STRAIGHT WIRE March 11, 1960

The Honorable Dwight D. Eisenhower
The White House
Washington, D. C.

Dear Mr. President:

The reign of terror in Montgomery, Alabama, reported to you by the Reverend Martin Luther King, is shocking, immoral and un-American and calls for your prompt and effective intervention so that Negro citizens may be protected in their constitutional rights. On behalf of the officers and members of the UAW, I join the Reverend Martin Luther King in appealing to you to instruct the Attorney General to take immediate action in your name to restore law and order in Montgomery, Alabama.

The struggle of our Negro citizens for equality and dignity under law has focused the eyes of the world upon America. The image of our country -- already defaced by violent and lawless segregationist elements -- must not be permitted to suffer further damage. If American democracy is to provide inspiration, hope and leadership in the world struggle against communism, then America must first get its moral credentials in order by bridging the gap between our noble promises and our ugly practices in the field of civil rights.

I urge you in your capacity as Chief Executive of the United States, sworn to "preserve, protect and defend the Constitution of the United States," to make full use of the prestige and influence of your high office and your person to assure that the constitutional rights of all citizens are fully protected.

Walter P. Reuther, President
International Union, UAW

WPR:ol
oeiu42

MAR 21 1960

THE WHITE HOUSE
WASHINGTON

March 17, 1960

Dear Mr. Reuther:

The President asked me to acknowledge and thank you for your telegram concerning the recent demonstrations in Alabama. The President appreciated your wiring him about this matter.

In answer to questions about this subject at his press conference yesterday, the President said: "Well, it's difficult..... to give a sweeping judgment. Some are unquestionably a proper expression of a conviction of the group which is making them; others probably can be otherwise classified.

"Now, let me make one thing clear. I am deeply sympathetic with the efforts of any group to enjoy the rights, the rights of equality that they are guaranteed by the Constitution. I do not believe that violence in any form furthers that aspiration, and I deplore any violence that is exercised to prevent them -- in having and enjoying those rights. So, while I don't want to make any -- any judgment because I am not in a position to, I know about these as they come just briefly to my attention. I do not know what all of them are. I do know, though, that when, if a person is expressing such an aspiration as this in a perfectly legal way, then I don't see any reason why he should not do it...

".....I think there ought to be bi-racial conferences in every city and every community of the South, which would be much better than trying to get up here and direct every single thing from Washington. I am one of those people that believes there is too much interference in our private affairs and, you might say, personal lives already. And I would like to diminish rather than increase it....."

Sincerely yours,

David W. Kendall
Special Counsel to the President

Mr. Walter P. Reuther
President
United Auto Workers
Detroit, Michigan

STRAIGHT WIRE

March 24, 1960

The Honorable Dwight D. Eisenhower
President of the United States
The White House
Washington, D. C.

The Honorable Christian A. Herter
Secretary of State
U. S. State Department
Washington 25, D. C.

The ruthless massacre this week of unarmed Negroes by South African police compels me to supplement an earlier letter to Secretary Herter urging the institution of an official government economic boycott of the Union of South Africa as part of the world-wide protest against that government's brutal and inhuman policies toward colored people.

We in the labor movement have expressed vigorously our feeling of outrage, which we share with decent people throughout the world, at the "institutionalized brutality" written into and resulting from South Africa's racist laws.

We heartily commend our government's protest to the South African government over the atrocity perpetrated by their police, but we believe we can and should put teeth into it by taking even sterner measures.

In my letter to Secretary Herter March 9, on behalf of the UAW and the Industrial Union Department of the AFL-CIO, I urged the recall of our minister to South Africa and the leaving of our diplomatic affairs in the hands

of a minor official; suspension of the purchase of gold by the United States for a stated period of time as an expression of our disapproval of South Africa's defiance of the United Nations; suspension of the purchase of strategic materials now being stockpiled by the United States government.

We believe the denial of civil rights by the South African government and its cold-blooded murder of those who seek civil rights constitutes in spirit and in fact an act of aggression. Consequently, the Union of South Africa should be dealt with as an aggressor nation.

We urge, therefore, a complete economic quarantine that would suspend for an indefinite period all purchases, government and private -- particularly the private purchase of industrial diamonds and other precious and semi-precious stones, one of South Africa's largest exports to the United States -- in addition to suspension of gold and strategic materials purchases by the government.

Further, if the government of South Africa does not respond to this action by extending democratic rights to all of its citizens, we urge that your Administration give consideration to a suspension of diplomatic relations between our government and theirs.

Walter P. Reuther, President
INTERNATIONAL UNION, UAW

May 6, 1960

The Honorable Dwight D. Eisenhower
The White House
Washington 25, D. C.

