

Richard Nixon Presidential Library
White House Special Files Collection
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
48	9	03/04/1960	Newspaper	New York Times article, Morhouse Given Convention Post, by W.H. Lawrence. 1 pg. Not scanned.
48	9	02/15/1960	Newspaper	Unknown newspaper article, Clouds on Nixon Horizon, by William White. 1 pg. Not scanned.
48	9	n.d.	Newspaper	The Christian Monitor article, Picking a President, by Richard Strout. 1 pg. Not scanned.
48	9	02/05/1960	Newspaper	Herald Tribune article, The Defecting Negro Vote, by Rowland Evans Jr. 1 pg. Not Scanned.
48	9	02/05/1960	Newspaper	Wall Street Journal notes about New Hampshire primary and Nixon's emissary. 1 pg. Not scanned.
48	9	01/17/1960	Newspaper	Sunday Star article, Nixon Hits Kennedy's Criticism of President, by Cecil Holland. 2 pgs. Not scanned.

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
48	9	02/10/1960	Newspaper	Washing Post note "Nixon Club Set in Middle West." 1 pg. Not scanned.
48	9	02/11/1960	Newspaper	New York Herald article, Rockefeller Still Backed in California, by Earl Mazo. 1 pg. not scanned.
48	9	02/10/1960	Newspaper	Herlad Tribune article, Rockefeller Backs Plan California Fight, by unknown author. 1 pg. Not scanned.
48	9	02/09/1960	Newspaper	Unknown Newspaper article, Nixon to Tour Byways, by William White. 1 pg. Not scanned.
48	9	02/12/1960	Newspaper	Evening Star article, Pressures on Nixon Rising, by William White. 1 pg. Not scanned.
48	9	1/30/1960	Newspaper	Washington Star article, Nixon Battle Plan, by unknown author. 1 pg. Not scanned.
48	9	02/04/1960	Newspaper	Washington Post article, Nixon and Staff, by Carroll Kilpatrick. 1 pg. Not scanned.

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48	9	02/14/1960	Newspaper	Washington Post article, Undeclared Ike Satisfied With Nixon, by Jack Bell. 1 pg. Not scanned.
48	9	02/04/1960	Newspaper	Evening Star article, The Political Mill, by Gould Lincoln. 1 pg. Not scanned.
48	9	02/03/1960	Newspaper	Washington Post article, Abuse Alone Can't Topple Mr. Nixon, by Marquis Childs. 1 pg. Not scanned.
48	9	02/03/1960	Newspaper	Washington Post article, Nixon Enters Indiana GOP Primary To Make Sure of State's Delegates, by unknown author. 1 pg. Not scanned.
48	9	02/01/1960	Newspaper	Evening Star article, Democrats Debating Tactics to Beat Nixon, by David Broder. 1 pg. Not scanned.
48	9	01/31/1960	Newspaper	Evening Star article, Nixon Running Mate? Few Have Any Ideas, by unknown author. 1 pg. Not scanned.
48	9	02/02/1960	Newspaper	New York Herald Tribune article, Nixon Gets Back Stolen Steal, by unknown author. 1 pg. Not scanned.

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48	9	01/31/1960	Newspaper	New York Times article, The String in Mr. Nixon's Bow, by James Reston. 1 pg. Not scanned.
48	9	02/01/1960	Newspaper	Wall Street Journal article, Democrats vs. Nixon, by Robert Novak. 2 pgs. Not scanned.
48	9	01/02/1960	Newspaper	New York herald Tribune article, Theft of Nixon's Official Seal at Dinner Revealed, by unknown author. 1 pg. Not scanned.
48	9	01/29/1960	Newspaper	Washington Post article, Limited Divorce, by unknown author. 1 pg. Not scanned.
48	9	01/29/1960	Newspaper	Washington Post article, Confident Nixon Ignores Jibe, by Marquis Childs. 1 pg. Not scanned.
48	9	01/28/1960	Newspaper	Evening Star article, The Old and the New Nixon, by Doris Fleeson. 1 pg. Not scanned.
48	9	01/27/1960	Newspaper	New York Herald Tribune letter to the editor, Editorial Ruins Digestion, by S.B. Weeks. 1 pg. Not scanned.

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48	9	01/27/1960	Newspaper	Unknown newspaper article, Nixon Maintains Lead, 55-45, Over Stevenson, by George Gallup. 1 pg. Not scanned.
48	9	01/28/1960	Newspaper	Washington Post notes "Nixon Club Formed" and "Nixon in the Dark On Midwest Tour" by unknown authors. 1 pg. Not scanned.
48	9	01/26/1960	Newspaper	New York Times article, Nixon in Illinois Race, by unknown author. 1 pg. Not scanned.
48	9	01/24/1960	Newspaper	New York Herlad Tribune article, Democrats Make Nixon Main Target, by David Wise. 2 pgs. Not scanned.
48	9	01/20/1960	Newspaper	New York Herald Tribune article, Nixon Takes Over, by Joseph Alsop. 1 pg. Not scanned.
48	9	01/21/1960	Newspaper	Evening Star article, Nixon's Pre-Convention Strategy, by Doris Fleeson. 1 pg. Not scanned.
48	9	n.d.	Newspaper	Unknown newspaper article, Nixon Making Early Political Hay, by Ralph McGill. 1 pg. Not scanned.

