all workers are covered by an adequate Federal social security system it is necessary to develop private programs to cover many workers.

## DISCUSSION NOTES

## THE TESTS OF A GOOD PRIVATE PENSION PROGRAM

### 1. How adequate are pension payments?

Persons who reach 65 can expect to live from 14 to 17 additional years.

In order to be a sound plan, it must provide at the date of retirement for sufficient funds to pay a pension for 17 years of remaining life.

### 2. Does the pension provide for survivors?

Most wives survive their husbands by two to five years.

### 3. Can a worker draw out his pension payments if he separates from the company? Or can he retain pension rights payable when he reaches retirement?

The better plans provide for the retention of pension rights based on years of payment into the plan.

### 4. Can a worker continue working as long as he is able and willing to work?

In general there has been active opposition to retirement plans which include a compulsory retirement date.

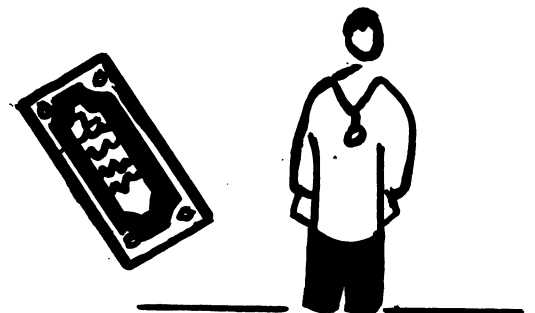
### 5. Are the pension payments based on years of service? Does the pension plan tend to limit the hiring of older workers?

Pension plans based on years of payment into the plan do not impede the hiring of older workers.

## DISCUSSION NOTES

HEALTH PLANS

ARTHUR CARSTENS





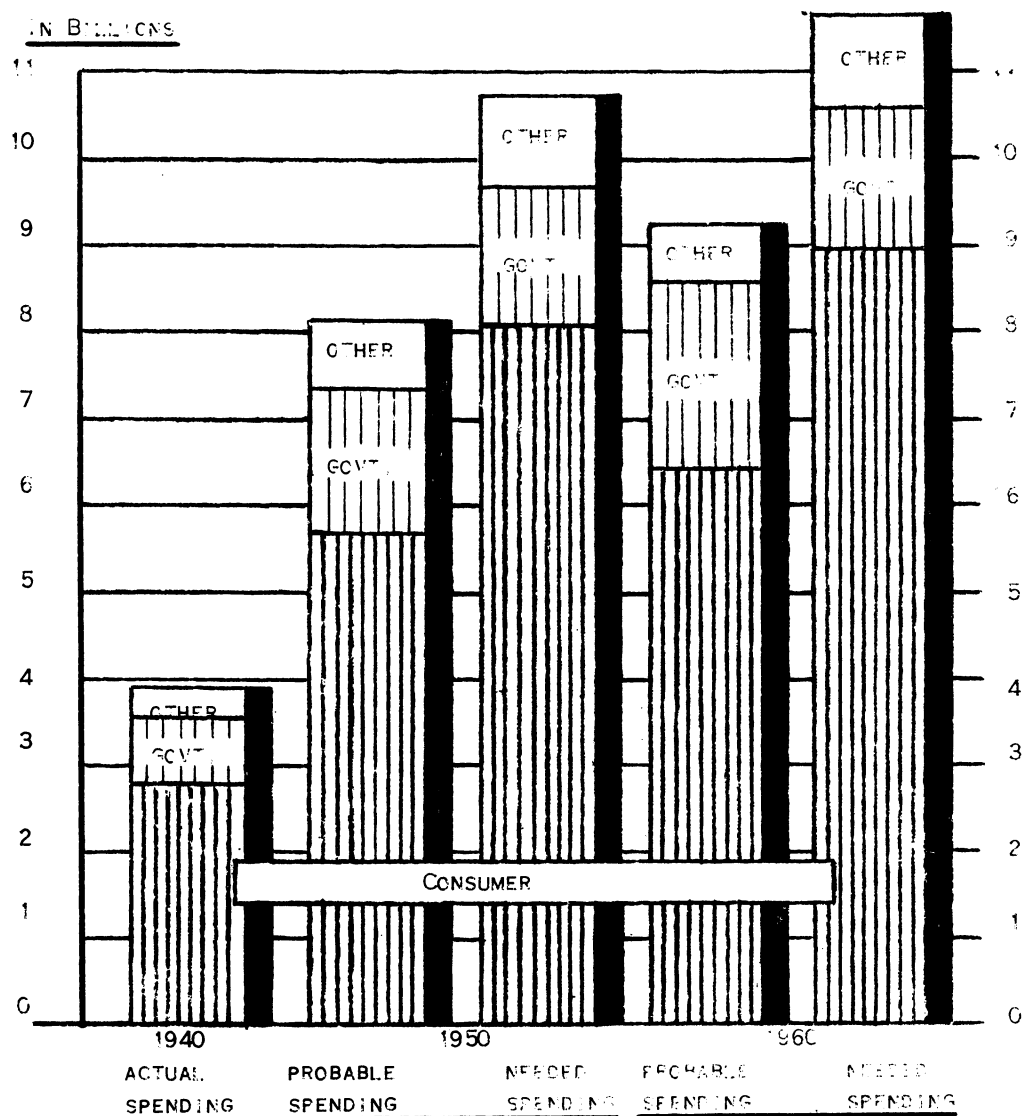
# THE PROBLEM OF HEALTH PROTECTION

How much is spent on health protection in the U S ?

How much is spent by government?

How much is spent by consumers?

How much is needed?

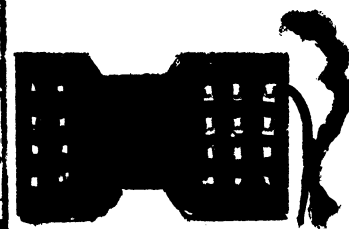
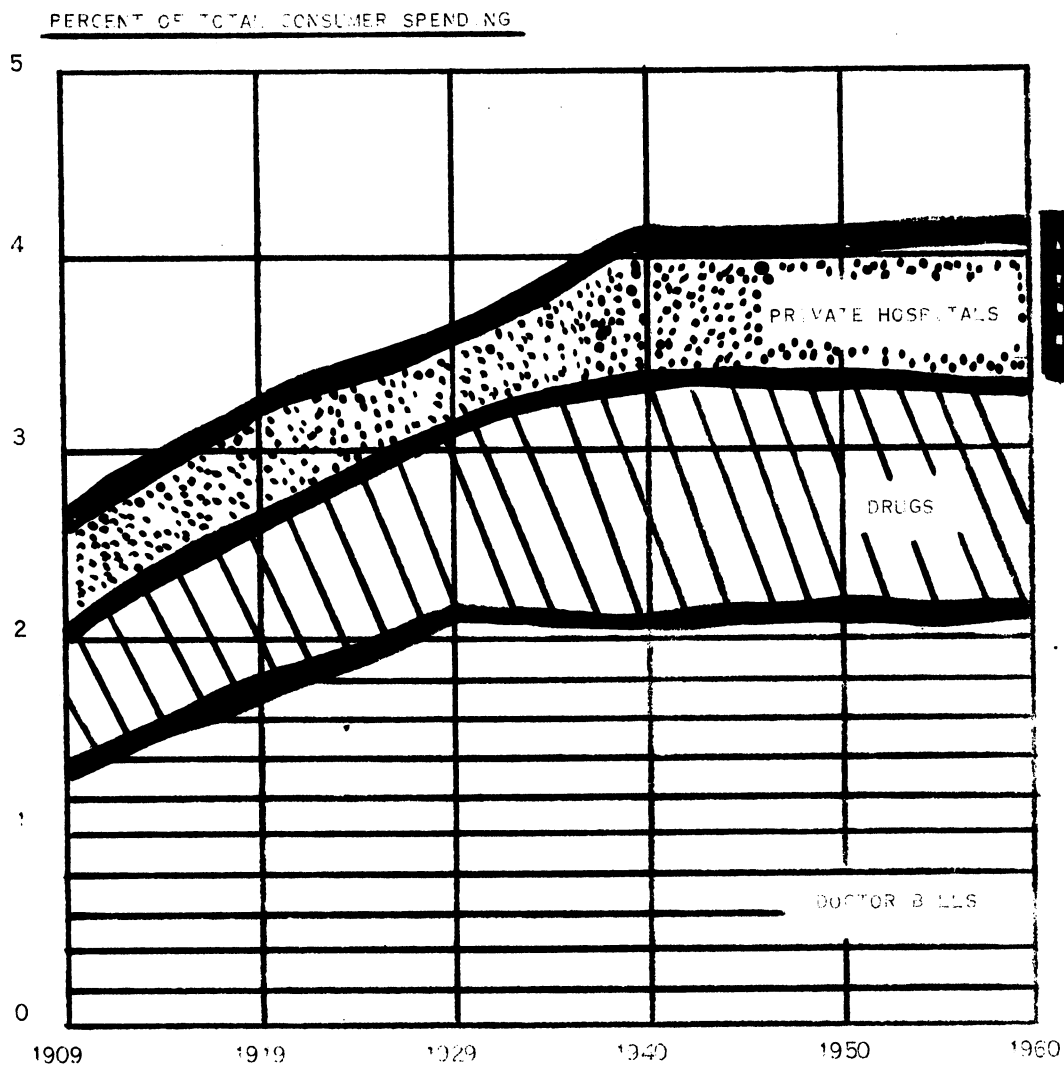


SOURCE: U.S.A. MEASURE OF A NATION, TWENTIETH CENTURY FUND, 1949.

(STUDY WAS COMPLETED IN 1947; NEW DATA WOULD SHOW HIGHER FIGURES FOR 1950 AND 1960.)