My dear Mr. President:

I write you on behalf of the more than 100,000 retired members of the UAW, tens of thousands more who are nearing retirement age and millions of aged Americans outside the ranks of the UAW whose medical needs urgently require affirmative and meaningful action by the federal government to lift from their backs the heavy financial burden of hospital and medical care.

We have examined the Administration proposal presented to Congress Tuesday by Secretary Arthur S. Flemming. Superficially, some features of the Administration plan appear to be an advance over other proposals previously made in that the plan purports to cover persons not on the Social Security benefit rolls and to provide a wide range of health services other than hospitalization and nursing home care.

The machinery which your Administration proposes to provide these services, however, is so complicated and erects so many roadblocks that the services, in fact, will remain a mirage forever out of reach of most if not all of the aged.

In all candor, I am compelled to state that the plan presented by Secretary Flemming after so many delays and postponements may meet the political needs of the Republican Party but it will not meet the health needs of America's aged men and women. In this evaluation of the program I am not alone. I refer you to the New York Times which reported, "Privately, some Republicans said the Administration had provided political solace for the party's legislators, if nothing else."

The package is attractively wrapped in the best Madison Avenue style; but inside there are only empty promises.

If the Administration proposal were to be enacted by Congress down to the last comma, not one dollar in benefits would be paid as a result of that action. It would still be necessary for 99 state legislative bodies to agree to participate in the program and for 50 state governors to approve their action before the program would become generally available. Each year the 99 state legislative bodies and the 50 governors would have to appropriate and approve appropriations to meet their respective states' shares of the cost of the program. These costs would rise sharply from year to year above the $600 million estimated as the initial total cost for all states, as the number of the aged increased and as medical care costs continued their steep rise.

Some states apparently have constitutional barriers that would block participation in the program. Almost all states have serious financial problems. They would have difficulty in finding new sources of tax revenues to finance their shares of the cost of the program and some of them have constitutional limits on their borrowing power.

Experience clearly demonstrates that we cannot count on exhortation to the state governments to bring them into the program. May I remind you that, throughout the seven years of your Administration, you have relied on exhortation to the states rather than on direct federal action to improve the state unemployment compensation programs. Yet, after all these years, only one of the 50 states has met even the inadequate benefit and duration standards which you have repeatedly urged them to adopt.

Exhortation to the states has failed miserably in the case of unemployment compensation even though most of the state funds are able to meet significant increases in benefit costs for some time to come out of existing reserves, without the necessity for raising taxes.

How many times seven years will it take to get state legislative bodies who have refused to respond to your unemployment insurance exhortations to agree to levy new taxes to participate in your Administration's health care program for the aged?

But even if all the states, by some miracle, were persuaded to come into that program, how much health care protection would our aged citizens actually have?

The gross inadequacies of the program outlined by Secretary Flemming are laid bare by any objective evaluation.

Your Administration's proposed program for the aged would impose extra charges and heavy costs on older people who in overwhelming majority have incomes so inadequate that they cannot afford the minimum necessities to assure standards of human decency. Moreover, the proposal sets ceilings on benefits for X-rays and prescribed drugs and perhaps, when Secretary Flemming fills in the still-missing details of the proposal, ceilings will appear on other items as well.

Under the Administration proposal the average aged citizen will get nothing for the annual contribution he will be required to pay in order to participate in the program. As Secretary Flemming noted in presenting the proposal, average annual expenditures of the aged for health and medical expenses, excluding nursing home care, amounted to $177 as of 1957-1958. The average aged person would receive nothing for his $24 yearly contribution since he would be required to meet the first $250 of medical expenses each year out of his own pocket.

Most of the aged have annual incomes of less than $1000. Yet, before they received a single dollar in benefits they would have to pay an annual contribution of $24, meet the first $250 of costs out of their own meager funds, and then manage, somehow, to pay another $20 for each $100 of additional medical expenses. The majority of the aged, therefore, would have to sacrifice more than one-fourth of their annual incomes before they received a penny in benefits under the Administration program.

Consider the case of a widow over age 65 who has an annual income of $880--the median income of all women over 65 who have any money income at all--and who is confronted with a medical bill equal to half of her income or $440. Under the Administration proposal, she would pay $24 in contributions, plus the first $250 of that bill, plus 20 percent of the remainder or $38--a total of $312. She would receive in benefits only $152.

She would have left to live on for a full year the magnificent sum of $568--less than $11 a week.

Secretary Flemming, according to one report, offers such a person the consolation that "If the cost of medical care exceeded an individual's resources and was a factor in making him newly eligible for public assistance, he would pay no more of the bills."