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48	9	01/21/1960	Newspaper	Washington Post article, Lodge Second to Nixon Since Rockefeller Quit, by George Gallup. 1 pg. Not scanned.
48	9	01/19/1960	Newspaper	Washington Post article, Nixon to Deal Gently With Opponents, Stress Policies of Administration, by Carroll Kilpatrick. 1 pg. Not scanned.
48	9	01/21/1960	Letter	Copy of a letter from Richard Nixon to Alexander Jones (Casey) concerning a steel settlement. 5 pgs.

COPY

OFFICE OF THE VICE PRESIDENT
Washington

January 21, 1960

Mr. Alexander F. Jones
Executive Editor
Syracuse Herald-Journal
Syracuse 1, New York

Dear Casey:

I greatly appreciated your letter of January 5 and particularly the candor and frankness with which you discussed the steel settlement.

I realize that a number of questions have been raised as to the settlement and the role that Secretary Mitchell and I played with regard to it. I think perhaps the best way to answer those questions is to review the factors which led to our mediation efforts and the alternatives which confronted us.

As you will recall, just before the President left on his trip abroad, he said in his television address to the nation: "It is up to labor and management . . . to adjust responsibly and equitably their differences. . . what great news it would be if, during the course of this journey, I should receive word of a settlement of this steel controversy that is fair to the workers, fair to management and above all fair to the American people."

The first question the Secretary and I undertook to explore was whether the President's expressed desire for a settlement could be realized without some new mediation action on our part. Our preliminary discussions with representatives of both sides convinced us that there was no chance whatever for a settlement unless some new initiative was undertaken to bring them together.

We, therefore, asked Mr. Blough and other top management representatives and Mr. McDonald and other representatives of the union whether they wished us to attempt to mediate the dispute. While both sides indicated that they did not feel there was too much hope that they could reach a negotiated settlement, they agreed that such a procedure was worth trying and that they would cooperate to the extent possible. This was the origin of the meetings which took place in my home in which Secretary Mitchell, Mr. Blough, Mr. McDonald, Mr. Goldberg and I participated.

At the beginning of these negotiations, the possibilities of settlement seemed hopeless. The companies' offer was for a wage-benefit package which the companies estimated would add 31¢ to their costs over a period of thirty months. In addition, the companies asked for revision of Section 2B of the

contract so that management would have more control over local work practices which they felt was essential for increased efficiency.

The union completely opposed any changes in the work practices provision of the contract. On the economic side, Mr. McDonald at our first meeting bluntly stated, "I cannot settle with the steel companies for less than the amount that I received from Can and Aluminum without a strike." I think it is important at this point to recall that our negotiations began the week that he had completed his negotiation of the Aluminum contract. And the companies' computation of what McDonald contended was the Can and Aluminum pattern was an increased wage-benefit cost of 52¢ for thirty months.

In other words, at the beginning of the negotiations, the companies were offering a 31¢ increase over 30 months as against 52¢ demanded by the union and the parties were in complete disagreement on the local work practices issue. During our first few meetings we made very little progress. At a meeting in my home two days before Christmas, the negotiations reached a point where both sides refused to move any further in the direction of an agreement and there seemed to be a hopeless deadlock.

It was at that point that the Secretary and I talked to Mr. Blough and Mr. McDonald separately and asked whether they thought it might be useful if we were to consult individually with each party and recommend an amount in between their two positions which each would be completely free to accept or reject if he saw fit.

Both agreed that this course of action might be helpful and after two days of intense negotiations and discussions and consultation with the President, we recommended the figure of 41¢ which both the union and management voluntarily accepted. As far as the work practices issue was concerned, the best that we were able to get the union to agree to was to set up a study commission with a neutral chairman.

I realize that a number of questions have been raised as to why we recommended the amount that we did. I think the answers to those questions can be found when we examine the bargaining position of each party.

Mr. McDonald came to these negotiations in a stronger position than the companies. He had just won from Aluminum and Can without a strike higher settlements than the one he eventually agreed to accept with the steel companies. Polls that he had taken (and incidentally, the polls the companies had taken substantiated his claims in this respect) indicated that the union members would vote down the companies' last offer by a majority of over 90%. He also believed that if the dispute were not settled and had to be sent to the Congress by the President he would do better in a Congress heavily dominated by members elected with union support in an election year than would the companies. Considering the strong bargaining position of the union, their agreement to a settlement which was less than the pattern that they had been able to negotiate with Can and Aluminum was, in my opinion, a major achievement.

