

GMC-UAW Dispute Matter Of National Policy, Not Wages

The following article, briefed from a much longer statement, has a bearing on the strike in the automotive industry, particularly in re-union's demands. It is part of a statement made by Walter Gordon Merritt, attorney, in behalf of General Motors before the fact-finding board:

On Dec. 21 your fact finding board issued a statement to the parties as to the rules and policies which

would govern the Board in finding facts and making recommendations, and declared that "ability to pay will be regarded as one of the factors relevant to the issue of an increase in wages."

The corporation appears here today for the purpose of publicly stating its position, and the reasons for its position in respect to this issue of ability to pay. Under the special circumstances of this case, the corporation feels that it should not participate in these fact finding proceedings, so long as ability to pay is to be treated as a subject of investigation fact finding and recommendations.

The union has made all too clear the nature of its objectives in making prices and ability to pay its prime issue. The corporation cannot now approach that question as a mere academic or economic theory but with due regard to the radical ideology which the union has expounded in support of its argument on this issue of the case and which it seeks to apply in practice.

As the stand now taken by the corporation is important not only to those here present but also to an important part of the American public, I am asking your indulgence while I give some of the important reasons which support its conclusion.

1. The Company does not and will not plead inability to pay as a reason for rejecting any wage recommendation based on the customary tests applied to determine what is a fair and equitable wage. Or to put it in other words, the Company will not put in issue any question of ability to pay a level of wages which is determined without regard to prices, profits or ability to pay. Ability to pay or inability to pay is a defense which employers have often advanced to keep down wage increases and a defense which Unions have consistently opposed as not a proper factor for consideration. It is a defense which the War Labor Board in World War I and the War Labor Board in World War II regarded

with disfavor. In this case, since there is no such defense, we believe that ability to pay should not be considered.

2. The question of profits and prices for the future which are the factors by which the Union proposes to measure ability to pay, involve forecasts, assumptions, consumer demand both foreign and domestic, and uncertain variables as to material and labor costs, upon which this Fact-Finding Board could not competently pass. It involves judgment by those familiar with the business, and that judgment is in the minds of men and not in books and documents. Fact and figures as to wage rates and earnings, facts and figures as to probably take home pay, facts and figures which deal with the question as to whether wage increase have kept pace with the increase in cost of living, facts and figures showing at least equal pay for equal work in this industry and in the areas in which the Corporation operates—all this and equally pertinent information will be made available if we are assured that the scope of the board's investigation will be so limited. But the corporation is not willing to proceed further if this board of short duration is to undertake the impossible task of calculating future costs and profits and the effect of the expenditure of hundreds of millions of dollars for expansion.

3. The question of prices and profits which is involved in the union demand that no applications be made for price relief, must rest alone with OPA.

4. Since it has been ruled the information as to prices, profits and ability to pay must be confidential we submit that any investigation in the field would lead to the indefensible result that neither part would be made aware of the evidence and calculations upon which the board predicated its findings—a result not likely to promote confidence in the minds of the parties.

But beyond all of these and other detailed considerations it is we for the board to remember that this issue as expanded by the Union reflects, not a mere issue of wages, but between the corporation and the union but a broad attack on American industry and free enterprise. The corporation must deal with this fundamental issue as it is portrayed by the union and not as an abstraction. On this point we turn to a short review of the official record.

People wonder why an agreement has not been reached between General Motors Corporation and the United Automobile Workers. Why the disagreement cannot be settled by fact-finding, conciliation or arbitration.

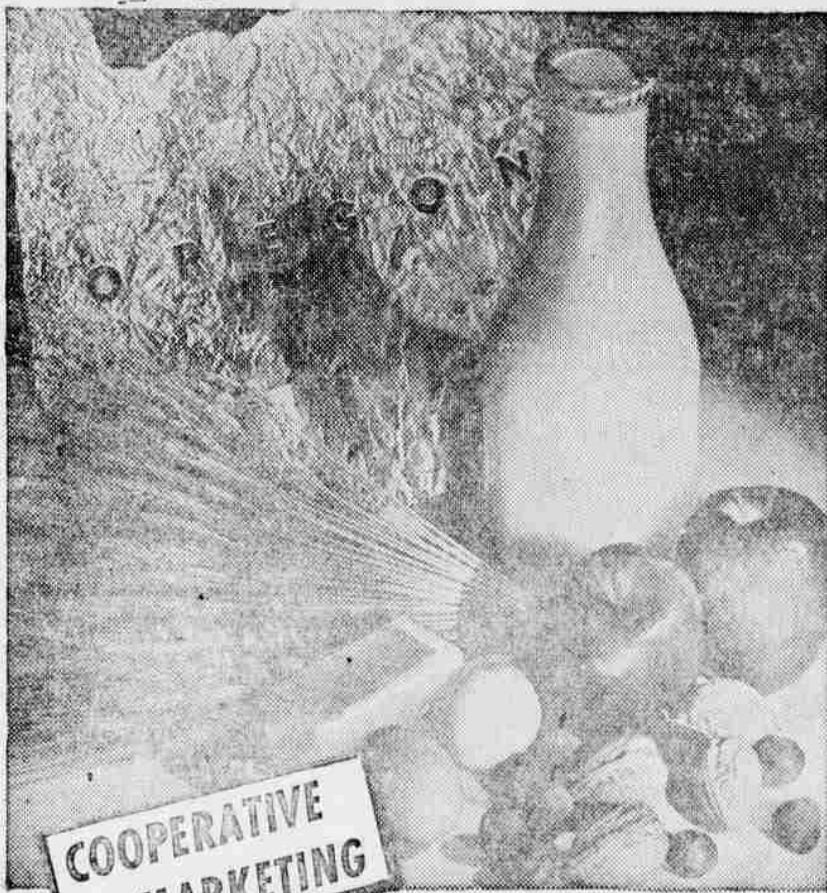
The answer is clear. The issue is not one of arithmetic or facts. There is nothing in the books of the corporation to settle it. It is an issue of national policy.

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