One argument advanced by Secretary Flemming is that the deductible and co-insurance provisions "would provide a built-in incentive for judicious use of health facilities and services by requiring the individual...to share in the cost above the deductible."

With all due respect, Mr. President, may I remind you that your own personal experience is the best answer to this heartless reasoning. All your adult life you have had the good fortune to have had government-provided medical care available either free or at nominal cost. I am sure you will agree, Mr. President, that the availability of medical care on this basis has not encouraged your injudicious use of it.

Unlike the Social Security program, which preserves dignity and self-respect by providing benefits as a matter of right, your Administration's program would require every aged participant to prove either that he is indigent and receiving public assistance or that his income, including veteran's pension and Social Security benefits, is below a stated amount. This may avoid, as Secretary Flemming said, "a detailed and involved" means test. But it is, nevertheless, a means test and, as such, subjects the aged citizen in need to the indignities of public charity and robs him of the sense of dignity and worth which is so precious to our older citizens.

Your Administration's proposal would allow commercial insurance carriers to profit at the expense of the aged. Experience demonstrates that the use of private profit-seeking corporations to carry out social insurance objectives is inefficient and wasteful and would divert an inordinate proportion of the available funds away from needed benefit payments and into the coffers of the companies.

The general taxpayer, who would finance the proposal, would be required to subsidize the private insurance industry.

The diversion of funds from benefits would be further aggravated, and inefficiencies and overhead costs compounded, by the necessity to create and operate 50 separate state administrative agencies as well as a new federal bureau which would duplicate in substantial part the existing Social Security machinery.

I urge you, Mr. President, with all the emphasis at my command, to reconsider the proposal that has been submitted to the Congress in the name of your Administration and to submit a new program that will make adequate medical care accessible to aged Americans without delay on an efficient basis that respects their dignity and that does not pauperize them or require them to sacrifice the basic essentials of life in order to preserve life itself.

In this connection, I should like to direct your attention to the words of Governor Rockefeller of New York, who speaks with authority as a former under-secretary of the Department of Health, Education and Welfare in your Administration, when he points out that "We have a proven system--Old Age and Survivors Insurance--which is extremely sound and socially just." This system stands ready made to administer to the health needs of the aged.

If, however, for whatever reason, you are not prepared to use the Social Security system for this purpose, I plead with you not to permit your high office to be used to perpetrate a cruel hoax upon the aged by insisting upon a proposal that promises much but will provide little because the state action upon which it depends will not be forthcoming.

If you cannot see your way clear to making health care for the aged a part of the Social Security system, I earnestly hope you will call for direct federal action that will provide adequate health and medical protection now for the aged men and women who need it now rather than postpone action for the many years, decades or even generations that it will take to enlist the cooperation of 99 state legislative bodies and 50 governors.

The health needs of aged Americans are so compelling and so urgent as to transcend partisan politics. The leaders of both parties have an obligation to raise this question above party politics and to join together to find a sound and workable basis for meeting the needs of our older citizens adequately and without delay.

Sincerely yours,

Walter P. Reuther, President
INTERNATIONAL UNION, U A W

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special delivery

MAY 18 1960

THE WHITE HOUSE

WASHINGTON

May 16, 1960

Dear Mr. Reuther:

This is to acknowledge your letter of May sixth to the President concerning the Administration's suggestions concerning medical care for the aged. Before leaving for Paris, the President requested the Secretary of Health, Education, and Welfare to respond directly to you on this matter, and I am sure that you will be hearing shortly from Secretary Flemming.

Sincerely yours,

Robert E. Merriam

Robert E. Merriam
Deputy Assistant
to the President

1

Mr. Walter P. Reuther
President
International Union, U. A. W.
Solidarity House
8000 East Jefferson Avenue
Detroit 14, Michigan

JUN 2 1960

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WASHINGTON

MAY 31 1960

Dear Mr. Reuther:

I have been asked to reply to your letter to President Eisenhower dated May 6, 1960, which gave your comments concerning the Administration's plan for meeting the health needs of our aged citizens.

In the Administration's study of this problem, we have concluded that the most serious problem for the aged in the health area arises when the aged person of limited means is faced with long periods of illness. He is unable to obtain protection against this type of illness. The Forand approach would not provide such protection.

Moreover, our health advisers have pointed out the importance of providing health care facilities of a non-institutional nature as well as of an institutional nature. We believe that, by adding non-institutional benefits to those of an institutional nature, more persons would be able to obtain assistance than would be the case under the Forand approach which permits an aged person to qualify for benefits only by obtaining admission to a hospital, and from there to a nursing home. Under our plan, a doctor would be free to decide that a person could also be treated in the home or in his office and thereby avoid subjecting the patient to relatively high-cost institutional care when, in fact, this may not really be necessary from a cost point of view, or desirable from a health point of view.