## DISCUSSION NOTES

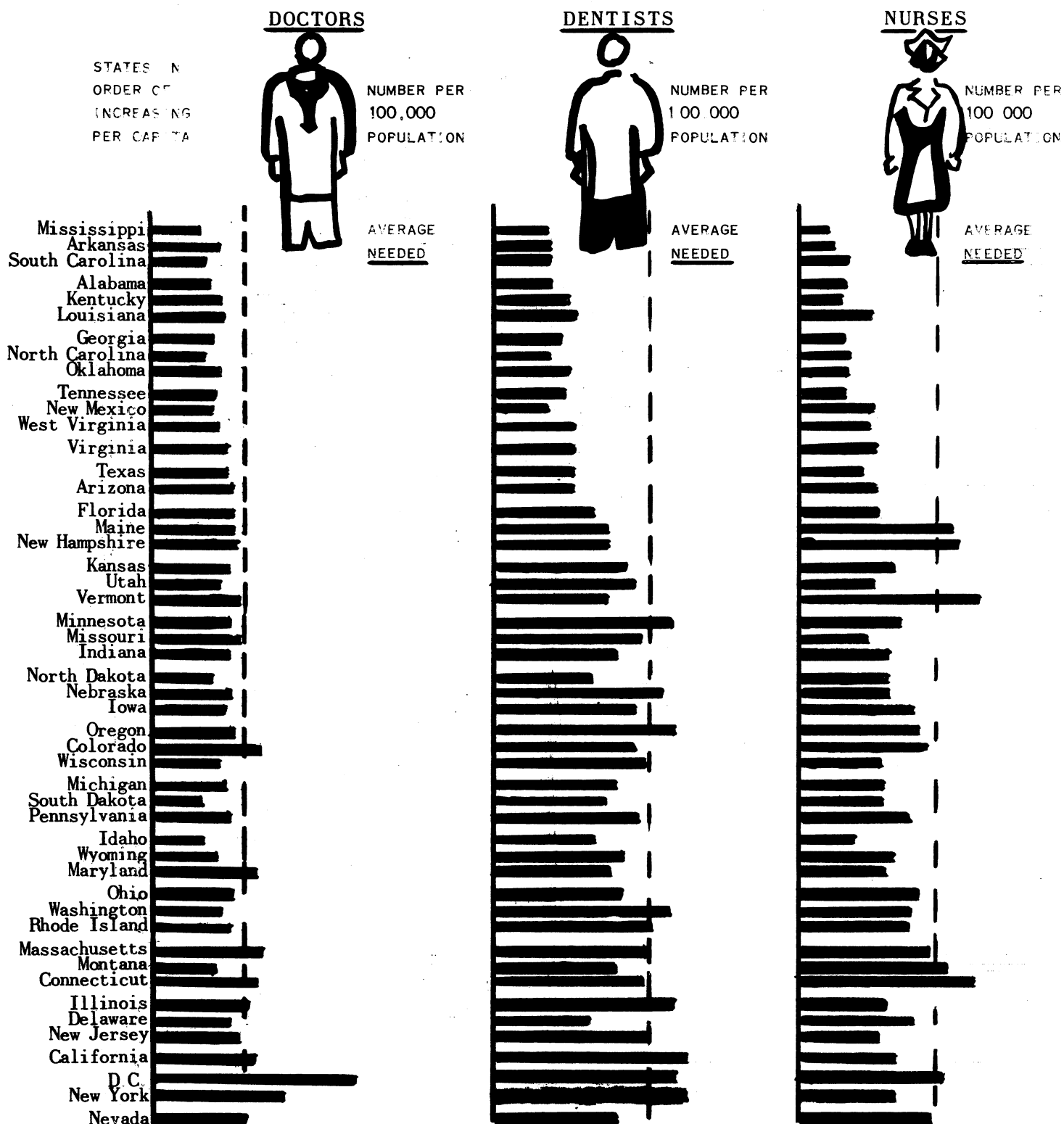
# WHAT WE SPEND FOR MEDICAL CARE



Source: U S A Measure of a Nation Twentieth Century Fund, 1949.  
 (Study was completed in 1947 new data would show higher  
 figures for 1950 and 1960.)

## DISCUSSION NOTES

# THE NEED FOR MEDICAL MANPOWER



Source: The Nation's Health, a report to the President by Oscar R. Ewing,  
Federal Security Administrator, September 1948

## DISCUSSION NOTES

## BASIC POLICY QUESTIONS CONCERNING MEDICAL PERSONNEL

Do we have sufficient personnel to build an adequate health program?

According to the Federal Security Administration, this is the outlook with respect to medical personnel.



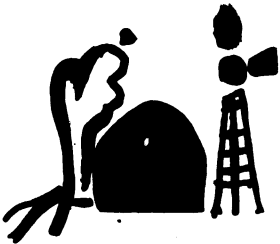
By 1960 we need at least 254,000 doctors.  
Our present prospects are for 212,000

By 1960 we need at least 113,000 dentists  
Our present prospects are for 90,000

By 1960 we need 566,000 nurses  
Our present prospects are for only 403,000

A second problem arises from the uneven distribution of medical personnel.

There is one doctor for every 437-636 persons in the four best states and only one doctor for every 1500 to 1600 persons in the four poorest states.



Rural areas have too few doctors. In 330 rural areas there was only one doctor per 3000 persons.

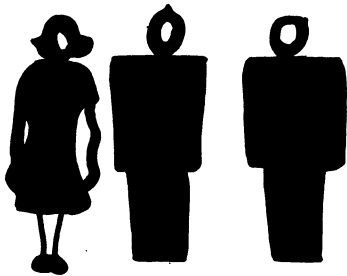
## DISCUSSION NOTES





What can a public health program do to improve the quality and quantity of medical personnel?

The amount of medical personnel available tends to vary with income. A national health program that would provide medical care based on need would reduce uneven distribution of medical personnel.



A medical program based on medical needs would greatly enlarge the demand for medical service and would increase opportunity for young men and women seeking entrance into this field.



A PUBLIC MEDICAL PROGRAM COULD PROVIDE EQUIPMENT NEEDED TO INSURE ADEQUATE DIAGNOSIS AND TREATMENT.

A public medical program would encourage specialization and enable each doctor to utilize the maximum of his skills and special knowledge.

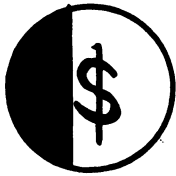
## DISCUSSION NOTES

What can a private medical program do to improve the quality and quantity of medical care?



By distributing medical costs over a large group and over a long period, each person who needs medical care can afford much more and better care.

At the present time, one of our principal difficulties is that medical personnel depends on sick people for its compensation. A big advantage of an insurance program, public or private, is that it can be designed to compensate a doctor for keeping us healthy rather than treating us only when we are sick.



One of the principal weaknesses of many of the current insured private plans is that the amount paid to doctors, nurses and hospitals depends upon the number of sick persons they take care of and not on the number of persons who are kept in good health.



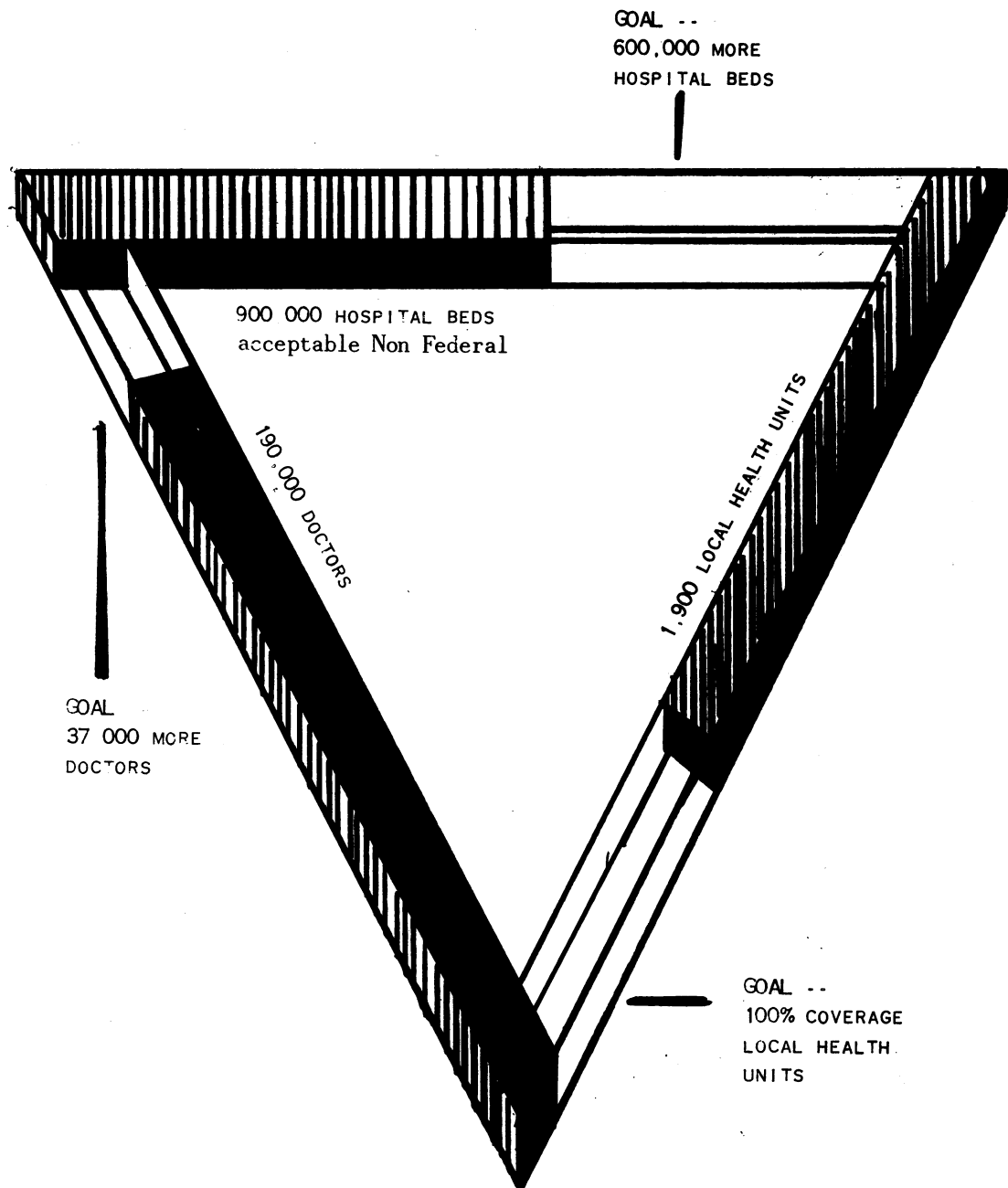
A properly designed private program can assist medical personnel to specialize and therefore to become more effective.

A properly designed private program can provide adequate equipment needed for more efficient use of personnel.

A properly designed private plan can assist a person to determine the kind of specialized care he needs and to locate the specialist who can provide needed care.

## DISCUSSION NOTES

**GAPS IN OUR HEALTH SERVICES  
FEASIBLE GOALS FOR 1960**

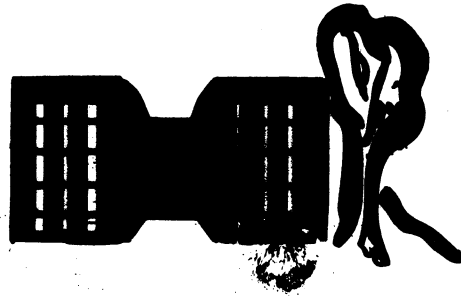


Source: The Nation's Health, a report to the President by Oscar R. Ewing,  
Federal Security Administrator, September 1948.

