Letter of Transmittal

United States Department of Labor,
Bureau of Labor Statistics,
Washington, D. C., March 5, 1947,

The Secretary of Labor:

I have the honor to transmit herewith a report on union health and welfare plans, which consists of two articles.

The first article brings up to date collective-bargaining developments in the field. It also notes several of the medical service plans entailing a health center and the recently established United Mine Workers' program. This article was prepared in the Bureau's Industrial Relations Branch, Boris Stern, Chief.

The second article was written by Nathaniel M. Minkoff, secretary-treasurer of the New York Dressmakers' Joint Board, International Ladies' Garment Workers' Union (AFL). It treats principally of the experience of that organization with its own program and emphasizes some of the administrative problems which that union, and all unions, must encounter and solve.

Hon. L. B. Schwellenbach,
Secretary of Labor.

Ewan Clague, Commissioner.
Union Health and Welfare Plans

COLLECTIVE-BARGAINING DEVELOPMENTS IN HEALTH AND WELFARE PLANS

Workers covered by some type of health-benefit plans negotiated by employer and union more than doubled in number since 1945, as revealed by recent estimates made by the Bureau of Labor Statistics. In 1945, some 600,000 workers were so included; at present (early 1947) approximately 1,250,000 are covered. Except for a few outstanding instances, including coal mining, the plans were negotiated by the same unions studied in the 1945 report, and are merely extensions of their programs.

The principal industries in which a large proportion of workers (totaling approximately 1,100,000) are covered by some type of health benefit plan are clothing (men's and women's), textiles, and coal mining. Other industries in which a part of the workers are covered (totaling over 100,000) are building trades; fur and leather; furniture; hotel; laundry, cleaning, and dyeing; machinery (particularly...
larly electrical); office; paper; retail and wholesale trade; shipbuilding; and street and electric railway.

Although extensive employee coverage is found at the present time in only three industries, there are an increasing number and variety of industries in which some proportion of the workers are covered.

**Types of Health-Benefit Plans**

**ADMINISTRATIVE CONTROL**

In the Bureau's 1945 study of health-benefit plans established through collective bargaining agreements, it was found that there were three types of benefit plans—(1) those administered by the union solely, (2) plans administered jointly, and (3) programs administered by a private insurance company wherein the employer pays the premium directly or into a special premium fund. Most of the plans studied were financed entirely by the employer. This was true of all union-administered plans, of almost all jointly administered programs, and of more than half the plans administered by insurance companies.

Most of the agreements stipulate a specific percentage of the employer's pay roll (usually 2 or 3 percent) to be paid into the fund. If the contribution is not specified, the employer either defrays all expenses or supplements employee contributions as required. The health-benefit plans included weekly cash benefits during illness and disability caused by nonoccupational accidents, hospital and surgical expenses, and sometimes payment of doctor bills. In most cases dental care and preventive medicine were not usually included.

**UNION HEALTH CENTERS**

The first Union Health Center of the International Ladies' Garment Workers' Union (AFL) was established in 1912 in New York City, and still functions. In addition to furnishing medical care to garment workers at the Center, it inspects sick-benefit plans and serves as a health education center. It is concerned primarily with ambulatory cases—in the nature of a clinic. It does not offer service to the families, nor complete medical service to the members, and its financing varies with the craft. In addition to cash benefit payments, and clinical medical services, the program provides some preventive medical care. The eye conservation plan, which provides that every shop is to be visited and each worker examined, is unique. For 17

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1 Health Program of International Ladies' Garment Workers' Union, by L. Price, in Monthly Labor Review, October 1939; The Employee's Viewpoint on Group Hospitalization and Medical Care, by A. Held, American Management Association (New York, 1946, Insurance Pamphlet No. 65).

years the Center also provided dental care, but discontinued this service for organizational reasons.

The New York Union Health Center, administered and financed to some extent jointly by labor and management, was not the result of collective bargaining originally. Similar health centers, however, have been established recently, through such negotiations, in Philadelphia, Fall River, Boston, and other smaller communities throughout the country.* Furthermore, when the joint labor-management health programs were incorporated into collective agreements in the needle trades in recent years, the health center became the central agency for the administration of the health-benefit program. Until 1943 the New York Center was financed by local union contributions. Since the incorporation of health-benefit funds (financed by employer contribution) into the agreements, however, a large part of the Center's financial support has come from these funds.

