

STEEL UNION ON STRIKE FOR MORE INFLATION

When the leaders of the Steelworkers' Union called half a million of its members out of the steel mills last week, they began a strike for more inflation.

That is the issue . . . the real issue . . . at stake in the steel strike.

Inflation is an issue which affects the future security of every man, woman and child in America — of steelworkers themselves as they compete for jobs against the low-paid workers in steel abroad — of the steel companies and of every other industry in the country.

Inflation is an issue which may even affect the security — and the credit — of the American government itself.

Inflation is an All-American issue!

COMPANIES SOUGHT NON-INFLATIONARY PACTS

During the bargaining the Companies sought non-inflationary labor agreements. They realize that no one industry — no one union — can alone and single-handed stop inflation.

But they also know that another wage increase in steel now would set off similar increases throughout industry, as other unions strive to catch up with the steelworkers. This would force higher prices for everything you buy, even if the price of steel were held at present levels.

For this reason the steel companies recognized that they and the steel union have a compelling responsibility not to add to the deadly inflation spiral. Rising prices have already eaten away half the buying power of your dollar in less than 20 years.

The Union leaders recognized no such responsibility. They persisted to the very end in demands for inflationary increases in wages and benefits. Then, for the sixth time since World War II, they closed down the nation's steel mills.

NO ONE WILL BENEFIT

No one will benefit from a steel strike. Many hardships will result. But the greatest harm of all would come from another inflationary spiral. This would be the certain consequences of acceding to the Union's demands.

Steelworkers themselves are aware that they gain little or nothing in the end from inflationary wage increases. Their views have been revealed by scores of surveys by leading newspapers and magazines throughout the country.

UNION CLOSES ITS EARS TO FACTS

Throughout the negotiations the Union leaders have closed their ears to these salient facts:

- Steelworkers are now paid at the highest level of the world's industrial workers — their average earnings are nearly \$25 a day plus benefits of an added \$4.88 a day. This amounts to about \$7 a day more than the average of all manufacturing workers in America.

- Steelworkers' gains in recent years have outstripped those in any other industry.

- Another round of wage and benefit increases now will tend further to price steelworkers out of markets at home and abroad, as they compete with lower-paid workers.

Notwithstanding these considerations, the Union continued to press for inflationary increases.

COMPANIES MAKE PROPOSALS

The companies proposed that the present level of wages and benefits (including the current 17-cent cost-of-living accumulation) be extended for an additional year beyond June 30, 1959. They remain convinced that this offered the best way for the Union and Companies to join with their 177,000,000 fellow Americans in the fight against inflation.

But the Union leaders rejected this proposal out of hand.

In a final effort to prevent a strike, the Companies then made this offer to the Union:

"We are willing to negotiate insurance and pension benefits during the first year of a two-year agreement and a modest wage increase in the second year, if the Union will agree to contract provisions which would enable us to generate further economic progress in operations sufficient to offset the cost of such increases."

Further, the Companies assured the Union that there was no desire to limit the economic progress of steelworkers. They pointed out the wide-open opportunities for each individual employee to improve his own income through advancement on the job, promotion and incentive compensation.

COMPANIES ASK END OF WASTEFUL PRACTICES

In order to make possible the improved benefits and wage increase which the Companies indicated, these changes were sought in the former agreements:

First, that the so-called local work-practice clauses in the labor agreements be clarified so that managements in cooperation with the Union could take reasonable actions to eliminate waste and improve efficiency and thereby effect savings for the benefit of all; and

Second, that the agreements include stronger measures to discourage wildcat strikes which hurt thousands of innocent workers as well as the Companies.

Despite the obvious fairness and soundness of these proposed measures, they were rejected by the Union. It insisted on an immediate and inflationary wage increase.

In addition, the Companies proposed that the automatic cost-of-living clauses be discontinued, because experience shows that these, of themselves, tend to feed inflation. This, too, was turned down.

PROGRESS MUST BE NON-INFLATIONARY

Steelworkers have made great economic progress. We want them to make further progress. But another round of inflationary wage increases for them now would only add to the already burdensome living costs of all Americans.

We believe that, in standing firm against the forces of inflation in the great basic steel industry, we are best serving our country, our employees and our companies.

We would appreciate your views and comments on our stand. Just write to the address below.

THE STEEL COMPANIES COORDINATING COMMITTEE
375 Lexington Avenue • New York 17, New York

Allegheny Ludlum Steel Corporation • Armco Steel Corporation • Bethlehem Steel Corporation • The Colorado Fuel & Iron Corporation • Great Lakes Steel Corporation • Inland Steel Company • Jones & Laughlin Steel Corporation • Kaiser Steel Corporation • Republic Steel Corporation • United States Steel Corporation • Wheeling Steel Corporation • The Youngstown Sheet & Tube Company