## DISCUSSION NOTES

BASIC POLICY QUESTIONS CONCERNING HOSPITALS

1. What are our present hospital needs?



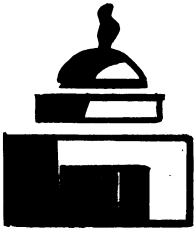
2. What can a private medical program do to improve the quality and quantity of hospital care?



- (1) By distributing hospital costs over a large group and over a long period, hospitals can enjoy a greater degree of economic security.
- (2) In the past the cost of medical care for those able to pay has been increased by charity work which hospitals are expected to accept. Insurance tends to reduce the amount of charity work required.
- (3) A private plan that rewards hospitals for keeping persons well is a good plan. A private plan which pays hospitals only when persons are confined to bed is sure to be expensive and less satisfactory.

## DISCUSSION NOTES



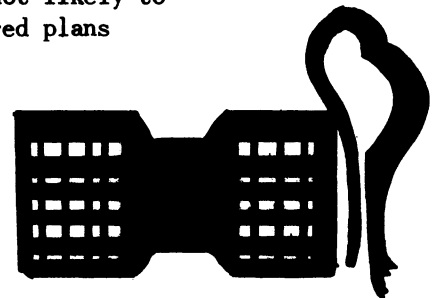


3. What can a public medical program do to improve the quality and quantity of hospital care?

(1) By focusing attention on medical need instead of ability to pay a public program could provide hospitals to rural areas and to urban communities where present needs are very great.

(2) The Federal Government can substantially reduce the cost of building and financing new hospital construction. The present Hospital Construction Act is an example of a type of help that can be extended to local communities. The Federal Government could also provide part of maintenance costs of hospitals.

(3) A public program would also assist hospitals to focus attention on three large groups whose medical problems are not likely to receive adequate consideration under private insured plans  
a. Children b. Housewives c. Aged

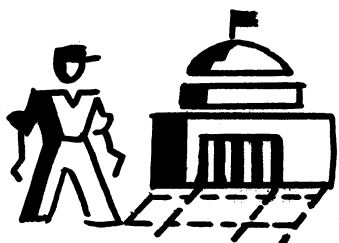


THE POLITICAL AIMS  
OF  
ORGANIZED LABOR

ARTHUR CARSTENS



## LABOR'S ENTRANCE INTO POLITICS 1820-1837



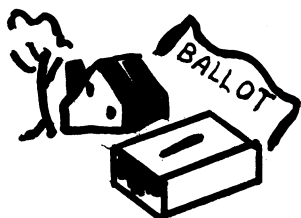
As Unions became stronger, opposition to them increased. A legal fight began to destroy them completely. The fight was carried through the courts of Philadelphia, Pittsburgh and New York.

Unions were prosecuted as conspiracies.

These and other fights forced Unions into political action.

### PRINCIPAL GRIEVANCES

### ACTION



#### POLITICAL INEQUALITY

Persons without property could not vote.

New York and Massachusetts in 1820 were the first states to remove the property qualifications.

#### IMPRISONMENT FOR DEBT

Over 75,000 persons a year were jailed for debt.

Kentucky abolished imprisonment for debt in 1821. Ten years later, New York followed. Similar actions started in other parts of the country.



#### LACK OF PUBLIC SCHOOLS

As late as 1837, a labor paper estimated that 2/3 the children in Pennsylvania were without any kind of school.

Some workmen favored free public schools. Some wanted state guardian schools. Conflict between the two groups caused a serious split in the first labor party.



#### LAND REFORM

The defeat of Thomas Skidmore: -  
"The rights of man to property being a proposition to make it equal among adults of the present generation."



#### LOSS OF WAGES DUE TO INABILITY TO COLLECT

New York passed first Mechanics Lien Law in 1830.

## THE UTOPIAN PERIOD 1837-1860

1837 marked a severe economic crisis that shook the labor movement. Community ownership of land and productive forces was urged as the solution to poverty and unemployment.



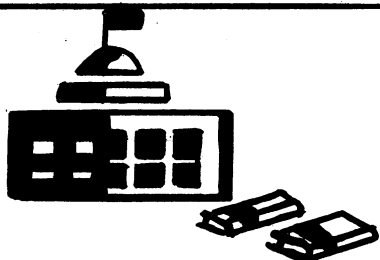
Producer and consumer cooperatives were formed by workmen in many areas. Ideas of Charles Fourier, a French Socialist, and Robert Owen, an English reformer, stimulated American workers. Schemes for cooperative communities were set up.

In this period the homestead movement was also born. Several national unions were founded at this time.

### PRINCIPAL GRIEVANCES

### ACTION

#### CONTINUED PRESSURE FOR FREE PUBLIC EDUCATION



School districts and tax-supported schools were provided in 1846 by the Virginia Legislature. By 1860, Massachusetts, Connecticut, New Jersey, New York, Pennsylvania, Illinois, and Minnesota provided for trained persons to teach public school.

#### SEVERE UNEMPLOYMENT

Efforts at cooperative ownership. Development of phalanx agrarian community experiments.

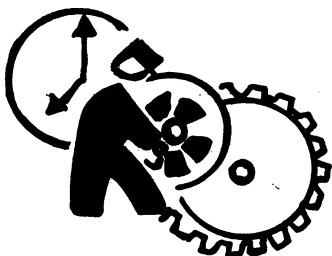
#### NEED FOR LAND REFORM



The Homestead Bill of 1845 introduced by Congressman Johnson of Tennessee.

#### LENGTH OF THE WORKDAY

The custom was "sun up to sun down"

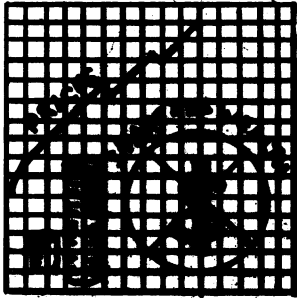


President Van Buren in 1840 made the first legal attempt to regulate working hours. His executive order stipulated a 10 hour workday in government Navy yards. In 1842, working hours for children under 14 were reduced to 10 hours a day in many states.

## DISCUSSION NOTES

## THE EMERGENCE OF NATIONAL UNIONS 1860-1886

The Civil War demanded large amounts of factory goods. Prices rose, profits were heavy and new railroads were built.



In 1863 there were about 80 local unions. In 1864, 300 new unions were begun. Thirteen international unions were organized between 1861-1865.

The NATIONAL LABOR UNION 1866-1872 was begun in response to growing demands for a national labor organization.

THE KNIGHTS OF LABOR 1869-1895 began as a secret organization. It aimed to replace the competitive economic system by a cooperative one where workers could share the wealth they created. In 1886 it had over 700,000 members.

### PRINCIPAL GRIEVANCES

### ACTION



#### SLAVERY

Emancipation Proclamation  
Abraham Lincoln

#### PROTECTION FROM COMPETITION OF ORIENTAL WORKERS

Chinese Exclusion Act



#### FREE LAND

Homestead Act

#### CHILD LABOR

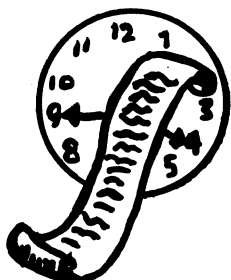
Beginning of child labor movement



#### RAILROAD REFORM

Exorbitant freight rates

Public Utilities movement -  
Establishment of Interstate  
Commerce Commission



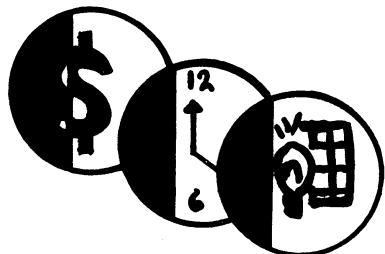
#### LENGTH OF WORKDAY

Establishment of hundreds of 8 Hour Leagues which helped trend towards national organization of labor. 1868, Congress passed 8 hr. day for govt. workers. More than 50 Leagues functioned in California where a 22 foot long petition with 11,000 names demanded an 8 hr. workday.

## DISCUSSION NOTES

## THE RISE OF NON-PARTISAN UNIONISM 1886-1932

In 1881 six crafts—printers, iron workers, steel workers, cigar makers, carpenters and glass makers—established a Federation led by Samuel Gompers and Adolph Strasser. The AMERICAN FEDERATION OF LABOR was established in 1886. There were 138,000 members.



The AF of L concentrated on raising wages, getting an 8 hr. day, improving working conditions, extending collective bargaining. It resisted outside political experiments and established an official non-partisan stand. It aimed to "defeat labor's enemies and reward its friends".

### PRINCIPAL GRIEVANCES

### ACTION



#### INADEQUATE PROTECTION FOR CHILD AND WOMEN WORKERS.

In 1908 the Supreme Court upheld the Oregon 10 hour law for women.

Beginning in Illinois in 1903, the 8 hour standard for children under 16 was established in most states.



#### UNSAFE WORKING CONDITIONS

The first general Workmen's Compensation Law passed in 1910 in N.Y. After changes, this law was declared constitutional in 1914; compensation laws were enacted in 34 states.

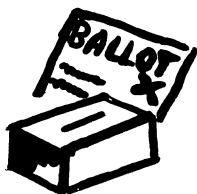


#### BETTER REPRESENTATION IN FEDERAL GOVERNMENT

U. S. Department of Labor-1913

#### EXEMPTION OF LABOR FROM PROSECUTION IN RESTRAINT OF TRADE. LIMITATION OF INJUNCTION ACTIONS.

Amendment to the Clayton Anti-Trust Act in 1914.  
Passage of Norris-LaGuardia Act in 1932.



#### DEMAND FOR INDEPENDENT POLITICAL ACTION TO OFFSET INDIFFERENCE OF MAJOR POLITICAL PARTIES.

Farmer-Labor cooperation in Non-Partisan League, 1918.  
Labor Party of Cook County endorsed by Illinois Federation, 1919.

AMERICAN LABOR PARTY  
polled 300,00 in 1920  
Gompers endorses LaFollette, 1924.



## DISCUSSION NOTES

## THE NEW DEAL

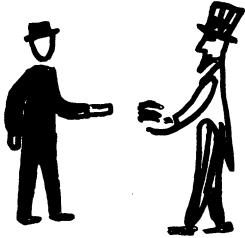
This period began with a depression and mass unemployment. Large numbers of banks had failed and farmers had experienced a ten year depression.