ST. LOUIS PLAN

A recent health-benefit plan negotiated by the St. Louis Joint Council, United Retail, Wholesale, and Department Store Employees (CIO), referred to as the St. Louis Plan, is of interest in that a health institute was established, through employer contribution, which offers complete medical services. Every medical bill of members and their families, for service in the home, hospital, or clinic, is to be met by the St. Louis Labor Health Institute. The organizational plans as outlined in 1945 would open the institute not only to union members and their nonvoting families, but also to outsiders as nonvoting approved participants. This may result in a union health-benefit plan that will include many unions jointly in the St. Louis area.

COAL MINERS' WELFARE FUNDS

In coal mining, both anthracite and bituminous, the coal miners secured, as a result of negotiations in May and June 1946, provisions in their current agreements whereby about 450,000 miners (375,000 bituminous, 75,000 anthracite) in 3,000 mines in 23 States are to achieve a considerable measure of security through the operation of three welfare funds.7

In the soft-coal industry (Government operated), one fund, designated as a "welfare and retirement fund," is to be raised by levying a tax of 5 cents on each ton of soft coal produced. It is to be admin-

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* A. Held, op. cit. (p. 25); J. Hochman, op. cit. (p. 13:106); Bureau of Labor Statistics Bulletin No. 841, op. cit. (p. 15).

istered by three trustees—one appointed by the U. S. Coal Mines Administrator, one by the union, and one jointly. A second fund, designated as a "medical and hospital fund," is to be accumulated from wage deductions presently being checked off from miners' wages, or authorized in the future by the union. This fund is to be turned over to the union, and is to be administered by trustees appointed by the president of the United Mine Workers of America (AFL). The agreement calls for cooperation between the trustees of the two funds.

For the anthracite industry, a fund is to be raised similarly by a tax of 5 cents on each ton. This is a welfare and retirement fund, and is to be administered by three trustees—two to be appointed by the president of the United Mine Workers and one by the operators. The technique of levying a tax on coal produced for the establishment and maintenance of a welfare fund is one that has been in existence in countries other than the United States for a number of years: Great Britain has had such a practice since 1920, New Zealand since 1925, the Netherlands since 1936, and British India and Spain more recently.

Current Interest in Welfare Negotiations

Some voluntary prepaid medical-care plans, entirely employer-sponsored or sponsored entirely by unions (as consumers), were in existence for many years prior to World War II—in at least one outstanding case such a plan was included in an agreement as a result of an arbitration award as far back as 1926. It was during the recent war period, however, that the inclusion of health-benefit plans in union agreements gained headway.

Whether it was the national wage stabilization policy primarily which encouraged health and welfare benefits in lieu of wage increases during this period, or the necessity to maintain and increase wartime production by reducing the loss of man-hours caused by illness,

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2 Voluntary prepaid medical-care plans may be classified, according to Margaret C. Klem, Chief of the Medical Economics Section of the Social Security Administration, into six types: industrial, medical-society, or consumer-sponsored plans, private group clinics, Government plans, and Farm Security Administration plans.

Industrial plans, those established in connection with industry, and consumer-sponsored plans established by labor organizations, are the two types pertinent to the current analysis.

Industrial plans include those initiated by the employer alone, as well as plans put into effect by collective bargaining. Of the 115 industrial medical-care plans studied in 1945 by Margaret C. Klem, in 19 the costs were borne entirely by the employer, in 49 entirely by employee pay-roll deduction, and in 47 by the two jointly. (Prepayment Medical Care Organizations, Social Security Board, Washington, 1945, Bureau Memo. No. 55, p. 4.)

3 In 1926, the Amalgamated Association of Street and Electric Railway employees secured from the Chicago Rapid Transit Co. a clause requiring the latter to bear the entire sickness and life insurance for its employees. (Beneficial Activities of American Trade-Unions, Bureau of Labor Statistics Bulletin No. 465, 1928, p. 31.)
or the heightened social awareness of the need for security for the wage earner, the fact remains that at the present time an increasing number of unions have such health and welfare clauses in their contracts, or have indicated their desire to negotiate for such provisions.