Looking at the settlement from the standpoint of the companies, no one questions but that they agreed to an amount which was greater than they thought could be absorbed by increased worker productivity, though it is entirely conceivable that the rising efficiency between now and 1962 could offset the increase in labor costs during this period. In addition, the companies failed to win substantial concessions on the work rules issue. But company representatives have pointed out some of these positive factors which led them to agree to the recommended settlement.

1. The amount they settled for was lower than any offer they had been able to get from the union during the course of their negotiations up to that time.

2. It was less than 1/2 of the post-war pattern in wage-benefit increases in the steel industry. For example, in the last steel contract the wage-benefit increase was 81¢ for three years as compared with 41¢ for thirty months on this occasion.

3. As Conrad Cooper, the chief negotiator for the companies has stated, the amount of this settlement was 30% less in company costs than would have been the case had the Can, Aluminum and Kaiser patterns been applied to steel. In other words, this settlement rather than setting off a new pattern of higher wage increases was actually lower than the pattern in wage settlements already established in 1959 and checked, rather than increased, the so-called "ripple" of increased wage costs.

4. The cost of living escalator provision, which had resulted in a 17¢ wage increase over the three years of the previous contract, was finally limited in this contract to a maximum of 6¢ over thirty months. In addition, it is provided that if the insurance costs which the company has assumed under the contract prove to be greater than the amount estimated, the excess costs will be deducted from any cost of living increases which may have accrued.

A basic question which many have raised is whether a better result in the end would have been achieved had the Secretary and I not offered our good offices for mediation of the dispute at this time. This, of course, is a matter of judgment on which there can be an honest disagreement of opinion. I can only indicate my own appraisal as to what would have happened had we not acted as we did.

In my opinion, the price the union would have insisted upon would inevitably have gone up rather than down. It seems only logical to conclude that after the union had won an overwhelming victory rejecting the companies' last offer they would have insisted on an even higher settlement than they accepted at the present time. I also believe that if the parties had failed to agree after the union rejected the companies' last offer and the President, as required by law, had submitted the dispute to Congress any government-imposed settlement that the Congress would have brought about through compulsory arbitration, plant seizure or some other government device, would have been higher than the one agreed upon at this point.

I recognize that there are those who have suggested that it would have been better in the long run to allow the issue to go to the Congress so that the Congress could meet head-on the whole question of too much power in the hands of the union as well as management. I can only say that any objective observer would have to agree that there could be nothing more irresponsible than to place before the Congress in an election year the complicated and potentially explosive issue of labor-management relations.

In my opinion, the result would not only have been a government-imposed settlement of this dispute but a real possibility of the enactment of permanent legislation which would have provided for some form of government-imposed compulsory arbitration in all major labor disputes. I don't need to tell you that government arbitration means government wage fixing and that government wage fixing inevitably means government price fixing. Once we get into this vicious circle not only collective bargaining but the productive private enterprise system, as we know it, is doomed.

I would be the last to contend that there could not be honest differences of opinion as to the wisdom of the course of action the Secretary and I followed in mediating this dispute. But after weighing all the factors involved, we concluded that our failure to do everything possible to bring about a voluntary settlement at this time would have been highly detrimental to the public interest.

As Chairman of the Cabinet Committee on Price Stability for Economic Growth, I am acutely aware of the dangers of inflation which can arise from wage increases that consistently exceed increases in productivity. But on the plus side it should be noted that while the wage-benefit increase was greater than the companies wanted to pay, this was the first contract since the war in which the increase was such that the companies did not find it necessary to increase prices at the time the contract went into force. Whether price increases can be avoided in the future will depend to a great extent upon how the union and the companies carry out the President's injunction in his State of the Union message that . . . "the national interest demands that in the period of industrial peace which has been assured by the new contract, both management and labor make every possible effort to increase efficiency and productivity in the manufacture of steel so that price increases can be avoided."

Incidentally, I believe that one of the constructive results of the long fight the companies made on the work rule issue was that it focused nationwide attention on the critical necessity of increasing our efficiency and productivity if we are to maintain our competitive position in the world.

As I told the representatives of the major companies and the union at a dinner in my home after the settlement, the people of the country will not tolerate another massive struggle of this type in the steel industry. Their interest, as well as that of the country at large, will be at stake as they explore every possible means of increasing productivity, reducing costs, and improving relations between union and management during the period of this contract.

For my part, I intend to continue my studies of this problem with a view to determining what legislative action might be taken which would provide better protection for the public interest in the settlement of labor-management disputes and at the same time not impair the basic strength of our private enterprise economy.

With every good wish,

Sincerely,

(signed)

Richard Nixon