In 1932, the Democrats won the national and most of the state elections. Franklin Roosevelt was elected President.

Beginning in 1933, unrest developed throughout the country, and industrial workers began to organize into unions. In 1935, John L. Lewis, Sidney Hillman, David Dubinsky, and Charles Howard met to form the Committee on Industrial Organization. In January 1936, under the generalship of Philip Murray, this group began the organization of the steel industry.

### PRINCIPAL GRIEVANCES

### ACTION

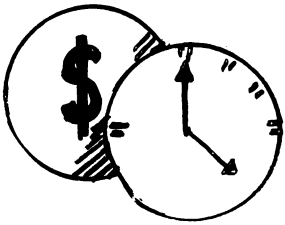


#### HELP FOR THE UNEMPLOYED

Federal assistance to state relief programs

A public works program

Unemployment compensation



#### LOW WAGES

A floor under wages

A ceiling on hours

Minimum wage specification in Federal contracts



#### HELP TO AGED

Extension of special relief to older persons

Development of a pension program



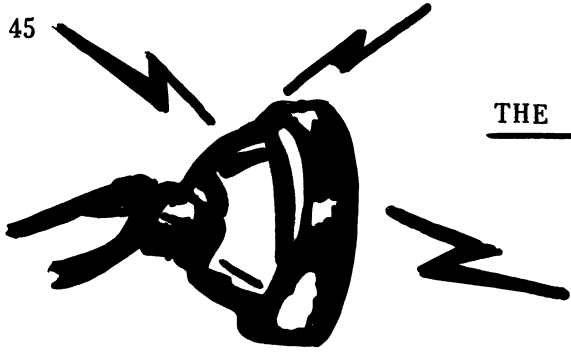
#### IMPROVED HOUSING

Development of a public housing program

Organization of the Federal Housing Administration to extend credit for private homes






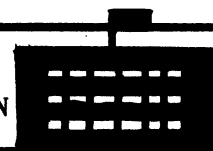
## DISCUSSION NOTES

## THE 1950 CAMPAIGN\*



### THE ISSUES

### PROGRAM FOR ACTION

 <b>UNEMPLOYMENT</b> 10 12 million jobless by 1954	Public Works program - Yorty Billion Dollar Public Works Bill - decent unemployment relief
 <b>TAFT HARTLEY ACT</b>	Abolish Taft Hartley Act entirely - re-enact Wagner Act
<b>RENT CONTROL</b> 	Re-enact federal rent control law - resist de- control especially in Los Angeles - enact a California fair rent law
<b>CIVIL RIGHTS</b>	F.E.P. legislation on state and city levels
<b>TAXES</b>	Reduce sales and excise taxes
<b>HOUSING</b> 	Slum clearance - low rent public housing - Sparkman Middle Income Cooperative Housing Bill
<b>MONOPOLIES</b>	Close loopholes in the anti-trust laws - make Public Utilities Commission protect the consumer
<b>PENSIONS</b>	\$100 month pension minimum - Pass H.R. 6000, Truman Administration Social Security Bill
 <b>HEALTH INSURANCE</b>	Legislate full medical protection for all - expand state and local Public Health Services - expand hospital building programs
<b>EDUCATION</b> 	Enact Federal Aid to Education Bill to provide 3 million to the states - raise teachers' salaries
<b>CHILD CARE</b>	Establish permanent child care centers as a regular part of state educational system
<b>UNEMPLOYMENT INSURANCE</b>	Extend unemployment relief

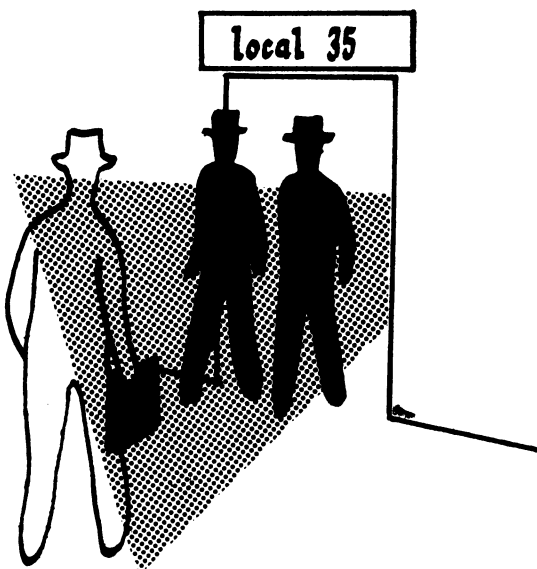
\*From AFofL Voters League Political Education Handbook

## DISCUSSION NOTES

UNION ADMINISTRATION

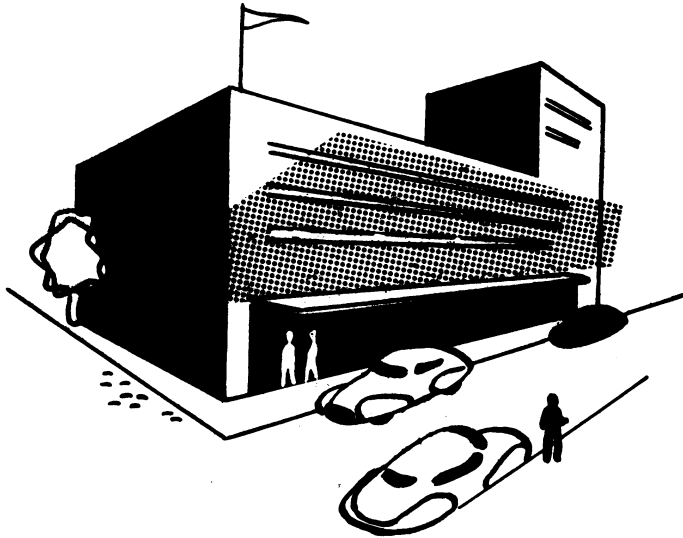
Prepared by:

Rex Mainord, United Auto Workers



## THE FUNCTIONS OF THE HEADQUARTERS OFFICE OF AN INTERNATIONAL UNION

1. Enables locals to bargain for the workers in an entire corporation.



2. Enables the workers in the same industry to meet together and plan on joint problems - unfairly competitive wage rates, runaway shops.

3. By the pooling of funds makes possible effective research on workers' problems, education, recreation.

4. Can deal legislatively with the specific problems of the workers in the industry - lobbying, briefs, etc.

5. Undertakes campaigns dealing with the social problems of workers - cooperatives, housing, price control, taxation.

6. Organizes the political activities of workers.

7. Maintains technical staff - time study engineers, health institute, international representatives.

8. Maintains regional and sub-regional offices.

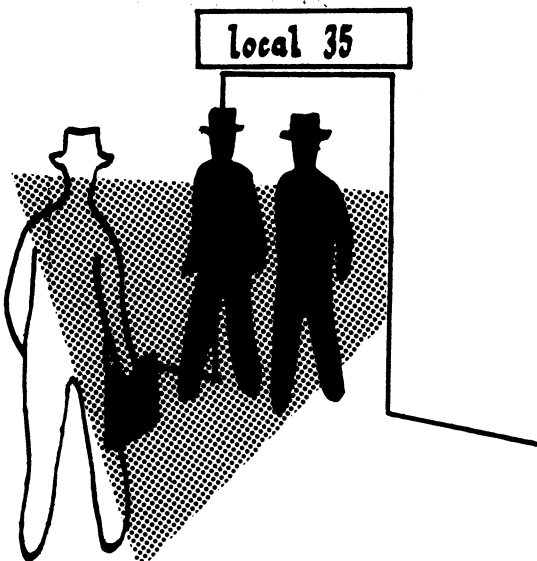
9. Conducts public relations programs on behalf of workers - radio stations, publicity, etc.

10. Defends workers - workmen's compensation, unemployment compensation, etc.

## FUNCTIONS OF A UNION LOCAL

1. Bargains for workers.

2. Adjusts grievances.



3. Makes it possible through united action to enforce workers' demands for wages, etc.

4. Recreational activities.

5. Education activities.

6. Workmen's compensation, unemployment compensation.

7. Union counselling.

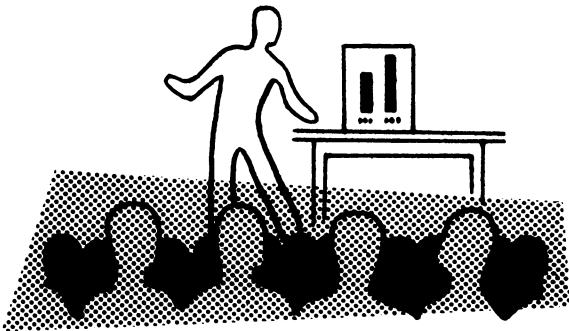
8. Represents workers in community - housing, schools, parks, etc.

9. Helps workers organize for joint welfare activities - co-ops, credit unions, picnics, welfare funds children's programs, etc.

10. Political action.

## HOW DO WE JUDGE OUR UNION'S EFFECTIVENESS?

1. Is it democratic, is membership open to all?
2. Are the rights of members protected against unfair requirements, do the members have an effective method of appealing?
3. Are the workers guaranteed a voice in major decisions?
4. Is there provision that protects workers against misrepresentation?
5. Are the workers kept informed?
6. Are the funds spent for the good of the entire membership?
7. Is the leadership alert to the needs of the membership?



8. Does it actually speak in all the places where workers should be represented?
9. Does the union undertake activities that are unrelated to the needs of the membership?
10. Is the union organized so that it can act effectively?
11. Is the leadership competent?
12. Is there an honest accounting of all expenditures?
13. Are activities conducted so that they are interesting?
14. Is there an opportunity for members to rise to leadership?
15. Are members encouraged to take part in leadership activities?
16. Is the local (union) run as a committee activity or is it run by individuals and cliques?
17. Are the members loyal to the union?
18. Are they convinced they are getting a good deal from the union (that it's worth the while)?
19. Are they cynical about the union (porkchoppers)?
20. What areas is the union operating in that it shouldn't be? Why?
21. What areas should the union be operating in that it isn't? Why?



## DISCUSSION NOTES

## CONDUCTING FAIR ELECTIONS

1. Follow your constitution (see Handbook for Election Committees).



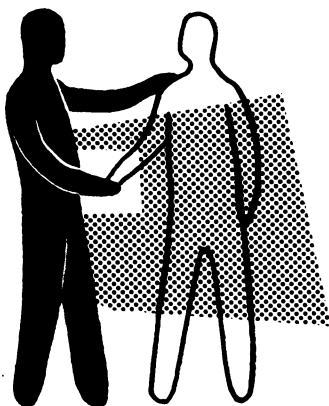
2. Honest election committees (emphasis in local on honest, not factional, issues).
3. Use of voting machines.
4. Certified public accountants.
5. Convenient time and place (in plant vs. in local).
6. Require identification--pay stub, union dues receipt, check-off seniority list.