In other words, the Administration's proposal and the Forand proposal are looking toward the achievement of different objectives. The Forand bill concentrates on first-dollar institutional costs. It would not

provide any help if the person needs non-institutional care, or if he uses up the period of entitlement contemplated in the bill. At that point, the aged individual is on his own in meeting continuing costs. Our figures show that hospital and other institutional care represent only a third of the total medical bill; hence under the Forand approach the individual would have to find the means of paying for the other two-thirds of the bill.

While it is true that the greater percentage of aged persons do not actually suffer long drawn out illnesses, we do know that the incidence of such illnesses is much higher among aged people, and no one can predict who will be so stricken and when. It is this type of illness which aged people fear most, because it may force them to liquidate their meager assets or to become a burden to their families, or both.

Our proposal pinpoints the need in yet another way. The beneficiaries of our plan are those aged persons of limited means who, by far, predominate among the elderly group. The Forand approach on the other hand leaves uncovered at least 4 million, or one out of every four persons in the aged group. These include the aged persons on public assistance and other aged persons who, for one reason or another, failed over the years to qualify for social security coverage. If faced with high medical costs, they would have to resort to public assistance or forego medical attention. At the same time, the Forand approach would make certain health benefits available to many persons on the social security rolls whose incomes are such that they really do not need governmental assistance in this area. We believe that this would constitute an unwise expenditure of payroll tax dollars which could be used more wisely elsewhere on behalf of the aged.

Also, use of the payroll tax would place the entire tax burden on earnings up to $4,800 to the exclusion of earnings above $4,800, earnings of persons not covered by social security, and earnings other than wages, such as dividends and interest. The Administration proposal, on the other hand, would place the burden on those most able to pay. It would finance the Federal portion of the Federal-State program out of general tax revenues which are drawn from nearly all earnings of persons with the greatest ability to pay.

Moreover, the Forand approach would require the wage earners of today to finance the cost of providing health care to those social security beneficiaries of eligible age now on the rolls. It can be assumed that the costs of the program will rise and that its benefits will be expanded, adding further costs which will require additional increases in the payroll tax. Thus, the Forand approach could imperit the payroll tax as a resource for improving and extending the retirement and disability objectives of the social security system. We should not forget that the schedule of tax increases already on the statute books will bring the present payroll tax to a total of 9% of payroll.

In your letter, you noted the case of a widow who has an annual income of $880 and who is confronted with a medical bill equal to one-half her income, or $440. Your analysis of the relative ineffectiveness of our proposal in dealing with this woman's problem is essentially correct because our proposal would not cover first-dollar costs. However, consider that the same woman may suffer a stroke. This requires her to be hospitalized for 30 days at a cost of $900. After this, her doctor decides that she can be treated adequately in a nursing home, but must stay there 11 months at a cost of $2,640. She has a private duty nurse on a 24-hour basis for five days. The cost of this is $300. Her doctor visits her in the hospital and later at the nursing home for a cost of $300. Lastly, she has drug costs of $100. The overall total of medical expense amounts to $4,240.

Under the Forand bill, the maximum costs that would be paid for her would be that of the 30 days hospitalization and the 120 days of nursing home care, less the 30 days in the hospital. Of the $4,240 bill, the social security fund would pay only $1,620, leaving her or her family to find $2,620.

Under the Administration proposal, if the same aged woman had paid her $24 enrollment fee, the State plan would pay $3,192 of the $4,240 bill. The patient or her family would be responsible for the first $250 of expenses and 20 percent ($798) of the remainder of the total bill. Thus, under the Administration plan, the patient would have paid a total of $1,048 for this particular illness, which would have cost her $2,620 under the Forand approach. Indeed, the woman would probably pay even less for this illness under the Administration proposal, since in all likelihood she would have had some previous medical expenses during the year which could be applied against the $250 deductible.

We recognize that our plan depends upon affirmative action by the 50 State legislatures. Admittedly, this presents difficulties. Nevertheless, this Department administers a whole range of Federal-State programs. Our experience with these programs has been that nearly all of the States came in in the first year, and all but a few were in by the second or third year. We have adopted a Federal-State approach in this matter because of our firm conviction that matters of health are a fundamental part of the responsibilities of the States, and that the proper role of the Federal Government in this matter is to assist States in the discharge of that responsibility.

Your assertion that the Administration proposal would allow commercial insurance carriers to profit at the expense of the aged, seems to me to be ill-founded. Our optional provision concerning the purchase of private insurance requires that the private insurance must be of the major medical expense type. The Federal and State Governments together would supply no more than half the cost of the premium, and no more than $60 towards the individual's policy. We assume that individuals considering whether to elect this optional benefit would naturally compare it with the wide range of specified benefits contemplated under the basic option in the Administration's proposal. We added the insurance provision only to provide an alternative for any persons who would still prefer to obtain health care protection through the insurance route rather than through a direct Government program.