The potential role of health and welfare plans in collective bargaining was apparent in the last convention of the American Federation of Labor, held in Chicago in October 1946, when President Green, in his keynote speech, stated:

"I say to you * * * that that objective [the creation of welfare funds] will now be the objective of organizations affiliated with the American Federation of Labor; we must establish in this Nation security in every condition of life—old age, illness, and infirmity—and in addition we must provide hospitalization and nursing facilities and medical care for every man and woman in the United States."

The Congress of Industrial Organizations, at its recent convention held in Atlantic City in November 1946, adopted a broad resolution on various aspects of security through collective bargaining, which concluded:

The CIO intends immediately to develop a broad program so that workers may be given a rounded protection in their living standards through collective bargaining contracts providing for adequate pension plans, health insurance plans, group hospitalization plans, and the guaranteed minimum annual wage.

Current demands for inclusion of employee welfare clauses in union agreements are recognized by management. Research services used largely by employers each have devoted considerable space in their current loose-leaf publications on labor relations to employee welfare and health-benefit plans in collective bargaining—the techniques of bargaining, the types of plans, the coverage, etc.

The March 1946 conference of the American Management Association devoted time to trends in employee benefits, and heard a detailed report by Adolph Held, International Ladies' Garment Workers' Union official, on the Employee's Viewpoint on Group Hospitalization and Medical Care, based on his experience as director of the Inter-

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12 See Resolution No. 34, in Daily Proceedings of the Eighth Constitutional Convention of the Congress of Industrial Organizations, for November 20, 1946 (p. 5).
13 See services of Research Institute of America (New York); Bureau of National Affairs (Washington); Prentice-Hall (New York).
14 The RIA Labor Coordinator (Vol. 2, p. 38,008) in its Employee Welfare section, reminds management that "employee welfare plans are no longer fringe issues. You must be prepared when union demands are made. What factors do you have to consider in evaluating a plan? Do you know the union arguments in favor of these plans, and, what's more, do you know the answers? Can you include your nonunion employees in a plan the union wants, and how is this done?"
See also footnote 5.
national Ladies' Garment Workers' Union Welfare and Health Benefits Department.

At the recent meeting of the American Medical Association on industrial health, held in Boston, a panel discussion was devoted to New Horizons in Industrial Health and Welfare, in which health-benefit plans played a large part, particularly those achieved through collective bargaining.\(^6\) The American Medical Association, in its November 30, 1946, issue of the Journal, devoted to industrial health, editorializes as follows:

In spite of impending legislation, health and welfare are likely to be important factors in future collective bargaining. Labor may ask for greater direct participation not only in industrial medical service but in plans for general medical care. Both the Council on Industrial Health and the Council on Medical Service [of the Association] have been actively concerned with the medical implications in the coal-mine wage agreement and the probable extension of similar contracts to other occupational groups. Herein lie many opportunities for constructive medical leadership.\(^7\)

**Outlook for Health-Benefit Plans**

There is no doubt, from past practice and current statements of unions, from recent management concern with welfare funds and their bargaining importance, from recent interest of the medical profession in the role of labor and management in industrial health, from the general interest of a considerable portion of the public in the Nation's health,\(^8\) that welfare funds and health benefits will play an increasingly important role in future contract negotiations.

The increasing importance of welfare funds is generally accepted. However, the trend in financing such funds is not so clearly defined as to the relation of the employer-to-employee contribution. The establishment and extension of welfare funds through employer contributions were given impetus during the war years. In many instances, these payments were made in lieu of wage increases,\(^9\) and employers generally assumed full financial responsibility.

Postwar conditions may put a new emphasis, not so much on welfare funds, but on their financing. With the elimination of the wage stabilization policy, with an increased labor force, and with the modification in tax exemption, the question which may receive greater

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\(^6\) See Journal of American Medical Association, November 30, 1946, for complete texts of the papers read by Rear Admiral Joel T. Boone on Industrial Health; Andrew Fletcher, of the Industrial Hygiene Foundation, on Management in Medical Plans; Boris Stern, of the U. S. Bureau of Labor Statistics, on Labor and Management at the Conference Table.

\(^7\) Idem, p. 788.

\(^8\) Witness the wide interest in the Murray-Wagner-Dingell national health bill in the last Congress, and the activities of individuals and organizations interested in a Government-sponsored health-insurance program.

attention in future negotiations may be the relative proportions in employer-employee contributions to welfare funds.