## IN ORDER TO HAVE AN EFFECTIVE UNION WHAT MUST THE OFFICERS DO?

1. As Leaders

- a. Lead, not lag behind the membership.  
(But sometimes the local won't let them lead.)

- b. Know what the problems are.

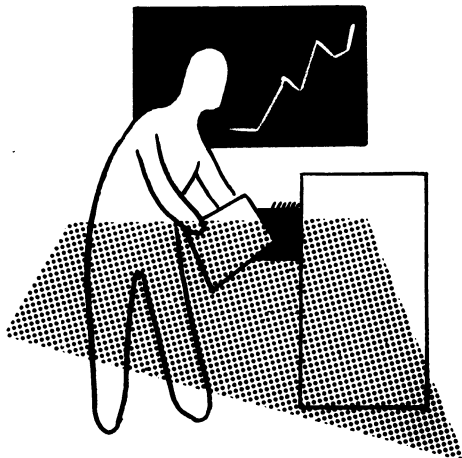


- c. Be able to let the membership know what's going on; be able to speak well.
- d. Be able to find out what the membership wants.
- e. Work with people - on committees, on a level of equality, in groups.
- f. Be able to delegate responsibility.
- g. Assume responsibility.
- h. Inspire people.
- i. Be loyal to people, be democratic.
- j. Be honest (morally, intellectually, and financially); be fair.
- k. Be ambitious but not opportunistic.
- l. Be egotistic - but at the same time fair enough to share credit and to give credit - be aggressive.
- m. Be courageous (strike decision).

## DISCUSSION NOTES

- n. Be progressive.
- o. Don't take offense.

## 2. As Administrators



- a. Plan work.
- b. Schedule work.
- c. Maintain files.
- d. Anticipate problems.
- e. Consult.
- f. Know resources (where you can get information and help).
- g. Be able to budget.
- h. Know your responsibilities.
- i. Know the operation of the union.
- j. Know how to set up checks and backstops.
- k. Keep personal files and notebooks.

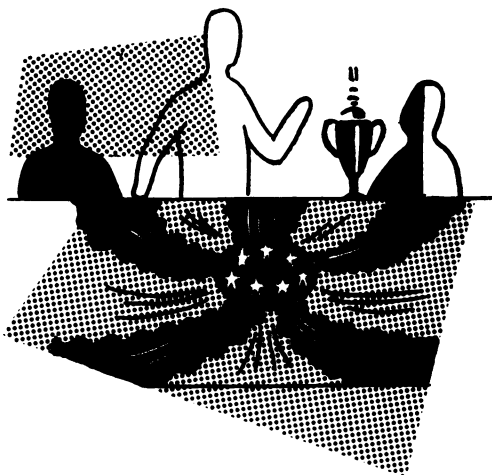


## 3. As Community Leaders

- a. Working with community agencies.
- b. Taking positions on important issues.
- c. Political action.
- d. Working with other labor organizations.

## 4. As Ceremonial Officers

- a. Make meetings dignified and interesting.
- b. Initiation ceremonies - make an event out of them.
- c. Other ritual occasions - sick visits, deaths, awards, installations, etc.



## 5. As Functioning Officers

- a. Rules of order.
- b. Dealing with hecklers.
- c. Organization of interesting meetings.

## DISCUSSION NOTES

- d. Getting people out to meetings.
- e. Getting people working on committees.
- f. Working with people on committees.
- g. Dealing with opposition (honest opposition, subversive opposition).
- h. Other union activities (credit unions, co-ops, children's programs, recreation activities, blood banks, etc.).

## 6. Specific Duties of Officers

President

Vice President

Recording Secretary

Financial Secretary

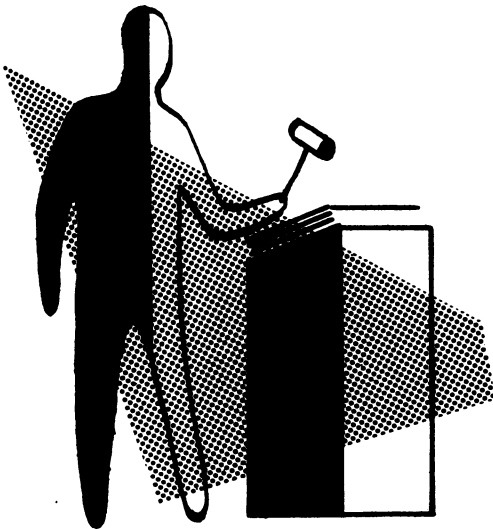
Trustees

Guide

Sergeant at Arms

Chairmen of Committees

Stewards and Committeemen



## 7. What Are Their Collective Duties?

- a. Arrive at group decisions.
- b. Work as a team.
- c. Function as a cabinet.
- d. Legislative and administrative body between union meetings.



## RESPONSIBILITIES OF UNION MEMBERS

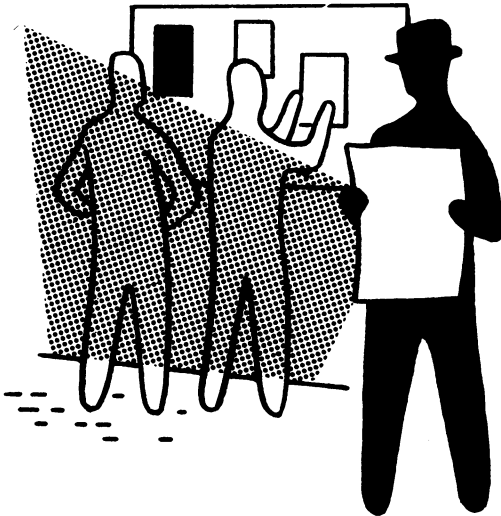
- 1. Pay Dues.
- 2. Attend meetings.
- 3. Vote in union elections.
- 4. Register and vote.

## DISCUSSION NOTES

5. Read union literature.
6. Run for office.
7. Be loyal (and also critical).
8. Serve on committees.
9. Support union activities.
10. Not be over-demanding.
11. Organize ; talk union.

#### HOW DO YOU GET UNION MEMBERS TO ASSUME THEIR RESPONSIBILITIES?

1. When they join, you welcome them - with a kit, with initiation procedure.
2. You keep them informed - through a local paper, through leaflets, through the bulletin board, through shop meetings, through talk.
3. You advertise union activities (leaflets, word of mouth, telephone, placard, sound truck).



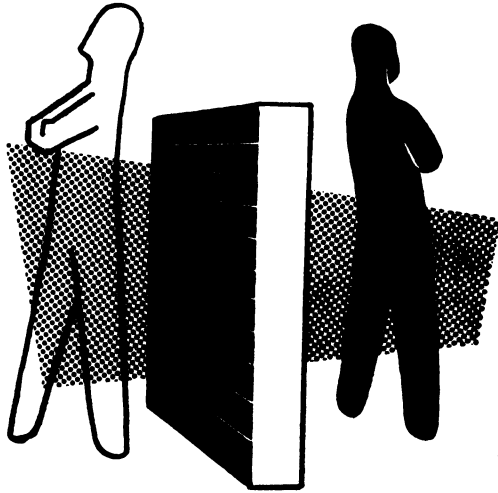
4. You run your union activities well (clean, well-lighted, comfortable, well-ventilated hall).
5. You make them convenient (stream-line meetings, shut up the talkative, entertainments, no long communications, begin and end on time).
6. You run activities the members want - find out by surveys, suggestion box, tie in with popular events (television, baseball results, etc., talking to members).
7. By getting them to take part in the activities - personal solicitation.
8. By giving them a chance to take part when they show up at activities.
9. By giving recognition and awards.
10. By prizes and pay.
11. By making union activity personally rewarding (build union spirit - caps, badges, coats, sweaters, jackets, sweatshirts, banners, posters, bands, gala affairs with prominent people present).
12. By serving them honestly and well.



## DISCUSSION NOTES

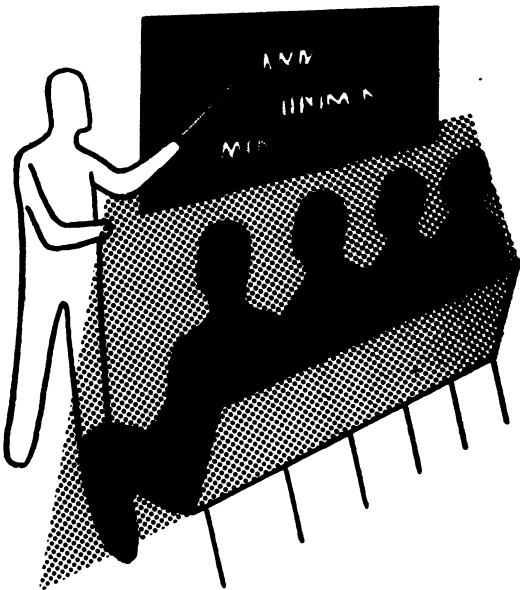
## WHAT ARE THE OBSTRUCTIONS TO ACHIEVING THE UNION GOALS?

1. Anti-Union employers.
2. Misrepresentations in the press and over the radio.
3. Apathy of the membership.
4. Lack of information on the part of the membership.
5. Lack of understanding of union aims in the community.
6. Factional activities in the union.
7. Opportunists.
8. Irresponsible screwballs in the leadership.
9. Failure of union leadership to understand what it is driving for.
10. The economic situation (boom times - depression).
11. Division in the union (prejudice against Negroes, foreign born, hillbillies, etc.).
12. Resistance of wives or husbands to membership activity.
13. The failure to share out the work so that it falls on the same people.



