

Labor Unions Said Big Business Paying High Salaries With Large Investments

Editor's note: Big unions are big business too. The labor reporter of the U.P. Washington bureau tells how big in the following dispatch.

By MAUREEN GOTHLIN
United Press Correspondent
Washington—(U.P.)—How big a business is the labor-union business?

Big enough for a number of unions to have millions of dollars invested in government-backed mortgages;

For many to build expensive headquarters buildings;

For some to invest in multimillion dollar housing projects and office buildings;

For a few to invest in stocks and bonds;

Several unions own or control banks or insurance companies, a couple have even lent money to businesses, and one is engaged in an outright business venture with employers.

Big Salaries Paid
It's big enough for unions with memberships ranging from 100,000 to one million to pay their presidents salaries ranging generally from \$20,000 to \$50,

000 a year plus expense accounts, and for union leaders to hold business meetings at the most expensive resort hotels. It is well-known that a number of these leaders of workers ride in chauffeured limousines and some maintain several homes.

There is no accurate figure on the net worth that has been built up by the roughly 200 national and international labor unions from dues averaging around \$3 a month from 18 million members.

The total financial worth has been estimated at somewhere around \$700 million, with an annual income of perhaps half a billion dollars split roughly 50-50 between national and local treasuries.

Pension, Welfare Funds
Several billion dollars, perhaps, could be added to this to represent reserves of pension and welfare funds which some unions, alone or jointly with employers, administer.

The money accumulated in all health and welfare funds and

pension trusts is estimated at more than \$30 billion with an annual income of several billion. But employers control the administration of funds for about 90 per cent of covered workers.

The nation's largest unions are the 1,250,000 member United Steelworkers with almost \$22 million in national treasury assets; the 1,385,000 member United Auto Workers with almost \$35 million; the 1,500,000 member Teamsters union with more than \$39 million, and the 900,000 member Machinists union with \$17 million.

Miners Probably Richest

Probably the richest union is John L. Lewis' 400,000 member United Mine Workers with between \$40 and \$50 million in assets, plus \$130 million in welfare and pension fund reserves jointly administered by union and employer representatives.

The Steelworkers, Auto Workers and Machinists, like most unions, own large and imposing headquarters but keep most or all of their money in cash and government bonds for use in paying strike benefits, legal fees and other emergency costs. The steel and auto workers

have around 1,000 employees on their national union payrolls.

Strikes generally are financed by local treasuries. But the Auto Workers, for instance, paid out more than \$9 million in strike costs last year to aid locals, even without a big strike in the auto industry. This expense reduced its national treasury reserves by \$4.7 million.

Teamsters Shift Holdings

Under Dave Beck, the Teamsters union has been shifting its holdings from government bonds to higher-paying government-backed mortgages and loans to business. The union has \$31.8 million in securities, of which at least half is in mortgages and one fourth in government bonds.

The mine workers union today controls the second largest bank in Washington. It has one-third interest in American Coal Shipping, Inc., a coal export enterprise capitalized at \$50 million and launched jointly last year by the union, a number of coal producers and several coal-carrying railroads. The company has had labor troubles since it started because the UMW also is signed to represent licensed deck personnel on its ships. Maritime unions have objected, with pickets.

Paid for Beck's Home

McDonald, Beck and Lewis each receive \$50,000 a year in salaries, and enjoy chauffeured limousines provided by their unions. In addition, Beck's union has paid for his \$162,000 Seattle home, and underwrites all travel expenses for him, his wife and whatever secretarial help he wants to take along.

AFL-CIO Vice President Walter P. Reuther is a personally modest man with union money. Reuther, head of the United Auto Workers union, gets \$18,000 a year and has overruled proposals to put him in a higher bracket.

'Commandments' Said Worst Film

Cambridge, Mass.—(U.P.)—The Lampoon, Harvard university's humor magazine, today named its "Movie Worst of 1956." It tagged "The Ten Commandments" as the worst Hollywood motion picture of the year.

Gregory Peck was dubbed "Worst Actor of the Year" for his performance as Captain Ahab in "Moby Dick," while Jennifer Jones won the dubious distinction of being "Worst Actress of the Year" for her part in "The Man in the Gray Flannel Suit."

Bosomy Anita Ekberg was awarded a special "Emill Boscoe Award" by "Lampy," the magazine's imaginary donor of "Worst."

