# PENSIONS AND THE CHANGING UNIONS

[CONCLUDED FROM THE LAST ISSUE]

## WHY NOT A WAGE INCREASE?

Why did the Steel Fact-Finding Board recommend pensions instead of wage increases. The steel workers had asked for a 12½ cents an hour raise in addition to pensions and social insurance.

The Board rejected a wage increase on the grounds that such an increase in steel "would be urged as a pattern to be followed in other industries; this in turn might well cause price dislocations with adverse effects on the general economy and on the steel industry itself."* In another place: "The inauguration and operation of insurance and pensions programs will make a considerable contribution to the attainment of the economic stability so necessary at this time."

In other words, the Board felt that a wage increase might result in serious economic dislocations. This would affect the political situation. Next year, in 1950, many congressional elections will be held. The Democratic administration is depending on increasing its members in both Houses to overcome the Southern Democrats and the Republicans and pass its "Fair Deal" legislation.

It is very significant that the UAW and the Steel Workers have agreed not to negotiate on wages until January 1951, or following the congressional elections. In other words, 1950 will probably be a year free of big strikes, unless initiated as "wildcat" by the rank and file. For this same reason, and also because of the demand piling up because of the steel strike, 1950 is being predicted as a relatively "prosperous" year, all of which portends good for the Democratic administration now in power.

It would be unfair to state that the Fact-Finding Board made its considerations solely out of respect for President Truman who appointed it. No proof exists for such a charge. Perhaps it is just a happy coincidence, but the point is that the findings of the Board do assist the political fortunes of the Truman administration, and the UAW and USW settled or struck on the Board's pattern. Hence the CIO abandoned its independent demands, 30 cents in the case of the steel workers, and 45 cents in that of the auto workers (includes wages, pensions, and social insurance) in favor of not embarassing the Truman administration with strikes over wages at this time.

## THE CIO AND THE STATE

It appeared in this steel strike that the Marxist theory on the state received a severe refutation. According to this theory, the political state is used under capitalism to defend the interests of the capitalist property owners against the working class. In strikes, for example, the state through the courts obtains injunctions against strikes being called against effective picketing, and summons out the national guard, police, state troops, and even the army and navy to protect back-to-work movements and the sacred "right to work."

Yet in this entire steel strike, the state, in the person of the Truman administration "seemingly" sided with the workers against the steel corporations. In spite of pressure from the hired press, from full page ads inserted by the steel barons, and even from within his own Democratic party, President Truman maintained silence and thus, as one Washington source put it, "played the game of the union." To be sure, he would have used the Taft-Hartley injunction against the coal miners had they been out alone, but with the steel workers out at the same time, Truman could not use the injunction against one, and not the other.

The Truman administration did not wish to antagonize the CIO labor vote for 1950, and in the elections that were being held for Congress, and different governors and mayors, during the steel strike. Furthermore, the President, through government conciliators, sought to bring pressure on the steel corporations to accept the pension and social insurance formula in order to insure strike peace for 1950. In other words, this so-called "coddling of labor" by the Truman administration was not a case of the capitalist state siding with the workers.

The capitalists are certainly united in agreeing that the workers should be exploited, a profit made from them. Differences do arise among the capitalists, however, on how best to rule politically over the workers, and continue the capitalist system in existence. Also, their individual interests clash at times. These different sections of the capitalist class struggle for control of the state through their existing political parties **but whichever faction does get in it represents the capitalist class as a whole.** Happy is the day when the working class learns this simple fact.

## DIFFERENCES SHOW UP

These differences between the various sections of the capitalist class showed up during the steel strike. The Truman administration is moving in the direction of a more regulated capitalist economy, of more government control of industry, and even in government ownership where necessary. We recall, that on Jan. 5, 1949, Truman proposed that the government build and operate steel plants if the steel industry did not expand its capacity sufficiently to suit him.

On the labor front, the Administration follows the opposite side of regulation. Instead of subjecting the unions to strict laws as through the Taft-Hartley act, Truman believes that the best way to deal with labor is to have a free hand to act in an administrative manner, instead of being bound by law. In this way he can reward his friends (those who vote Democratic) and injure his enemies (those who vote anti-Democratic), and at the same time be free to make deals with labor leaders as the specific situation calls for them.

Laws such as the Taft-Hartley act would force him to apply the law to both friends and enemies, and therefore Truman wants it repealed. At the same time while professing himself a "friend of labor," the President would use the courts, with or without a Taft-Hartley Act, to issue injunctions against John L. Lewis and the coal miners, since he considers John L. one of his most severe political enemies.

Truman believes that capitalism can be made to function best by throwing out sops to the workers in the form of more social security, housing, etc. and by playing ball with the union leaders to restrain the rank and file and also deliver the vote. This policy is called "state socialism" (the term makes all good socialists shudder), "statism", or even "class rule by the unions (!)" by the opposition which is centered in the Republican Party, altho the Democratic party is far from free of it.

This opposition to Truman is of the opinion that capitalism can operate best under a system of unregulated free enterprise. Its labor policy demands strict control of labor through the Taft-Hartley Act and other such measures, because it believes capitalism can survive on its own "merits" instead of seeking the support of the union through political deals at the top and sops to the workers at the bottom.

However, with the present development of capitalism in this country, it is doubtful as to how far the Republicans can go in ignoring the "social" legislation already passed.

*U. S. NEWS AND WORLD REPORT, Sept. 23, 1949. pp. 57-63.