## HOW DO YOU OVERCOME THESE OBSTRUCTIONS?

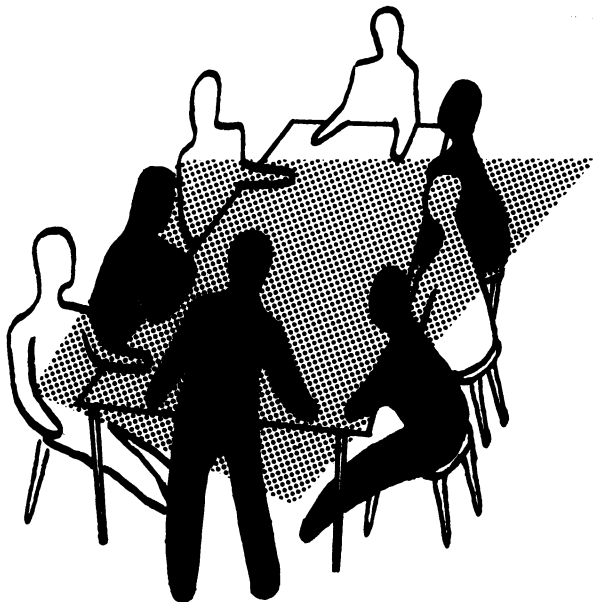
1. Leadership training (classes, discussions, practice workshops, assignment of responsibilities).
2. Membership education (classes, discussions, papers, leaflets, radio programs, sound truck, letters to newspapers, publicity in papers, bulletin boards, distribution of union literature, lunch hour discussions, visiting, talk, recreation activities).
3. Honest presentation of issues.
4. Organization in community (community committees, participation in community affairs, leaflet distributions, etc., in town, distribution of union literature in community).



## DISCUSSION NOTES

## WHAT MAKES COMMITTEES WORK?

1. They must have a well defined function.



2. They must have attainable goals.

3. They should have deadlines.

4. They should be required to report regularly.

5. They should consult with responsible union officers on progress.

6. They should be given recognition, by reporting at meetings, by mention in the local paper, by awards, prizes (or pay), by badges, jackets or armbands.

7. They should be recruited among people who are interested in the activity.

8. Recruiting should be personal.

9. Once recruited they should be elected, or, if appointed, they should be given an official credential.

10. They should have authority to do what they are supposed to do.

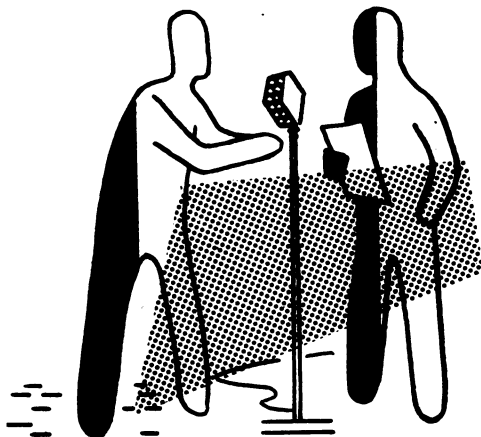
11. They should be allowed a budget to spend for their purposes.

12. Meetings should be held in connection with social events.

13. Rewards in connection with their activities should go to the committee members - education committee members should go to education conferences, fair practice to fair practice conferences.

14. At least once annually some meeting should focus on their activities.

## TRAINING LEADERS



1. The best way to train leaders is by practice.

2. Use methods of apprenticeship to train people.

3. To train speakers use wire recorders or tape recorders.

4. Mock meetings to train in parliamentary law.

5. Mock bargaining sessions to train stewards and committeemen.

6. Hold some mock sessions at membership meetings.

7. Encourage discussion on the mock presentations.

8. In classes get into the habit of presenting problems by saying, You be.....I'll be.....and then present problem.

## DISCUSSION NOTES

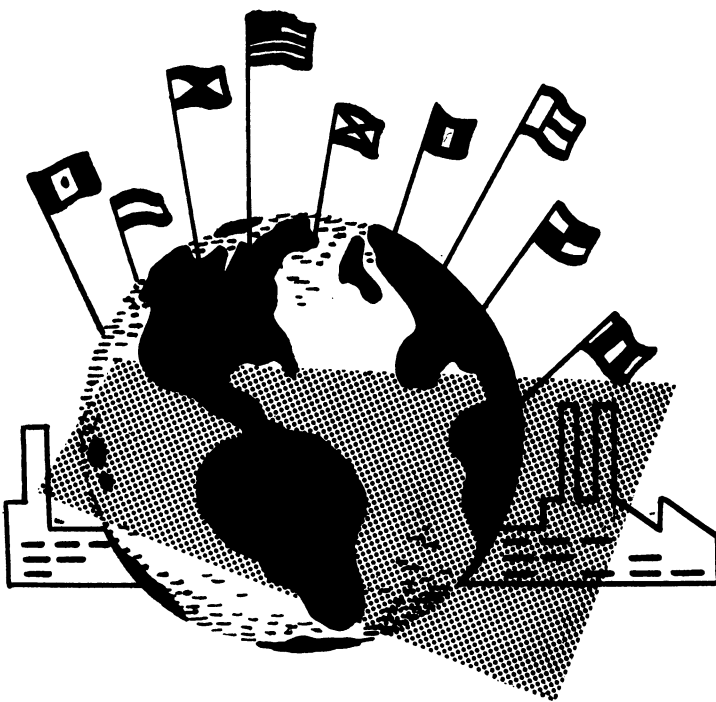
INTERNATIONAL RELATIONS

Prepared by:

UAW Staff

and

Rex Mainord



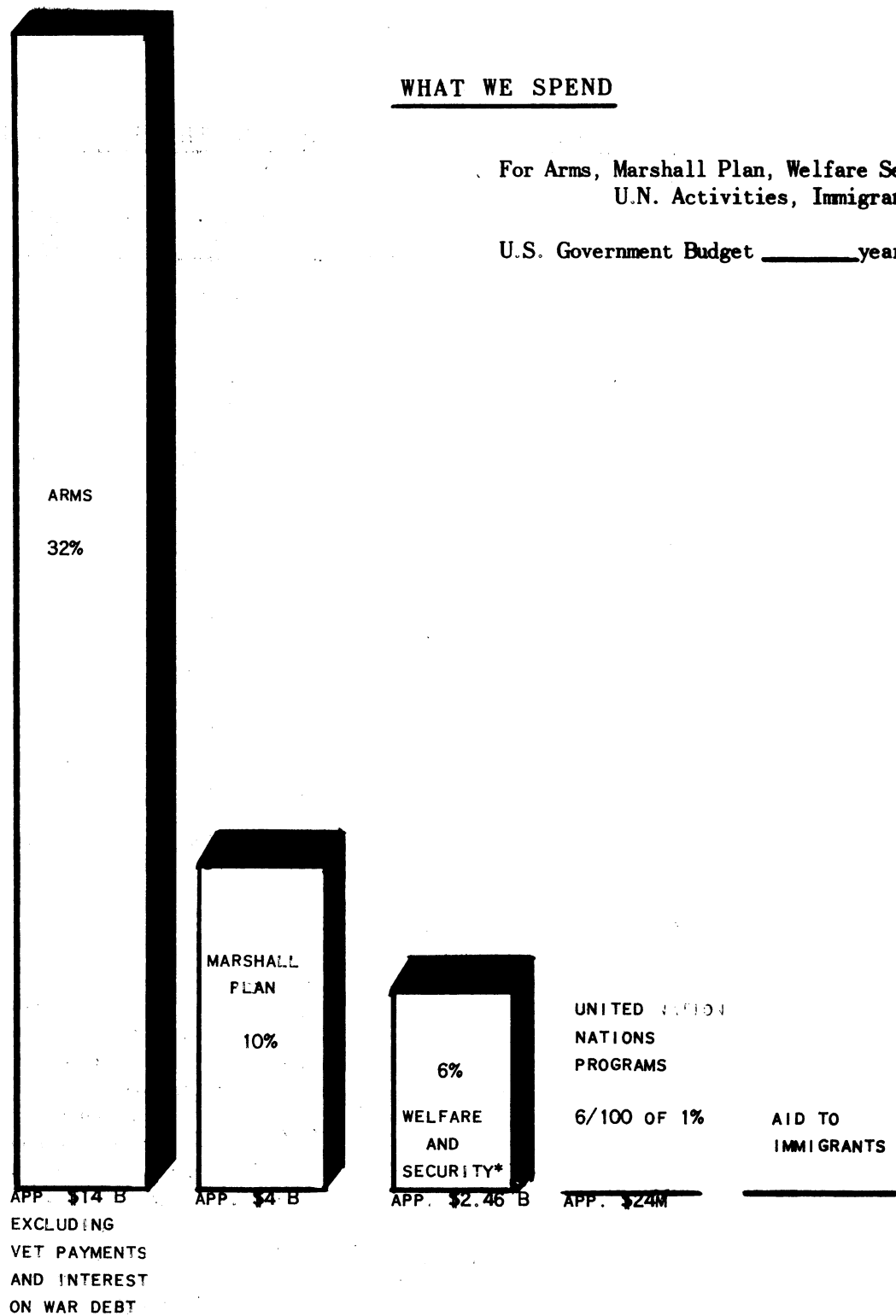
GENERAL GEORGE C. MARSHALL'S STATEMENT  
June 5, 1947

"Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

# WHAT WE SPEND

For Arms, Marshall Plan, Welfare Services,  
U.N. Activities, Immigrant Aid

U.S. Government Budget \_\_\_\_\_ year ending July 1, 1950



\* Percentages are: % of total U.S. Government Budget  
Not including payments derived from social security and compensation taxes

# EMPLOYMENT IN MANUFACTURING IN SELECTED ERP COUNTRIES, 1947-1949

<u>COUNTRY</u>	<u>BASE YEAR - 100</u>	<u>1947</u>	<u>1948</u>	<u>LATEST . MONTH - 1949</u>	<u>PERCENTAGE-CHANGE 1947-1949</u>
AUSTRIA (1)	1937	119	130	AUG. 144	<del>+21</del>
BELGIUM	1936-38	113	117	AUG. 110	-3
DENMARK (2)	1937	123	132	NOV. 150	<del>+9</del>
FRANCE	1937	106	110	OCT. 113	<del>+6</del>
GERMANY (BI-ZONE) (1)	DEC. 1946	105	119	SEPT. 127	<del>+19</del>
GERMANY (FR. ZONE) (1)	DEC. 1946	-	114	SEPT. 125	<del>+13</del>
NETHERLANDS	1947	100	110	JUNE 114	<del>+16</del>
NORWAY (1)	1941	105	107	AUG. 110	<del>+2</del>
SWEDEN	1937	124.4	126	NOV. 128	<del>+2</del>
SWITZERLAND	1937	133	135	SEPT. 127	-5
UNITED KINGDOM	1937 (3)	106	-	OCT. 104	-

(1) INCLUDES NON-MANUFACTURING, EXCEPT AGRICULTURE

(2) BASED ON TOTAL NUMBER OF HOURS WORKED

(3) BEGINNING JUNE '48 BASE = 100

The general employment situation in ERP countries in 1949 was better than in any other equivalent peacetime period for which data are available. Except for Belgium, Greece, Italy and Western Germany where special factors prevail, unemployment remains at exceptionally low levels. For the most part, unemployment stems from normal labor turnover, seasonal fluctuations, loss of export markets and raw material shortages. In Italy, limited resources and population pressure are the basic factors. In Western Germany where the number of unemployed has risen continually, refugees and political expellees have brought about a tremendous employment problem. Belgium's chief difficulty stems primarily from high prices and exchange restrictions. In Greece, of course, the unemployment problem is due largely to the disruption in the economy caused by the civil war.

