

industry: "loss of vacation money because of change of job and failure to pay when an employer was out of business."⁶⁴ Very rapidly welfare funds became an established demand in the needle trades. The first explicitly earmarked retirement fund was negotiated by the ILG Cloak Joint Board in 1944.

These early developments were for the most part localized in the "needle trades." John L. Lewis was the first to *dramatize* the industry-wide multiemployer pooled fund. The sources of Lewis' ideas on the union welfare interest are not certain but the experience of the needle trades unions was well known to him and he used it to justify his demand for the unilateral administration of the fund by the union. But this demand, as we know, had to be compromised because of Krug's insistence on joint administration as a condition of agreement. The issue was subsequently resolved by section 302 of the Taft-Hartley Act, spurred largely as a reaction to Lewis' demand for sole control. Section 302 prohibits sole union administration of a welfare fund to which an employer contributes, requires the establishment of a trust for these contributions and prescribes the benefits for which contributions to, and disbursements from, the fund can be made; pensions is one of the approved benefits.⁶⁵

Nineteen hundred and fifty-four is perhaps as good a date as any to mark the main spurt of multiemployer pensions. Nineteen hundred and fifty-four is the year for example when benefits were apparently important enough in the building trades to warrant collection of information by the Bureau of Labor Statistics.⁶⁶ Hoffa negotiated his first pension plan for the Teamsters in 1955. In 1950, when 3.4 million workers were covered by pension plans under collective agreements in manufacturing, in construction, coverage was so small that it was reported categorically as under 50,000 employees.

The lag in pension bargaining was most marked for but not limited to the craft unions who had at first favored the incorporation of the wage equivalent in direct wages. The Wage Adjustment Board, the special wartime agency for settling disputes in the construction industry, had only one collective bargaining case involving pensions come before it which it decided on the principle "that wage rates established for various classifications of laborers and mechanics engaged in building and construction should provide full compensation for all work performed by such workmen."⁶⁷

The craft unions had always had a stronger tradition of mutual aid and at first branded company involvement in welfare as antiunion and paternalistic. The ITU viewpoint was that "our members feel that we are the ones who can best take care of our own."⁶⁸ The Machinists were concerned lest "the possible loss of accumulated pension benefits soften the stamina of employees covered by such plans when they should stand firm during the efforts of their union to secure justifiable

⁶⁴ Adolph Held, "Health and Welfare Funds in the Needle Trades," *Industrial and Labor Relations Review*, January 1948, p. 3.

⁶⁵ U.S. Congress, House of Representatives, Committee on Education and Labor, *Employee Benefit Plans*, background material, 85th Cong., 1st sess., April 1957, p. 6 ff.; see also footnote to legislative history, p. 119.

⁶⁶ U.S. Department of Labor, Bureau of Labor Statistics, *Union Wages and Hours: Building Trades, July 1, 1961, and Trend, 1907-61*, Bulletin No. 1316, 1962, p. 5.

⁶⁷ John T. Dunlop and Arthur D. Hill, *The Wage Adjustment Board* (Cambridge: Harvard University Press, 1950), p. 80.

⁶⁸ Deering, *Industrial Pensions*, *op. cit.*, pp. 54, 113ff. See also Donna Allen, *Fringe Benefits*, New York State School of Industrial Relations, 1964, p. 67 ff.