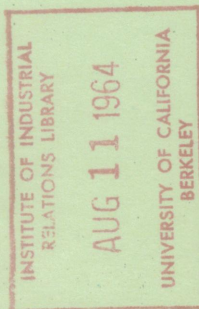


## ***Serving with the NAM***

# **Employee Health and Benefits Committee**

The pre-eminent spokesman for manufacturers in all industries of all types and sizes on major issues and proposals with respect to both governmental and private employee welfare and retirement security programs and on matters of industrial health and safety.



- Working to assure that social legislation at the national level will be sound; that proposed legislation for enactment at the national level is, in fact, the most appropriate way of dealing with the given problem; and that such legislation will not contain the seeds of economic disaster.
- Protecting industry from unnecessary, costly, and harassing federal controls and regulations over its private employee pension and welfare plans and health and safety programs.
- Keeping the public informed as to the significance and progress of private employee welfare programs as well as with respect to the hazards inherent in unwise legislative proposals, social or otherwise, which would undermine the stability of our economy and, thus, the security of us all.



National Association of Manufacturers  
2 East 48th St., New York 17, N. Y.

1960?

# **The Only One Of Its Kind**

NAM's Employee Health and Benefits Committee, one of the 13 standing Policy Committees of the Association, is the only policy-making and planning group representing all manufacturing industries in this field.

Essentially, its job is to bring together executives and officers having responsibilities in the field of employee welfare from leading companies of all sizes in order to crystallize their opinions on a wide variety of public and private issues; to develop sound policies reflecting these opinions; and to take action to implement the policies.

Broadly speaking, the work of the Committee, supplemented by all facilities of the NAM, is directed toward persuading the public and legislative bodies that it is vital for the security and welfare of our people that all social legislation be soundly conceived and appropriate to the problem it seeks to solve — that it will not imperil the economy nor inhibit the individual's sense of responsibility for the avoidance of dependency at any adult age.

Another major goal of the Committee is the promotion and stimulation of industrial health and safety programs, and the protection of state and private programs against intrusion by the federal government.

## **Benefits of Membership To You — Your Company**

Company membership on the NAM Employee Health and Benefits Committee offers a variety of advantages to member companies.

Serving on the Committee are men who have broad executive and policy-making responsibilities in their companies as well as men whose professional and policy-making responsibilities are concentrated in the field of employee benefit plans. Thus, membership on the Committee will carry with it the great advantage of participating in discussions with some of the most competent professionals in the country on current problems, trends, techniques and proposed legislation. You will also have the advantage of exchanging viewpoints and experiences with major top-executives as to the broad implications of these matters — their economic and employee-relations impact on individual companies and industries. Membership on this Committee is a broadening experience.

More specifically, your membership on the Employee Health and Benefits Committee —

- Insures your awareness of current developments on national issues which may have direct effect on your company policies and operations.
- Helps your executive, legal, and industrial relations officers analyze the impact of regulatory and other proposals upon your company; and shares with them the experiences of other firms.
- Puts your company in touch with the thinking of other leading companies in the field of social legislation and employee welfare plans.
- Offers you a platform from which the basic policies and philosophy of your company can be presented to and discussed with outstanding men in the field.
- Provides a channel through which your own company's views may be carried directly to the public, to appropriate federal agencies, and to Committees of the Congress.

## ***How the Employee Health and Benefits Committee works for***

- **Your Company**
- **Your Industry**
- **The American People**

One of the significant social phenomena of the Twentieth Century was the shift in the people's attitude away from the traditional sense of responsibility the individual had for his own economic security. This shift had, as one result, the adoption of the Social Security program.

This action reflects a basic change in our society. Responsibility for the care of the aged, the disabled, and the dependent, has tended away from individuals, families, and local institutions toward state governments and, increasingly, to the federal government.

In a quarter of a century, this program, starting from a relatively modest base of providing a floor of retirement security for a limited segment of the population, a limited federal-state system of unemployment compensation, and federal grants-in-aid for public assistance programs, is now a complex system of public protection or benefits against the effects of retirement, destitute old-age, unemployment, disability, sickness in old age, blindness, dependency, and the death of the wage-earner. OASDI now covers nearly all wage-earners; most of the self-employed; and the dependents of both groups. Public assistance programs, financed by federal, state, and local funds provides old-age assistance including medical care, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. General assistance programs, financed solely by state and local funds, provides aid to people not covered by the above four programs or supplements these programs.

In addition to the sociological effects, account must be taken of the economic impact of the system. Current costs are enormous. Anticipated costs are staggering. Under the Social Security Act alone, it is estimated that some \$11 billion will be paid in benefits in 1960. This sum is more than 300 times greater than the payments of about \$35 million in 1940. Projections of these costs into the future indicate payments in the year 2000 ranging from 25 to 31 billions with the trend sharply upward.