Miss Ekberg was named for having "breasted the tide of criticism in regard for her triumphant inability to act by spreading herself, in film after film, over the cinemascope screen like a great fleshy smorgasbord, proving once and for all that delicacy can be as un-Swedish as it is un-American."

Rock 'n' roll singer Elvis Presley was named "Worst Supporting Actor of the Year" for his role in "Love Me Tender," while Anne Baxter got the "Worst Supporting Actress" award for her portrayal in "The Ten Commandments."

International Suez Control Urged

Chicago—(U.P.)—Rep. James Roosevelt (D-Calif.) suggested Sunday night that the United States make an experimental offer to place the Panama canal under international control.

Roosevelt told an Israeli bond dinner group that "at any rate, the time has come to insist on the internationalization of the Suez canal."

The Panama canal should be included in the process, if need be, to prove this country's good faith in international affairs and to lend weight to America's proposal at Potsdam in 1945 that all strategic waterways be placed under international operation, he said.

Roosevelt also proposed that the United Nations set up a Middle East authority to distribute social and economic aid to the nations in that area.

He said the United Nations should appoint "countries that have no economic interests in the Middle East" to operate the authority under direction of the world organization.

Douglas Fir Millmen Plan Annual Sessions

Portland—(U.P.)—Some 250 Douglas fir millmen are expected to attend the 46th annual sessions of the West Coast Lumbermen's association which will be here March 27 and 28.

How to sell more West Coast lumber will be the main theme of the two-day business sessions, according to H. V. Simpson, executive vice president.

Adenauer Asks Reds To Free East Germany

Bonn, Germany—(U.P.)—Soviet Premier Nikolai A. Bulganin told West German Chancellor Konrad Adenauer in a note disclosed Saturday that the only way to reunite Germany is by direct negotiation with the East German Communists. Adenauer promptly rejected the idea.

Bulganin ignored Adenauer's appeal to "set free" the 17 million Germans in the Eastern zone of the divided country.

In his first brief comment, released by the Federal Press office, Adenauer confirmed that there would be early talks as Bulganin proposed on cultural exchanges.

Monday, March 25, 1957

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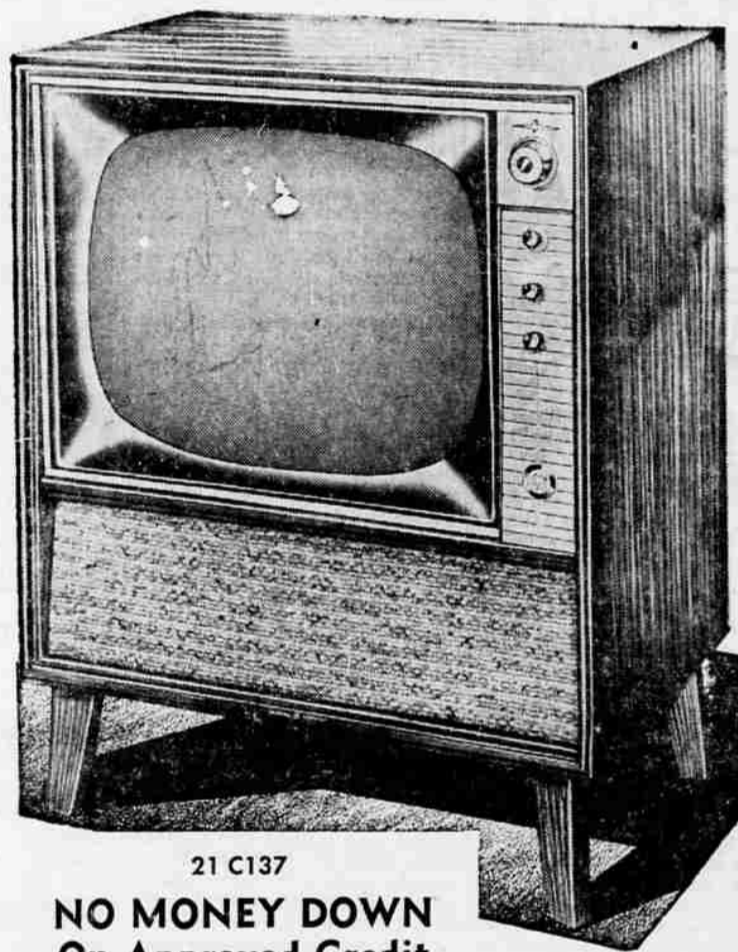
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