From the information I have, I would doubt that the optional insurance provision would bring great profits to the insurance companies. It occurs to me that your assertion may be based on an assumption that States would contract with private insurance carriers to operate the Federal-State medical care program on an insurance basis. However, this would not be the case. Any insurance company retained by a State would be acting only as an agent for the State in performing a management function. The States could not permit the insurance carrier to operate the plan on an actuarial basis.

I agree completely with you that the health needs of aged Americans are both compelling and urgent, and must transcend partisan politics. I assure you that our proposal was submitted in the earnest hope of making

a beginning toward the solution of this long-standing problem. I cannot help but note in this connection that the problem has been debated without successful result over a decade. It is quite clear that there are still fundamental objections in many parts of our society to proceeding now by use of the social security payroll tax. Our aged citizens will receive little help if this debate drags on. We must take the most practical course open to us and work from there.

I am sure that we can make progress in this matter if we go down the Federal-State route, because such a plan has a reasonable chance of being put on the statute books. Once it has been placed in operation, imperfections and difficulties can be assessed in the light of working experience rather than conjecture; and upon that experience, recommendations can be made from time to time for necessary changes. I urge you to consider our proposal in the light of these observations.

Sincerely yours,

Secretary

Mr. Walter P. Reuther
President
International Union, U. A. W.
Solidarity House
8000 East Jefferson Avenue
Detroit 14, Michigan

JUN 2 1960

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WASHINGTON

MAY 31 1960

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Also, use of the payroll tax would place the entire tax burden on earnings up to $4,800 to the exclusion of earnings above $4,800, earnings of persons not covered by social security, and earnings other than wages, such as dividends and interest. The Administration proposal, on the other hand, would place the burden on those most able to pay. It would finance the Federal portion of the Federal-State program out of general tax revenues which are drawn from nearly all earnings of persons with the greatest ability to pay.

Moreover, the Forand approach would require the wage earners of today to finance the cost of providing health care to those social security beneficiaries of eligible age now on the rolls. It can be assumed that the costs of the program will rise and that its benefits will be expanded, adding further costs which will require additional increases in the payroll tax. Thus, the Forand approach could imperit the payroll tax as a resource for improving and extending the retirement and disability objectives of the social security system. We should not forget that the schedule of tax increases already on the statute books will bring the present payroll tax to a total of 9% of payroll.

In your letter, you noted the case of a widow who has an annual income of $880 and who is confronted with a medical bill equal to one-half her income, or $440. Your analysis of the relative ineffectiveness of our proposal in dealing with this woman's problem is essentially correct because our proposal would not cover first-dollar costs. However, consider that the same woman may suffer a stroke. This requires her to be hospitalized for 30 days at a cost of $900. After this, her doctor decides that she can be treated adequately in a nursing home, but must stay there 11 months at a cost of $2,640. She has a private duty nurse on a 24-hour basis for five days. The cost of this is $300. Her doctor visits her in the hospital and later at the nursing home for a cost of $300. Lastly, she has drug costs of $100. The overall total of medical expense amounts to $4,240.

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I agree completely with you that the health needs of aged Americans are both compelling and urgent, and must transcend partisan politics. I assure you that our proposal was submitted in the earnest hope of making

a beginning toward the solution of this long-standing problem. I cannot help but note in this connection that the problem has been debated without successful result over a decade. It is quite clear that there are still fundamental objections in many parts of our society to proceeding now by use of the social security payroll tax. Our aged citizens will receive little help if this debate drags on. We must take the most practical course open to us and work from there.

I am sure that we can make progress in this matter if we go down the Federal-State route, because such a plan has a reasonable chance of being put on the statute books. Once it has been placed in operation, imperfections and difficulties can be assessed in the light of working experience rather than conjecture; and upon that experience, recommendations can be made from time to time for necessary changes. I urge you to consider our proposal in the light of these observations.

Sincerely yours,

Secretary

Mr. Walter P. Reuther
President
International Union, U.A.W.
Solidarity House
8000 East Jefferson Avenue
Detroit 14, Michigan

THE WHITE HOUSE
WASHINGTON

June 30, 1960

Dear Mr. Reuther:

The President has asked me to respond to your letter of June twenty-fifth presenting your views on economic developments and on appropriate public policies relating thereto.

Copies of your letter have been distributed to the Council of Economic Advisers and to the heads of other Federal agencies having major responsibilities in the economic sphere.

