

on making up the ground lost in direct wages. Pensions at this time, a contemporary account reports—

occupied only a secondary role in bargaining strategy as the disappearance of wage controls left unions free to concentrate on direct wage increases postponed during the war years. This demphasis, however, was reversed by the success of the United Mine Workers in securing a pension plan from mine operators.³⁹

V.

The pension issue in the steel industry negotiations arose in connection with a 1949 wage reopening provision in a contract due to expire in 1950. In support of its pension position, as steelworkers president, Philip Murray, said at the time, "the union presented to the companies a carefully documented legal brief prepared by the union's general counsel and an exhaustive actuarial analysis prepared by Mr. Murray Latimer, an outstanding expert in the pension and social insurance field."⁴⁰ The union demanded:

- (1) \$125 monthly pension to "any employee retiring at or after 65."
- (2) Retirement "wholly voluntary and free of any element of compulsion."
- (3) Disability pension after 10 years of service at \$150 per month, reduced to \$125 after eligibility for social security benefits.
- (4) Joint administration.
- (5) As part of the insurance program a paidup death benefit policy of \$1,250 at retirement.⁴¹

The union relying on the *Inland* decision argued that pensions were wages, and, therefore, negotiable.

Except for Inland Steel the companies took the position that pensions were not bargainable under the 1949 reopening clause because pensions were not wage rates within the meaning of the applicable contract provision, and that in any case in 1948 the union had waived the right to bargain on pensions until 1950. On the merits of the pension demand the union pointed to the inadequacy of the old-age social security benefit and the company's obligation to pay all the costs "as a cost of doing business comparable to the cost of maintaining and replacing machinery." The company favored joint contribution "because it preserves the individual right to spend or save as he sees fit" and because it is "in accordance with the sound and traditional American principle of self help."⁴²

To hold off a nationwide steel strike President Truman appointed a factfinding board to make recommendations. The board found that even though pensions were not negotiable under the contract until its expiration in 1950, there was an immediate obligation under the Taft-Hartley Act, contract or no. The board accepted the union's human

³⁹ William R. Perlik, "Employee Pensions in Collective Bargaining," *Yale Law Journal*, March 1950, pp. 686-687 and footnote 36. See also Arnold Strasser, "The Changing Structure of Compensation," *Monthly Labor Review*, U.S. Department of Labor, Bureau of Labor Statistics, September 1966, p. 954; Deering, *Industrial Pensions*, *op. cit.*, pp. 41-42.

⁴⁰ Philip Murray, *The Steelworkers Case for Wages, Pensions, and Social Insurance* (Pittsburgh: The Union, 1949), p. 5.

⁴¹ *Ibid.*, pp. 27-28.

⁴² Benjamin Selekman, Sylvia K. Selekman, and Stephen Fuller, *Problems in Labor Relations* (New York: McGraw-Hill, 1958), p. 480.