

WHY DOES THE COSTLY STEEL STRIKE CONTINUE?

The costly and unnecessary steel strike is now in its fourth week. The country at large is beginning to feel its disastrous effects. Employees and employers have already suffered serious financial losses. The situation will grow worse if the strike continues.

This strike was ordered by Philip Murray, President of the United Steelworkers of America (CIO). He and his Union must accept full responsibility for the strike and its damaging consequences. United States Steel did not want a strike and tried hard to prevent it.

More than three weeks have elapsed, and no proposal of any kind has been made to us by the Union for a settlement of the strike. On the contrary, the Union stubbornly adheres to its original ultimatum that we must agree in advance to pay the entire cost of insurance and pensions for our employees. That is the only issue. Unconditional surrender by us to this ultimatum is the price which the Union demands to call off its strike.

In an endeavor to negotiate with the Union a sound and fair program of in-

surance and pensions, United States Steel offered to pay up to 10c an hour per employee (more than \$50,000,000 a year) toward the cost of insurance and pension benefits, the employees to make some additional contribution. This 10c was the amount which the Presidential Fact-Finding Board recommended we should pay. Our offer was flatly refused by the Union. It insists that we must pay the entire cost of such insurance and pensions.

The insurance program proposed by United States Steel would provide greater welfare benefits for our employees at less cost than our average employee is today paying under existing insurance and welfare plans. Therefore, our proposed insurance program will not reduce his take-home pay.

We have had long experience with an employee-pay-nothing (non-contributory) pension plan. We found it necessary to adopt a contributory pension plan ten years ago. More than 60,000 of our employees today participate in this contributory plan.

Contributory Social Security Has These Advantages:

1. Larger insurance benefits and pensions are provided

When the employee and the company both contribute, the larger contributions permit better social security benefits.

2. A contributory plan is safer

Company pay-all plans are uncertain. There may some day be no money or no company. Employees suffer, if the plan fails.

Furthermore, the contributing employee has a direct interest in the success of the plan. He will then strive to keep the plan financially sound and within proper bounds.

3. Contributory plans provide savings for employees

The employees' contributions go into a fund, along with the company's contribution. In effect, it is a savings account for the employee's own welfare. Under the usual contributory pension plan, if the employee dies before retirement, his family gets his pension contributions with interest. If he quits, he gets them back, with interest.

Under a contributory plan, an employee always has something saved up for his protection. Putting aside savings is not a wage reduction.

4. Today's work provides tomorrow's welfare benefits

Under a contributory plan both the company and the employee lay aside something for the employee's future welfare and security. It is not the American way to ask for hand-out or something for nothing.

5. A contributory plan is a voluntary plan

A contributory plan ordinarily gives the employee a choice. He can take it, or leave it. The inducement to join the contributory plan is two-fold. The employee is paying some of his own money for his protection and for his old age, and, if he is willing to do that, the company will more than match all he puts up in order to give him greater benefits.

Many People Know . . .

- That Federal Social Security is contributory.
- That the U. S. Government and most States have contributory pension plans.
- That many cities (including New York City) have contributory pension plans.
- That railroad pensions are contributory.
- That the majority of plans in American business are contributory.

But Few People Realize . . .

- That many of our employees tell us in letters that they want to contribute to a sound insurance and pension plan.

- That Philip Murray approved contributions by employees when he advised the Ways and Means Committee of the House of Representatives in Washington on April 12, 1949:

"As to financing, our members have been willing to pay their due share of the cost of social insurance."

- That the House Ways and Means Committee in August, 1949, reported to Congress:

"The time has come to reaffirm the basic principle that a contributory system of social insurance in which workers share directly in meeting the cost of the protection afforded is the most satisfactory way of preventing dependency."

- That our employees have already lost more pay in this strike than their contributions toward a contributory insurance and pension fund would total in a whole year.

- That this is not a popular strike with many of our employees.

- That the real explanation of the steel strike is rivalry between labor union leaders — a desire by one labor union monopolist to outdo another.

Union politics are not a just or sufficient cause for the present steel strike — costly to the public, the employees, and the steel companies alike.

OUR POSITION: *United States Steel favors a proper and financially sound program of insurance and pensions for its employees. We welcome an opportunity to negotiate a program of this character with the Union. As evidence of our sincerity, we have made an offer to the Union to pay more than \$50,000,000 a year as our share of the cost.*

UNITED STATES STEEL