I can assure you that your views will be given full and earnest consideration.

Sincerely yours,

David W. Kendall
Special Counsel to the President

Mr. Walter P. Reuther
President
International Union
United Automobile, Aircraft and
Agricultural Implement Workers
of America
8000 East Jefferson Avenue
Detroit 14, Michigan

October 19, 1960

The Honorable Dwight D. Eisenhower
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

We in the UAW sincerely welcome the remarks on labor-management relations in your speech to the National Automobile Show dinner.

We have long believed that there is need "for a supreme effort on the part of both to conduct their affairs with ever-increasing responsibility for the national welfare." We fully agree also that "Labor and business leaders must sit down in a calm atmosphere and regularly discuss -- far removed from the bargaining table -- their philosophy, their needs, and above all, their common responsibility to this free nation." In fact, we have often proposed that machinery be established for such regular meetings divorced from the atmosphere of conflict and haggling that too often surrounds the collective bargaining table.

Based upon your speech we have addressed identical letters to the heads of the automobile corporations calling upon them to join with us to establish a permanent Automobile Industry Joint Management-Labor Conference which would convene the periodic meetings you urged and provide a practical mechanism for joint action aimed at the achievement of mutually desired objectives that would promote the national welfare. We have suggested that the agenda for the proposed Conference, at its start, be based in major part upon the specific problems mentioned in your speech as matters calling for joint consideration by management and labor. The text of our letter is enclosed for your information.

We are hopeful that the impetus given to this idea by your speech will lead to its favorable consideration by the executives of the corporations to whom we have written. Such consideration would be greatly facilitated if you were to express to those executives either publicly or privately your personal interest in having them explore with us in good faith the proposal set forth in our letter.

Sincerely yours,

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Enclosure

Walter P. Reuther, President
INTERNATIONAL UNION, UAW

TEXT OF LETTER

Mr. L. L. Colbert, President
Chrysler Corporation

Mr. Henry Ford II, President
Ford Motor Company

Mr. John Gordon, President
General Motors Corporation

In his recent speech at the National Automobile Show dinner, President Eisenhower called upon labor and management "for a supreme effort on the part of both to conduct their affairs with ever-increasing responsibility for the national welfare." As a means to this end, he declared, "Labor and business leaders must sit down in a calm atmosphere and regularly discuss--far removed from the bargaining table--their philosophy, their needs, and above all, their common responsibility to this free nation."

We in the UAW have long believed that there is merit in the ideas and suggestions the President presented in the labor-management section of his speech. In fact, the opinions he expressed have for many years formed the core of the philosophy with which we have approached our responsibilities both at the collective bargaining table and in the community at large. We have summed up that philosophy in the statement "Progress with the community and not at the expense of the community"; and we have tried in good faith to conduct our affairs in that spirit.

We have expressed our position in words that closely parallel those used by the President. For example, 10 years ago, in March 1950, speaking to the Convention of the American Association of School Administrators, I said:

> "In the complex and interdependent world in which we live, labor and management have a tremendous responsibility to the whole community. This joint responsibility of labor and management transcends the responsibility that either has to its special economic group. Decisions in the field of collective bargaining must reflect progress for the whole community. . . .

--more--

> "Industrial tension will be minimized only if labor and management demonstrate the capacity of leadership to elevate collective bargaining above the status of a never-ending struggle between competing pressure groups and make collective bargaining a joint exploring of basic economic facts in search of answers that will advance the welfare of the whole community.
>
> "In a society of free men there is no substitute that will take the place of the voluntary acceptance of social responsibility on the part of all groups. Freedom will be made secure in America to the extent that people in positions of leadership in major economic groups begin to demonstrate a loyalty to the total community that transcends their loyalty to their special economic group."

In a resolution adopted August 9, 1958, the UAW International Executive Board stated its conviction that:

> "... free labor and free management have a joint responsibility to the whole of the nation which of necessity transcends in importance their particular responsibilities to their separate groups. Neither labor nor management has a moral right to attempt to advance its particular interest at the expense of the well-being of the whole of our society. Neither labor nor management can hope to make progress except as they facilitate progress for the whole community."

I could multiply many times the above examples of our expressions of the same philosophy that President Eisenhower expressed in his speech.

We have not confined ourselves to words. We have sincerely tried to give concrete, practical expression to our belief that the needs of the total community transcend the interests of any particular group.

At a time when America and the freedom which it symbolizes are in greater peril than at any previous period of our history, we deeply believe that there is an urgent need for labor and management to pool their efforts in the common interest. We share the President's conviction that if we in labor and management can arrange to get together on the things that unite us we will not only be able to make important contributions to the furtherance of our national purpose--we will also greatly facilitate the process of coming to agreement on matters on which we differ.