Sample Welfare Clauses in Specific Agreements

PHILADELPHIA BEDDING MANUFACTURERS' ASSOCIATION AND UPHOLSTERERS' INTERNATIONAL UNION OF NORTH AMERICA (AFL)

The employer hereby agrees to pay to the Upholsterers' International Union Social Security Department, each and every month, in advance, between the first and fifth day of every month, beginning with _______ 19__; a sum equaling 3 percent of the gross wages earned by his employee-members of this union. The said sum of 3 percent shall be calculated on the basis of the total aggregate wages earned by said employee-members during the pay periods of 4 or 5 weeks, terminating during the preceding calendar month.

The above described sum of 3 percent shall be paid by the employer as a contribution to the Social Security Fund of the Upholsterers' International Union of North America above described. In consideration for the payment of said contribution, the union agrees to extend, beginning the same date the employer's first contribution is due as set forth in the preceding paragraph, the benefits of said fund to said employee-members, in accordance with the rules and bylaws under which said fund is administered, and in accordance with the general laws of the International.

The union has contracted or will contract for the issuance of a blanket-coverage insurance policy or policies to provide for the payment of the various benefits as therein provided; a policy now being in force with the __________ Co. It is agreed that the premiums for the maintenance of a group policy or policies on behalf of the employee-members shall be paid out of the periodic contributions paid by the employer as above described. The rights and duties of all parties, including the union, the employer, and the employee-members, shall be governed by the provisions of said blanket coverage policy.

The union agrees that the program of social security benefits hereinabove described shall be maintained in full force and effect for the entire period of time during which this supplemental agreement is in effect and the terms hereof fully complied with in all respects by the employer.

The 3 percent contribution of the employer to the social security plan is not to be increased during the life of this agreement; if the cost to the union is decreased, then the contribution by the employer is to be reduced by an equivalent amount. Two-thirds of the entire contribution is to go toward the payment of accident and health insurance covered by the provisions of said policy, and the remaining one-third of the entire contribution goes toward the payment of death benefits as provided by the Social Security Department of the union and for the administrative expenses of said department.

U. S. COAL MINES ADMINISTRATOR AND UNITED MINE WORKERS OF AMERICA (AFL) [Bituminous-coal mines]

Health and welfare program

There is hereby provided a health and welfare program in broad outline—and it is recognized that many important details remain to be filled in—such program to consist of three parts, as follows:

(a) A welfare and retirement fund.—A welfare and retirement fund is hereby created, and there shall be paid into said fund by the operating managers 5 cents per ton on each ton of coal produced for use or for sale. This fund shall be
managed by three trustees, one appointed by the Coal Mines Administrator, one appointed by the president of the United Mine Workers, and the third chosen by the other two. The fund shall be used for making payments to miners, and their dependents and survivors, with respect to (1) wage loss not otherwise compensated at all or adequately under the provisions of Federal or State law and resulting from sickness (temporary disability), permanent disability, death, or retirement, and (2) other related welfare purposes, as determined by the trustees. Subject to the stated purposes of the fund, the trustees shall have full authority with respect to questions of coverage and eligibility, priorities among classes of benefits, amounts of benefits, methods of providing or arranging for provision of benefits, and all related matters.

The Coal Mines Administrator will instruct the operating managers that the obligation to make payments to the welfare and retirement fund becomes effective with reference to coal produced on and after June 1, 1946; the first actual payment is to be made on August 15, 1946, covering the period from June 1 to July 15; the second payment to be made on September 15, covering the period from July 15 to August 31; and thereafter payments are to be made on the 15th day of each month covering the preceding month.

(b) A medical and hospital fund.—There shall be created a medical and hospital fund, to be administered by trustees appointed by the president of the United Mine Workers. This fund shall be accumulated from the wage deductions presently being made and such as may hereafter be authorized by the union and its members for medical, hospital, and related purposes. The trustees shall administer this fund to provide, or to arrange, for the availability of medical, hospital, and related services for the miners and their dependents. The money in this fund shall be used for the indicated purposes at the discretion of the trustees of the fund; and the trustees shall provide for such regional or local variations and adjustments in wage deductions, benefits and other practices, and transfers of funds to local unions, as may be necessary and as are in accordance with agreements made within the framework of the union’s organization.