This tremendous expansion and its current and future effects on our economy raises vital questions and major policy decisions which are of prime importance to all of us — both as businessmen and citizens. The areas of immediate concern are these: First, the pattern that has developed in the past ten years whereby each Congressional election year brings some further liberalization of the program and, thus, places an additional mortgage on the future and a further burden on the generations to come. Second, the significant effect that this expanding public program has upon private employer plans and the

ability of the individual to save and provide for his own security.

Against this background, the Committee develops policy and implements it in the following ways:

- 1.** National legislation in this field and the administration of these laws is a continuing and major interest of the Committee. It recommends policy designed to assure that social legislation, at the national level, will be sound and appropriate to the given problem and will not be disruptive of our society or economy nor of people's initiative and ability to build economic security through private means.
- 2.** To implement these basic principles and objectives, the Committee calls on all the facilities of the Association. It speaks for industry before the Congress — either by using Committee members as witnesses or by presenting written statements with respect to pending legislation. It advances, also, towards its objectives through liaison with other opinion-molding groups such as trade, employer, and business associations and professional groups. It deals with appropriate federal agencies, when necessary.
- 3.** The Committee contributes to public understanding of the hazards of unwise social legislation through a variety of means, including the preparation of reports and news releases which appear in the public press and various other media. It contributes also to public understanding and appreciation of the significance and role of voluntary private employee welfare plans in building individual's economic security and in strengthening the economy. It also stresses that the only sound approach to the various social problems of our day is through private and voluntary means and, if governmental action is required, that it should be taken at the governmental level nearest the problem.
- 4.** The Committee is also a source of information to administrators of employee welfare plans. It calls their attention to trends and new developments in the field as well as to the activities of government agencies which may affect the administration of these plans through such means as meetings, seminars, and the preparation of research reports. It serves industry, also, in this field by acting as a watchdog on the governmental activities and pending legislation.
- 5.** The Committee also stimulates industrial programs in the field of occupational safety and health. In this area, it also advocates the real need for voluntary action and resists governmental intrusion into these areas.

## ***The Specifics...***

# **Effective Action On Current Issues**

The drive toward the welfare state presents the Committee with a continuing series of problems and assignments. For more than 20 years, there has been a continuing and constant pressure toward the liberalization and enlargement of the scope of the Social Security program and to centralize control of all state social welfare programs in the hands of the federal government.

*Social Security* — Through the years since the enactment of the Social Security Act, the NAM has pressed for a realistic and objective approach whenever further liberalization of the Social Security program is proposed. The changes made to date have been the result of a pragmatic political approach rather than a reasoned approach based upon full knowledge of the effects and implications of the changes and a careful study, from various viewpoints, of the problems involved. It has been repeatedly pointed out that before drastic changes are made, their broad social and economic impact should be carefully studied since the soundness of the Social Security system depends (1) upon the willingness of the future work force to pay ever-increasing social security taxes; (2) the extent of other demands on the patently limited tax sources and (3) the effects on the economy of the impairment of individuals' ability to save and the discouragement of personal saving by making high benefits available. The NAM has consistently opposed these unwise liberalizations by statements to the Congress and by alerting the public to the hazards of such continued changes.

*Unemployment Compensation* — The pressure to impose federal minimum standards for the level of unemployment compensation benefits, for their duration and for other factors has been successfully resisted over the years. However, there is no doubt that pressure will continue to be exerted to change the original concept of the Unemployment Compensation system. The purpose of the system is to provide partial replacement of wage losses which result from temporary, involuntary, job-connected unemployment. The concept that the system should become an economic stabilizer is being urged by many groups. Obviously, such a reorientation would require drastic changes which would result ultimately in the abandonment of the now-existing incentives for the employee to seek work and for the employer to stabilize employment. Inevitably, experience-rating would be discarded in favor of a flat tax.

*Workmen's Compensation* — The Workmen's Compensation system is another prime target of the federalizers. The State systems are berated for having low benefit levels, high costs, and inadequate administration. There have been few serious direct attacks on the system for the past few years; rather, current attempts are for a foot-in-door federal Workmen's Compensation system in the nuclear field. This has been opposed successfully as have all attempts to federalize the State systems.

*Industrial Safety* — Despite the fact that industry's safety programs have been outstanding as shown by the constant long-term decline in injury-frequency rates, constant efforts are being made to funnel federal funds into the states for the purpose of regulating and controlling industry's safety activities. The NAM has appeared many times before Congressional Committees to point out the fallacies inherent in these proposals.