For a number of years, I, too, have emphasized the need for labor and management

meetings "far removed from the bargaining table" to consider matters in the area of joint labor-management responsibilities to the whole community.

Now, encouraged by President Eisenhower's endorsement of the long-standing UAW goal of establishing a means for united labor-management efforts in the common interest, we propose that you join with us to provide a practical mechanism for such efforts in the auto industry.

It is not for us in the UAW unilaterally to blueprint the details of such a mechanism. This industry and labor should do together. Nevertheless, it may be helpful if I outline certain tentative proposals for your consideration.

I suggest that we establish a permanent Automobile Industry Joint Management-Labor Conference. This Conference would consist of top-level, policy-making executives from the automobile manufacturing corporations and leaders of the UAW at the policy-making level. In accordance with President Eisenhower's suggestion, the Conference would arrange to meet regularly--we would propose at least four times a year.

The scope of the Conference's activities should, in our judgment, be as wide as possible, covering the full range of problems that involve our common interests as citizens of the United States and of the communities in which auto production facilities are located. Collective bargaining problems, as such, would be barred. But, aside from collective bargaining, any problem toward the solution of which we might jointly be able to make a useful contribution would be open for the consideration of the Conference.

As a start, we would suggest inclusion on the agenda of the problems specifically mentioned by President Eisenhower in his speech--the problems of economic growth, inflation, import competition, and technological change.

The matters of economic growth and technological change are of deep concern not only to wage earners but to all Americans because they are the key to our ability to maintain full employment and full production, to meet our community needs in education, housing, and medical care, to compete successfully with imports from other nations, and to keep inflationary pressures under control.

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three major corporations.....4

We share the belief that free labor and free management have both a responsibility and an opportunity to provide leadership in helping to meet the problems that automation and the new technology create and to minimize the hardships and dislocations to workers and their families and in the communities in which the major impact of technological change is felt. In addition, we feel that labor and management can make an important contribution by working together in helping to overcome deficits in the field of education and in finding solutions to other community problems.

The above ideas are advanced to indicate the broad range of common problems which call for constructive cooperation by labor and management in our industry. I am sure you can suggest other matters to which we should give joint consideration. We will welcome your suggestions and will be glad to join you in good faith and with open minds in seeking solutions to problems that you may present to the attention of the proposed Conference.

As we become accustomed to pooling our efforts in the search for answers to the kinds of community problems outlined above, I have every confidence that the common purpose that unites us in that endeavor will improve the atmosphere at the collective bargaining table.

In my judgment, it was not a mere accident of time and place that led the President to address his suggestions to the leaders of management and labor in the automobile industry. The President, I am sure, fully understands the powerful influence that our industry exerts on the entire national community. With that influence goes a corresponding responsibility--the responsibility to provide leadership. Through the collective bargaining process, management and labor in the automobile industry have in the past jointly provided leadership for many important advances that have spread widely throughout the economy bringing greater security and dignity to millions of Americans. Pride in those achievements, which has been expressed by management representatives as well as by spokesmen for our Union, is fully justified.

But we cannot afford to rest on our laurels, and America cannot afford to have

--more--

three major corporations.....5

us bask complacently in the glow of past accomplishments. The President has called upon us to provide a new initiative. We in the automobile industry--both in management and in labor--have been nominated to break new paths for the future progress of our nation.

I propose that we accept the challenge that has been placed before us. There is no question in my mind that others will follow our lead. If we in the automobile industry establish a joint Conference along the lines proposed above, I believe that management and labor in other industries will follow our example.

During World War II, labor and management in the United States proved for all the world to see the capacity of free men to achieve voluntarily a unity in diversity powerful enough to overwhelm the prison-like discipline and conformity imposed through totalitarian terror.

The challenge we face in the world today, though less dramatic than armed conflict, is no less serious. On the domestic front the goals to be achieved through mobilizing our united efforts for peacetime purposes are no less alluring or desirable, and far more fruitful in terms of human progress and fulfillment than victory in war. For example, as the President said, "We can, we must banish poverty." This alone is a challenge worthy of our best efforts.

We are proposing, in line with the President's suggestion, a first, small experimental step in meeting the challenges that face us at home and in the world through a cooperative effort of free management and free labor in one industry. If we embark on this experiment with good will and a determination to make it work, I have every confidence that we will succeed. Success in our effort will inspire others with renewed faith in the creative possibilities of voluntary action by free men in a free society.

We call upon you and your industry associates in other automobile corporations, to whom we are also writing, to join with us in accepting the President's suggestion

three major corporations.....6

for periodic meetings "far removed from the bargaining table." We offer our whole-hearted cooperation in bringing that suggestion to life and assuring its success.