The Coal Mines Administrator agrees (after the trustees make arrangements satisfactory to the Coal Mines Administrator) to direct each operating manager to turn over to this fund, or to such local unions as the trustees of the fund may direct, all such wage deductions, beginning with a stated date to be agreed upon by the Administrator and the president of the United Mine Workers: Provided, however, that the United Mine Workers shall first obtain the consent of the affected employees to such turn-over. The Coal Mines Administrator will cooperate fully with the United Mine Workers to the end that there may be terminated as rapidly as may be practicable any existing agreements that earmark the expenditure of such wage deductions, except as the continuation of such agreements may be approved by the trustees of the fund.

Present practices with respect to wage deductions and their use for provision of medical, hospital, and related services shall continue until such date or dates as may be agreed upon by the Coal Mines Administrator and the president of the United Mine Workers.

(c) Coordination of the welfare and retirement fund and the medical and hospital fund.—The Coal Mines Administrator and the United Mine Workers agree to use their good offices to assure that trustees of the two funds described above will cooperate in and coordinate the development of policies and working agreements necessary for the effective operation of each fund toward achieving the result that each fund will, to the maximum degree practicable, operate to complement the other.
Survey of medical and sanitary facilities

The Coal Mines Administrator undertakes to have made a comprehensive survey and study of the hospital and medical facilities; medical treatment, sanitary, and housing conditions in the coal-mining areas. The purpose of this survey will be to determine the character and scope of improvements which should be made to provide the mine workers of the Nation with medical, housing, and sanitary facilities conforming to recognized American standards.

STANDARD CONTRACT: MEN'S AND BOYS' CLOTHING MANUFACTURERS AND AMALGAMATED CLOTHING WORKERS OF AMERICA (CIO)

Commencing on the pay day for the week of December 10, 1945, and weekly thereafter, the employer shall pay to the trustees (hereinafter called the trustees) designated under a new agreement and declaration of trust dated as of December 10, 1945 (a copy of which said new agreement and declaration of trust dated as of December 10, 1945, has been exhibited to the employer and approved by the employer) the terms and provisions of which new agreement and declaration of trust are herein specifically incorporated by reference, sums of money determined as follows:

(a) Two percent of the wages payable for the preceding pay period to all the employees of the employer, plus

(b) Three percent of the wages payable for the preceding pay period to those employees of the employer who are members of the union.

All of the foregoing sums shall be administered and expended by the trustees pursuant to the provisions of the said new agreement and declaration of trust (dated as of December 10, 1945) for the purpose of providing benefits upon their retirement because of old-age, and life, accident and health insurance, and such other forms of group insurance for medical care and hospitalization as the trustees may reasonably determine, to members of the union employed by the employer, and members of the union employed by other employers who are members of the group embraced within the general plan in the men's and boys' clothing industry.

The employer shall furnish to the trustees, upon request, such information and reports as they may require in the performance of their duties under any of the agreements and declarations of trust. The trustees, or any authorized agent or representative of the trustees, shall have the right at all reasonable times during business hours to enter upon the premises of the employer and to examine and copy such of the books, records, papers, and reports of the employer as may be necessary to permit the trustees to determine whether the employer is fully complying with the provisions of paragraph 3 [above].

No employee shall have the option to receive instead of the benefits provided for by any of the agreements and declarations of trust any part of the contribution of the employer. No employee shall have the right to assign any benefits to which he may be or become entitled under any of the agreements and declarations of trust or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created, or through severance of employment or otherwise.

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In the event that the union receives written notice from one or more of the trustees, designated by the trustees for that purpose, that the employer has failed to pay in full any sum due the trustees under paragraph 3 and that such failure has continued for 5 days, the union may direct its members to discontinue work in the plant of the employer and to discontinue work upon clothing being manufactured for the employer by contractors until all sums due from the employer...
under paragraph 3 above have been paid in full. The remedy provided for in
this subparagraph shall be in addition to all other remedies available to the union
and the trustees and may be exercised by the union, anything in the collective
bargaining agreement to the contrary notwithstanding.

The trustees, in their own names as trustees, may institute or intervene in any
proceeding at law, in equity, or in bankruptcy for the purpose of effectuating the
collection of any sums due to them from the employer under the provisions of
paragraph 3.