*Welfare And Pension Plans Disclosure Act* — The enactment of the Welfare and Pension Plans Disclosure Act, which requires employers to report certain data with respect to their employee pension and benefit plans, represents an initial federal intrusion into the private employee benefit plan field. The NAM was a leader in the fight against this bill which averted the imposition of drastic controls. Further, the NAM was instrumental in drawing together representatives of various segments of industry to review the reporting forms proposed by the Labor Department. As a result of these efforts, the reporting forms are far less onerous and costly to complete than they otherwise would be. As in other areas of the social legislation field, it is probable that attempts will be made to impose further obligations on employers; grant regulatory powers to the federal agency involved and to impose criminal penalties.

*White House Conference On Aging* — When Congress authorized the White House Conference on Aging, it directed that recommendations be made for a positive course of action for dealing with the problem of aging. In preparation for the White House Conference, a series of State and local conferences were held and their findings and recommendations transmitted to the White House Conference. Early in 1960, the NAM began a campaign to assure that there would be adequate management representation at the local and State conferences. A comprehensive study of the problem of providing medical care for the aged was prepared for this purpose. It was felt that only in this way would the business viewpoint be considered and reflected in the findings and recommendations. The NAM also appointed delegates to the White House Conference.

## ***In Turn...***

Your company's participation in Committee activities will strengthen the hand of business and industry on the national scene. The advice and counsel of your executives, and their practical experience, are continuously needed by others, and by the Association staff, to insure that sound policies are formulated.

A single company normally has little chance of exerting influence on national issues, but the National Association of Manufacturers, representing more than 20,000 employers, and having the benefit of interchange of ideas from many members, can be more effective in promoting sound and practical solutions.

The support you give your own industry and American manufacturers as a whole may be a deciding factor in critical situations. Businessmen working together are more effective than they may realize. Your personal leadership at the community or company level, and your firm's participation in these programs and activities, become valuable aids in gaining public acceptance of the policies you help to frame.

### ***When Does the Committee Meet?***

Meetings of the full Committee are generally held twice a year in New York. Subcommittees meet more frequently to study current problems, frame initial statements of policy, and help the staff plan continuing programs.

### ***How Are Policies Made?***

Policies normally are initially developed within a Subcommittee and submitted for consideration to, and full debate by, the Committee. Upon adoption by majority vote, the policies are submitted directly to the NAM Board of Directors for final approval. Policies are presented to the Board, with supporting background, by the Committee Chairman, who is always a member of the Board. For adoption by the Board, a two-thirds majority vote is necessary. After adoption, the positions become official policy of the Association and are implemented in every appropriate way.

### ***Who May Serve?***

Each member company is entitled to one official member and, hence, to one vote. Proxies for members are permitted and other executives are welcome as guests at Committee meetings.

# NAM EMPLOYEE HEALTH AND BENEFITS COMMITTEE

## Past Chairmen

- 1957-58.....GEORGE T. FONDA, *Vice President*  
Weirton Steel Company  
1954-55-56 .....WILLIAM G. CAPLES, *Vice President*  
Inland Steel Company  
1952-53.....HAROLD C. MCCLELLAN, *President*  
Old Colony Paint & Chemical Co.  
1950-51.....IRA MOSHER, *Director*  
Russell Harrington Cutlery Company

## Current Officers

### Chairman:

ROBERT D. LOVE, *Vice President & General Manager*  
Love Box Company, Inc.

### Vice Chairmen:

LUCAS S. MIEL, *President*  
Commercial Steel Treating Corporation  
MARVIN M. SCHMIDT, *Vice President*  
Deere Manufacturing Co.

## Subcommittees

### Employee Benefit Plans Subcommittee—

WILLIAM H. HADLEY, *Chairman*  
Standard Oil Company (N. J.)

### Safety Subcommittee—WESLEY M. GRAFF, *Chairman*

United States Rubber Company

### Task Force on Safety Activities—

CHARLES R. HAGAN, *Chairman*  
Oxford Paper Company

### Task Force on Workmen's Compensation—

A. P. LOMBARD, JR., *Chairman*  
The Bullard Company

### Unemployment Compensation Subcommittee—

MARVIN M. SCHMIDT, *Chairman*  
Deere Manufacturing Co.

## Current Papers and Publications

MEDICAL CARE FOR THE AGED  
INDUSTRY LOOKS AT THE WELFARE AND  
PENSION PLANS DISCLOSURE ACT  
RETIREMENT SECURITY IN A FREE SOCIETY  
UNEMPLOYMENT COMPENSATION  
IN A FREE ECONOMY

"The Voice of NAM" Presents:  
ON THE JOB —THE SAFEST PLACE

"The Voice of NAM" Presents:  
JOB OUTLOOK FOR OLDER WORKERS

Various Statements to Congressional Committees

### *If Your Company Is Not Now a Member of the NAM Employee Health and Benefits Committee*

Representation on the NAM Employee Health and Benefits Committee is open to all member companies. Senior officers are invited to respond to annual questionnaires or to write at any time through the year to the NAM Headquarters or their nearest Regional Office. Membership is limited to one executive per company, although others are invited to all meetings as proxies or guests.