We await your reply.

Sincerely yours,

/s/
Walter P. Reuther, President
INTERNATIONAL UNION, UAW

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OCT 28 1960

THE PRESIDENT'S COMMISSION ON NATIONAL GOALS

administered by

THE AMERICAN ASSEMBLY, COLUMBIA UNIVERSITY

New York 27, New York

Staff Director
William P. Bundy
~~1809 G Street, N.W.~~ 722 Jackson Pl., N.W.
Washington 6, D. C.
STerling 3-6970

October 26, 1960

Mr. Walter P. Reuther
411 West Milwaukee Avenue
Detroit 2, Michigan

Dear Mr. Reuther:

The 17 October 1960 draft of Mr. Watson's chapter on Technological Change is substantially the version which we plan to include in the Commission's book "Goals for Americans." We propose to acknowledge your participation as follows if you have no objection:

> "In the preparation of this chapter, Mr. Watson had the advice and assistance of: David L. Cole, lawyer; Charles H. Percy, President, Bell & Howell; Emanuel R. Piore, Vice President for research and engineering, IBM; Walter P. Reuther, President, CIO Division of AFL/CIO; George P. Shultz, Professor of Economics, University of Chicago. The views expressed, however, are solely the responsibility of the author."

Mr. Watson said that your comments and those of the other panel members were most helpful to him. We know that they are reflected in the paper and we appreciate the effort you have exerted in assisting the Commission in its task.

If you have any statement in support or opposition to Mr. Watson's chapter which you would like the Commission to review in preparation for drafting its own report we should have it by Tuesday, 1 November at the latest. We would appreciate receiving any comment you may have on the participation statement by the same date.

Yours very truly

Guy E. Coriden, Jr.
Staff Administrator

COMMISSION

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DEC 6 1960

THE PRESIDENT'S COMMISSION ON NATIONAL GOALS

administered by

THE AMERICAN ASSEMBLY, COLUMBIA UNIVERSITY

New York 27, New York

Staff Director

William P. Bundy

~~1809 G Street, N.W.~~ 722 Jackson Pl., N.W.

Washington 6, D. C.

STerling 3-6970

December 1, 1960

Mr. Walter P. Reuther
411 W. Milwaukee Avenue
Detroit 2, Michigan

Dear Mr. Reuther:

As you have doubtless seen in the press, the Commission's own Report was released on Monday, November 28.

The book containing the Report and the supporting chapters, entitled "Goals for Americans" and published by Prentice-Hall, Inc. will come out officially on December 12. We shall be getting the first paperback copies about December 2 and will send you one at that time in lieu of waiting for the first hard cover copies, which will be delayed a week or more because of binding. Should you wish a hard cover copy as well, please let us know.

Our original undertaking was to pay panel members in accordance with their attendance at actual panel meetings. However, this is clearly inapplicable to the case of your panel and your personal part. Based on consultation with the author, and our understanding of the effort you put into direct comment and consultation, we believe a fair fee would be $100, the equivalent of one day of panel attendance. Could you let us know if this seems unreasonable to you for any reason, or if you had added expenses not yet reimbursed? Unless we hear from you, we plan to send checks from New York about December 15, to bring them well within the calendar year.

The Commission has expressed its thanks to its authors and panel members through its letter of transmittal to the President, published with the Report. May I add the heartfelt thanks of the Staff, who appreciate deeply the time and thought you have contributed? Without the quality of the supporting chapters, the whole project would have been not merely empty but impossible.

Sincerely,

William P. Bundy

William P. Bundy

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December 8, 1960

Mr. William P. Bundy
The President's Commission on National Goals
The American Assembly
Columbia University
New York 27, New York

Dear Mr. Bundy:

Before leaving the city, Mr. Reuther asked me to respond to your kind letter of December 1st.

Mr. Reuther does not wish to accept any compensation for his participation in the work of the President's Commission on National Goals.

We look forward to receiving "Goals for Americans."

Sincerely yours,

(Mrs.) Otha Lloyd, Secretary to
Walter P. Reuther

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THE WHITE HOUSE
WASHINGTON

October 28, 1960

Dear Mr. Reuther:

This will acknowledge receipt of your October nineteenth letter to the President, to which you attached the text of letters you have written to the heads of the automobile corporations calling upon them to join with the United Automobile Workers to establish a permanent Automobile Industry Joint Management-Labor Conference.

You may be sure your thought in sending these materials is appreciated.

Sincerely yours,

David W. Kendall
Special Counsel to the President

Mr. Walter P. Reuther
President
International Union
UAW
8000 East Jefferson Avenue
Detroit 14, Michigan