---

Source: "Labor Aspects of the ECA Program," March 1950, Chapter 1, Page 5-9, Appendix E.



## DISCUSSION NOTES

**FOOD CONSUMPTION - CALORIES PER PERSON PER DAY IN SELECTED ERP COUNTRIES (**

<u>Country</u>	<u>Prewar</u>	<u>1947-48</u>	<u>1948/49</u>
Austria	3,025	2,485	2,765
Belgium	2,900	2,930	2,955
Denmark	3,275	3,030	3,205
France	3,000 (2)	2,550 (2)	2,840 (3)
Western Germany	2,975 (4)	2,340 (2)	2,630
Greece	2,475	2,425	2,450
Ireland	3,075	3,215	3,235
Italy	2,575	2,380	2,500
Netherlands	2,950	2,765	2,795
Norway	2,970	2,870	3,025
Portugal	2,125 (5)	2,170 (5)	2,125 (5)
Sweden	3,050	2,945	3,035
Switzerland	3,175	3,050	3,050
United Kingdom	3,075	2,925	3,040
ERP Countries (Weighted average)	2,900	2,600	

- (1) Excluding Luxembourg, Iceland and Turkey
- (2) Excluding the Saar
- (3) Including the Saar
- (4) Tentative estimate, including Saar
- (5) Appears underestimated

Source: "Labor Aspects of the ECA Program," March 1950, Appendix 1

The above table shows that in 14 ERP countries food consumption averaged 5 percent less in 1948-49 than in prewar years, but 6 percent above the preceding year. In Belgium, Ireland, Norway and Portugal daily calories units rose above the prewar level. Slightly less than the level has been reached in all other countries except Austria and Western Germany, where calorie consumption is still considerably below prewar levels.

## DISCUSSION NOTES

TEXTILE CONSUMPTION PER PERSON IN SELECTED ERP COUNTRIES  
AND THE UNITED STATES

<u>Country</u>	<u>1938</u> (Kilograms)	<u>1947</u> (2.2 pounds)	<u>1948</u>
AUSTRIA	6.0	1.8	3.1
BELGIUM- LUXEMBOURG	9.3	10.9	11.3
DENMARK	7.2	5.4	5.1
FRANCE	7.0	8.1	9.0
WESTERN GERMANY (INCLUDING SOVIET ZONE)	8.2	2.5	3.7
GREECE	4.7	3.4	3.6
IRELAND	4.4	4.2	3.3
ITALY	4.2	5.7	4.4
NETHERLANDS	8.2	7.6	8.7
NORWAY	6.2	7.0	6.2
PORTUGAL	3.1	4.1	4.2
SWEDEN	9.0	12.5	11.5
SWITZERLAND	7.5	12.3	11.2
TURKEY	3.5	3.5	3.3
UNITED KINGDOM	12.4	10.3	10.9
UNITED STATES	12.1	18.8	18.9

Source: "The State of Food and Agriculture," 1949, Food and Agriculture Organization, p. 100.

During the war and post-war period workers' consumption of textiles was less favorably affected than food. These relatively more durable items were made to last, while resources were exhausted by purchases of essential foods. This table indicates that the sharpest decline in the availability of textiles since the pre-war period was in Austria and Germany. There were also significant reductions in Denmark, Greece, Ireland and the United Kingdom.

## DISCUSSION NOTES

RELATIVE PURCHASING POWER OF HOURLY EARNINGS IN ERP COUNTRIES  
IN TERMS OF FOOD DURING 1948/49 (UNITED STATES - 100)

<u>Country</u>	<u>Date of Reference</u>	<u>Index</u> (U.S. = 100)
AUSTRIA	JUNE 1949	23
DENMARK	OCTOBER 1948	80
FRANCE	APRIL 1949	35
GERMANY (BIZONE)	MARCH 1949	32
IRELAND	NOVEMBER 1948	45
ITALY	MARCH 1949	24
NORWAY	NOVEMBER 1948	88
SWEDEN	FEBRUARY 1949	69
SWITZERLAND	MARCH 1949	51
UNITED KINGDOM	MAY 1949	71
UNITED STATES		100

Source: Monthly Labor Review, November 1949, pp. 487 ff.

This table shows that the purchasing power of workers in ERP countries ranged from 23 percent of that of the U.S worker to 88 percent during 1948/49. Subsidies, directed primarily toward reducing the price of food, help account for the relatively good showing of Denmark, Norway, Sweden and the United Kingdom.

By way of contrast, data available for Eastern Europe show that the purchasing power of workers in the USSR was only 18 percent of that of the U.S. worker; in Czechoslovakia, 14 percent (black market prices) to 48 percent (official prices); and in Hungary, 33 percent.

Source: "Labor Aspects of the ECA Program," March 1950, Appendix I, p. 2-3.

## DISCUSSION NOTES

**WAGE-PRICE TRENDS IN SELECTED ERP COUNTRIES 1947-1949**

Country	Type	Base Year -100	1947 Average	Latest Month 1949	Percent Change 1947-1949	
AUSTRIA	EARNINGS	1938	411 (7/48)	AUG.	580	+41
	COST OF LIVING		458	AUG.	580	+36
BELGIUM	EARNINGS	1937	351	SEPT.	403	+15
	UNWEIGHTED RETAIL		339	SEPT.	373	+11
DENMARK	EARNINGS	1937	195	MARCH	216	+11
	RETAIL PRICE		166	APRIL	172	+4
FRANCE (PARIS)	WKLY. WAGE RATES	1938	1006 (10/48)	OCT.	1012	+1
	COST OF LIVING		1250 (9/48)	OCT.	1424	+14
GERMANY (BIZONE)	EARNINGS	1938	101 (AV. '48)	SEPT.	140	+39
	COST OF LIVING		161	SEPT.	156	-3
GREECE	EARNINGS NOV.	1947	100	NOV.	130	+30
	COST OF LIVING		100	NOV.	146	+46
IRELAND	EARNINGS	1939	160	MARCH	188	+18
	COST OF LIVING		172	FEB.	177	+3
ITALY	EARNINGS	1938	4130	SEPT.	5346	+29
	COST OF LIVING		4575	SEPT.	4886	+7
NETHERLANDS	EARNINGS (MEN)	1937	175	AUG.	188	+9
	COST OF LIVING		199	AUG.	216	+9
NORWAY	EARNINGS (MEN)	1940	165	MARCH	174	+7
	COST OF LIVING		135	MARCH	134	-1
SWEDEN	EARNINGS	1937	197	AV. '48	215	+9
	COST OF LIVING		150	AV. '48	157	+5
SWITZERLAND	EARNINGS	1937	174	SEPT.	184	+6
	COST OF LIVING		159	SEPT.	162	+2
UNITED KINGDOM	EARNINGS	1938	209	APRIL	230	+10
	INTERIM RETAIL PRICE INDEX		160	APRIL	174	+9

Source: ILO Monthly Mission Reports, Country Statistical Bulletins.

These indexes give only a very rough indication of wage-price movements. They are not valid for international comparison because of the important differences and limitations (most of these are omitted for purposes of simplification.)

It should be noted that except for Greece and Paris, France, the increase in earnings is greater than the increase in cost of living.



## DISCUSSION NOTES

## SOME BASIC TRUTHS ABOUT INTERNATIONAL TRADE

It should be quite obvious that if there were no trading whatsoever between nations they would nearly all be unrecognizably backward. America without rubber, England without cotton, Argentina without farm machinery, would be far different places than they are today.

For military, economic, and political reasons, and because of man's past tendency to think in national rather than world terms, the nations of the world have usually tended toward self-sufficiency and failed to realize the full fruits of specialization-and-trade.

Trade among nations has economic value just as surely as does trade among the 48 states of the USA. Economists today are almost unanimous in condemning restrictions that hamper trade among the states, and are also nearly unanimous in holding that international barriers should be steadily reduced. Their reasons are virtually the same with respect to the internal and the international exchange of goods.

The basic idea is: let producers everywhere produce the kind of goods they are best at, or least poor at, compared with other areas and other types of goods. Then let them exchange their products. This need not consist of direct barter; the money system permits the "exchange" to be exceedingly roundabout without loss of benefit.

In a world whose fate rests not only on economics but upon emotional, psychological, and political forces as well, Americans should consider soberly the effect which the Smoot-Hawley Tariff of 1930 must have had upon world conditions and upon the feelings of other peoples. It was a nation's way of saying "Every man for himself", and Italy and Germany demonstrated where such a philosophy can lead. In ten years the world was plunged into its worst war, the result of which is still our foremost problem. The Smoot-Hawley Tariff, moreover, has no offsetting benefit to the U.S.

Below are some illustrations of the benefits of trade:

1. Where each area produces something more cheaply than the other.

Let us say that, foolishly, a man in Pennsylvania tries to produce cotton. In one hour's work, he produces 1 pound. A man in Mississippi can produce 5 pounds. Together, they have produced 6 pounds.

Then the man in Mississippi, foolishly, tried to produce coal. In an hour's work, he scrapes up 8 pounds. The Pennsylvania man, in the same length of work time, produces 800 pounds.

Thus: In Mississippi, 5 pounds of cotton buys 8 lbs. coal, and vice versa.  
In Pennsylvania, 800 lbs. coal buys 1 lb. cotton, and vice versa.

So: By selling 1 hour's cotton in Pennsylvania, the Mississippian can get 4000 lbs. of coal, instead of 8.

By selling his coal in Mississippi, the Pennsylvanian can get 500 lbs. of cotton, instead of 1.

## DISCUSSION NOTES

2. Where one area has the advantage over the other in all lines. What then?

Let us say that the U.S. can produce almost anything more cheaply than England. Will it still pay the two countries to specialize and trade? Yes.

For example, assuming that with 1000 hours of work,

America can produce 2 autos or 10 bolts of linen  
England can produce 1 auto or 8 bolts of linen

Without trade, the price of 1 auto in America would be: 5 bolts of linen.

Without trade, the price of 8 bolts of linen in England would be: 1 auto.

By selling an auto in England, America gets 8 bolts (as against 5 at home).

By selling 4 bolts in America, England gets  $\frac{4}{5}$  of an auto (vs.  $\frac{1}{2}$  at home).

