

## POLITICS & GOVERNMENT

### *Who Stunted the Welfare State?*

“Bargaining for Social Rights: Unions and the Reemergence of Welfare Capitalism, 1945–1952” by Michael K. Brown, in *Political Science Quarterly* (Winter 1997–98), Academy of Political Science, 475 Riverside Dr., Ste. 1274, New York, N.Y. 10115–1274.

America’s distinctive system of job-related social benefits has more than once tied reformers in knots—most recently as they struggled to help the 31 million working-age Americans lacking health insurance. Strangely, argues Brown, a political scientist at the University of California, Santa Cruz, it was labor unions and liberals favoring comprehensive government welfare who brought the private job-based system into being.

After World War II, labor unions, actively aided by President Harry Truman and liberal Democrats, pushed for the creation of a universal, cradle-to-grave public welfare state. Yet, Brown points out, the labor movement also proceeded to undermine this campaign by pushing hard for health insurance, pensions, and paid vacations in negotiations with private employers. Why did they do this? Some historians say it was because conservative opposition to an expanded welfare state was too strong, especially after the Republicans gained control of Congress in the 1946 elections. Brown, however, contends that the unions mainly feared for their own survival in the face of a strong anti-union drive by business.

“Organized labor emerged from the war as a formidable social force in American society,” he notes. With their ranks increased by six million since 1939, unionized workers in 1945 made up 30 percent of the nonfarm labor force. Business, however, had not yet accepted this new reality. Though some top executives urged that corporations provide social benefits to employees, most were either openly antiunion or dedicated to confining collective bargaining to wages, hours, and conditions of employment, Brown says. As a result, “the very terms of collective bargaining,” not just the size of paychecks, were

often at issue in labor negotiations and strikes between 1945 and 1950.

The fiery John L. Lewis of the United Mine Workers led the way for labor, with a successful demand in 1945–46 for a company-funded union health and welfare fund, and company pensions for miners. Confronted with the prospect of mechanization and job reductions, the union needed such benefits to hold its members. In 1947, both Philip Murray’s United Steel Workers and Walter Reuther’s United Auto Workers then put fringe benefits on the bargaining table.

In 1947, the Republicans’ Taft-Hartley Act banned the closed shop, posing a powerful threat to organized labor. No longer could union membership be made a condition of employment. But unions could cement the loyalty of the rank and file with a health and welfare fund, whose benefits “were typically tied to the firm and hence the union.” Such fringe benefits “provided the virtual equivalent of a closed shop,” Brown notes.

At congressional hearings in 1948, Brown says, businessmen such as Charles Wilson of General Motors “lobbied furiously” to have collective bargaining over health and welfare funds outlawed. But before Republicans could oblige, the National Labor Relations Board ruled in the 1948 *Inland Steel* case that private pensions were equivalent to wages and thus within the scope of collective bargaining. In 1949, when a Truman-appointed fact-finding board charged with settling a crippling national steel strike rejected the union’s wage demands, but accepted its pension and health insurance demands, the last corporate resistance shattered. But labor’s victory came at a price: loss of union locals’ enthusiasm for national reform.

### *Country Club Democrats*

“Party Hoppers” by Paul Starobin, in *National Journal* (Feb. 7, 1998), 1501 M St. N.W., Washington, D.C. 20005.

Sighting “limousine liberals” in places such as Manhattan and Los Angeles has long been easy, but now, it seems, their numbers have

multiplied in wealthy enclaves throughout the land. A *National Journal*-commissioned analysis shows that over the last five presidential elec-