3. But (using the case above), if some American workers are unemployed, isn't it better to let them make linen for the American market?

The answer is no. If we stop buying English linen, the English stop buying American cars. We lose a good job (making cars) and gain a poor job (making linen). We spend as much time (500 hours) making 5 bolts of linen as it would take to make a car, which we could trade for 8 bolts.

Only if foreign countries had a backlog of dollars with which to buy our goods, could we perhaps expect that we could shut off our imports without having to shut off our exports. When those dollars were spent, we would find we had taken on poorer jobs and lost good jobs. Actually, of course, the world has no backlog of dollars, and our pains would be almost immediate.

The fact is that our tariffs are still at protective levels, which means that we are maintaining more poor jobs than is necessary, and fewer good jobs than we need to, today. The Reciprocal Trade Program, launched under Roosevelt and Hull and continued under Truman, aims at negotiating downward the trade barriers not only of this country but those of the countries with which we trade.

## DISCUSSION NOTES

## WHEN IS A TARIFF JUSTIFIED?

### To Maintain Industries Essential to Defense?

If a nation feels it must maintain a certain industry for the sake of its use in a military emergency, it becomes a valid procedure to restrict imports by a tariff, reserving part or all of the home market for the protected industry. However, consumers will have to pay more for the product than they would if the product were imported. Thus this policy is a tax upon the consumers of the product. It might be fairer if, instead of a tariff, the government were to tax all the people in the name of defense, and pay a subsidy to the industry which would enable it to compete with imports. Prices would thus remain lower for the consumers.

### To Protect Infant Industries?

It would be reasonable to protect industries which, once they achieve mass production, could compete without protection. However, the record shows that a "special interest" that can wangle a tariff for this purpose is usually able to keep it in force, not for temporary "protection" but for extra monopoly privileges in the domestic market. Venture capital is accustomed to losing money in the "infant" stages of an enterprise, and is likely to crave tariff protection more for its long-time "gravy" than for temporary help. Permanent protective tariffs mean permanent burdens on consumers.

### To Equalize the Cost of Production?

To equalize the cost of foreign and domestic production of a product by means of a tariff is to cancel out the advantages of specialization-and-trade. It is a case of making things expensive for ourselves. Further, like any tariff, it invites retaliation against our shipments into other countries.

### To Protect our High Wages and Standard of Living?

A high tariff for an industry could place it in a lucrative position, but at the expense of consumers in the same country. A tariff is always an expense to the citizens of the country which adopts the tariff. They all lose (i.e., lower their standard of living) in order to make a place of privilege for the protected industry. Further, in these days of "national pattern" wage increases, it is by no means a certainty that the richer industries will pay better wages than the leaner ones.

Many of our best-paid jobs are in industries where there is no protection or where the tariff is meaningless because the products are produced more cheaply here and are exported, not imported. For example, autos and farm machinery. The high wages are due to high productivity, not to tariff protection. Chinese coolie labor simply cannot turn out an auto, except at fantastic cost. American day laborers have very little foreign competition, but their pay is low because their output is low.

## DISCUSSION NOTES

## UNION MEMBERSHIP AND POLITICAL ALIGNMENT IN SELECTED ERP COUNTRIES

Because the Marshall Plan has had a noticeable effect in stabilizing general economic conditions, there has also been a corresponding stabilization of political climates in most of the participating countries. The elimination of much of the European economic chaos has meant that the breeding place for Communism has in a large sense been temporarily abolished.

This can be illustrated by the fact that the number of Communists holding seats in European parliaments has been sharply reduced, as has their control and influence in their respective international labor movements.

In Italy and France, where economic stabilization has been least accomplished, the Communists still retain powerful political and trade union strength. Italy is still cursed with mass unemployment and France with ever-mounting inflation, which in both countries has provided fertile breeding ground for Communism.

Unfortunately, the political pendulum has not swung in favor of the various Labor and Socialist parties which have been the bulwark of European democracy, but rather in favor of the center and right-wing groups.

It is important, however, to remember that any European conservative parties are to the left of our own Democratic party. Today in all Marshall Plan countries there is no private ownership of railroads, telephones, telegraphs, or any of the public utility services.

American Labor should remember that although it may not espouse Socialism as a political creed, most European workers do and that a defeat for their respective Socialist or Labor parties is a political defeat for organized Labor.

Although American Labor is now split into competing national bodies, it has never been split on a religious and political basis, as has been the case in much of the European movement, where one can find Communist, Socialist, Catholic and Protestant unions. In Britain and Scandinavia, where the religious and political struggles have had little significant effect, the Labor movements are strongest.

About the same percentage of workers in Western Europe are Union members as are in the United States. Such overall figures, however, fail to bring out the fact that in Great Britain and the Scandinavian and Benelux countries, the percentage of workers organized into unions includes far more than a majority of the industrial workers. Then, too, European Labor in some countries has its own Labor party or else works closely with the Socialist party, and so has strong political influence. In some of the Catholic parties wielding power, the Catholic unionists have some influence. In most of Western Europe since the end of the war, the Labor or Socialist parties have held power or have been the balance of power in coalition governments.



## DISCUSSION NOTES

10017  
10018  
AUSTRIA

Union Membership: All workers, whether Catholic, Socialists, or Communist, are affiliated with one center, the Austrian Trade Union Federation, with a membership of 1,279,000.

Political Alignment: Last election, October 10, 1949. In a parliament of 165 seats, the Communists increased from four to five, a negligible gain. The People's Party, primarily clerical, is largest with 77 seats, followed by the Social Democrats with 64. The disturbing feature in the election was the winning of 16 seats by a neo-Nazi party that previously hadn't been on the ballot.

BELGIUM

Union Membership: The bulk of union members are split almost evenly between the Socialist and Catholic centers. The Communist have lost nearly all their influence in the Socialist unions. There are, however, some independent Communist unions which contain only about 1 percent of the total membership.

Political Alignment: Last election, June 1950. In the lower House, the Chamber of Deputies, the Social Christian Party, primarily clerical polled 108 seats, followed by the Socialists with 76. The Liberal Party holds 21, and the Communists 7, a loss of five over their previous strength. Biggest gains were registered by the Socialists, who picked up 10 seats.

DENMARK

Union Membership: Almost all workers are affiliated with the Danish Trade Union Federation, in which there is virtually no Communist influence.

Political Alignment: Last election, 1947. The Communists lost one-half their seats and now retain only nine of 148. The Social Democratic Party is largest with 57 seats.

FRANCE

Union Membership: The union members are split into three main centers. The Communist controlled unions (CGT), with 2 1/4 million, are the largest, followed by the Socialist controlled unions (CGT-FO) with 900,000 and the Christian unions (CFTC) with 750,000. Although the Communist controlled unions are still largest, there has been a steady decline in strength since the winter of 1947, and it is increasingly difficult for the CGT to get loyal support for politically motivated strikes.

## DISCUSSION NOTES

Only if there is a substantial increase in low wages in the near future is there reason to believe that Communist influences will further decrease in the unions. The CGT-FO has received a great deal of help, both financial and otherwise, from the AFL and CIO.

Last election, 1946. The Communist Party won 167 or 621 seats, making it the largest. All indications are that Communists will lose some strength in the next election. Without Marshall Plan aid, it is doubtful that the present Center government of France would have rode to storm between DeGaulle on the extreme right, and the Communists on the extreme left. Both DeGaulle and the Communists are weaker since the Marshall Plan has been initiated, improving prospects for a strengthened future of a democratic French government.

### GERMANY

**Union Membership:** The vast majority of members are affiliated with the German Trade Union Federation, which includes Socialists, Catholics, Communists. With the coup in Czechoslovakia and the Berlin Blockade, much of the Communist union influence has been lost except for some remaining strength among the miners and metal workers.

**Political Alignment:** In the first national election in Western Germany in August of 1949, the Communists won only 15 of 402 seats. The largest party being the Christian Democrats with 139, closely followed by the Social Democrats with 131. In various state elections since the Berlin Blockade the Communists have lost. What political strength the Communists have has been gotten in a large measure by capitalizing on the dismantling program in Western Germany conducted by the Allies. The crucial problem of wholesale unemployment has not been solved by the present government.

### ITALY

**Union Membership:** Italy is the stronghold of Communist union strength. Of 7 3/10 million members, the Communists hold 5 1/10 million. The others are divided primarily between Catholic and Socialist unions. The Communists here too have exploited the wholesale unemployment to their own advantage.

**Political Alignment:** Last election, April 1948. Although the Communists lost some seats, they together with their allies, the Neoni-

## DISCUSSION NOTES

Socialists, hold 183 of 574 seats, making them far larger than any other party except the Christian Democrats, who won 306 seats. Although politically motivated strikes have not had much success of late, a real drop in Communist strength is unlikely until the basic problems of mass unemployment and land reform are courageously tackled, which the present government has given little indication of doing.

#### NORWAY

**Union Membership:** Virtually all of Norway's 470,000 unionized workers belong to the Norwegian Federation of Labor, which is primarily Socialist in orientation.

**Political Alignment:** Last election, October 1949. Norway was one of the few countries where a swing to the political right has not occurred. In the past several years. The Norwegian Labor Party its representation to 85, which gives it a clear-cut majority in the 150 seat parliament. The Communist Party suffered heavy losses, losing all of its 11 parliamentary seats.

#### SWEDEN

**Union Membership:** The vast majority of Sweden's unionists, 1,238,000, of a total of 1,548,000 are affiliated with the Swedish Trade Union Congress, in which the Communists have little strength.

**Political Alignment:** In the 1948 election, the Communists lost seven seats, leaving them with eighth of a total of 230. The Social Democrats, although losing three seats, still are by the largest party with 112 members.

#### UNITED KINGDOM

**Union Membership:** About 85% (7,937,000) of organized labor in the United Kingdom is affiliated with the British Trade Union Congress. Since the British withdrawal from the World Federation of Trade Unions, the British TUC has strongly urged its affiliated bodies to combat Communist Party influence. The last TUC Congress (1949) showed the Communist party strength to be at a very low ebb.

**Political Alignment:** Last election, February 1950. The Communist Party lost both of its seats, leaving it without any parliamentary representation. The Labor Party, with 315 seats, retained control but with a greatly reduced majority. The Liberal Party was virtually wiped out as a political force.

## DISCUSSION NOTES

Elections in Europe the past several years have shown several trends:

1. The Communists have lost support in virtually all cases.
2. Chief gains have been made by the center and right wing parties rather than the labor and Socialist ones.
3. There has been a trend toward the two party system in several of the European countries.

\* \* \* \*



## DISCUSSION NOTES