In the event that legislation is enacted by the Federal Government levying a
tax or other exaction upon the employer for the purpose of establishing a federally
administered system of life, health, accident, medical care, or hospitalization
insurance under which the employees of the employer are insured, the employer
shall be credited against the sums payable under paragraph 3 for each pay period,
with the amount of such tax or exaction, payable by him for such pay period,
provided that the amount of such credit shall in no event exceed 2 percent of the
wages payable to the employees of the employer for such pay period.

ATLANTIC COTTON FELT CO., NEWARK, N. J., AND UNITED FURNITURE WORKERS
OF AMERICA (CIO)

The employer hereby agrees, as long as this agreement remains in force, to
contribute monthly on or before the __________ day of each month, commencing
with the effective date of this agreement to __________ as trustees of United
Furniture Workers Insurance Fund, a sum equal to 3 percent of the previous
month's production pay roll, to be used by said trustees for the sole benefits of
the employees covered by this agreement for the purchase of group life insurance,
group accidental death and dismemberment insurance, group accident and
health insurance, hospitalization insurance, and group surgical insurance, in
accordance with the schedule of such respective forms of insurance attached
hereto entitled "Schedule of Amounts of Insurance." It is further understood
and agreed that these contributions to the above-mentioned trustees will be held
and managed by them under the terms of a trust agreement drawn between the
union and said trustees. (It is further understood and agreed that the employer
shall be under no obligation to see to the application of moneys paid to the trustees
pursuant to this paragraph for the purposes and uses above mentioned; but the
union, nevertheless, agrees to render reports at regular intervals to the employer
respecting application of the moneys received and benefits paid.)

The employer agrees to make available to the union or the trustees above-
named any and all records of employees hired, classifications of employees, names,
social security numbers and amount of wages paid, and social security pay roll
records, that the union or the trustees may require in connection with the sound
and efficient operation of the trust fund above mentioned, or that may be required
by the insurance companies covering the employees.

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Trade-Union Welfare Programs ¹

By Nathaniel M. Minkoff, Secretary-Treasurer, Joint Board Dressmakers' Union, International Ladies' Garment Workers' Union

Development of the Movement

Growing preoccupation of unions with health and welfare programs is not a new departure in labor policy; this preoccupation dates back to the early days of trade-unionism in this country.

The first organizations of workers in the United States, as in Great Britain, were generally mutual aid associations, such as loan, sick benefit, or burial societies. Overt organization for collective bargaining was still forbidden by law, and these mutual aid groups, almost from the start, assumed what today would be called "industrial

¹ This article deals primarily with the experience of the New York Dress Joint Board of the International Ladies' Garment Workers' Union.
The views expressed are those of the author and are not necessarily shared by the Bureau.
functions," in addition to the narrower tasks of providing the mutual aid for which they were ostensibly formed. It was these mutual aid groups which initiated the modern labor movement, and from them the trade-unions of today have derived the habit of referring fraternally to members as brothers and sisters, as well as some of the ceremonials and rituals of initiation and procedure.

With time and favoring circumstance, the essentially industrial character of these organizations became explicit. The Philadelphia Typographical Society, for instance, organized in 1802, was incorporated in 1810 as a benevolent society. In 1833 it gave way to the Philadelphia Typographical Society whose "primary and paramount intention" was "the determination and support of adequate wages for journeymen printers." The Pennsylvania Society of Journeymen Cabinetmakers of Philadelphia (1806) was likewise formed for purely benevolent purposes. In 1829, the society constitutionally established itself "as a criterion for workmen to endeavor to settle all disputes arising between them and their employers." The Brotherhood of Locomotive Firemen and Enginemen was formed as late as 1873 as a benevolent society, and it was not until 12 years later that it assumed its role as a labor union. The Iron Molders' Union, established in 1859, operated an extensive benefit system before it assumed industrial functions. Curiously enough, all benefits were suspended by this union in 1880 on the ground that such features interfered with the industrial tasks of the organization. After a decade, however, the welfare program was resumed.

Other groups, organized in later years as labor unions in the modern sense, soon expanded their activities to include welfare programs. The Barbers' Union, set up in 1887, initiated its benefit program in 1893. The Tobacco Workers, organized in 1895, established its sick benefit program in 1896. The Plumbers' Union (1889) established its benefits in 1903. In one way or another, welfare and mutual aid programs became a recognized feature of American trade-unionism and helped greatly to give it a much needed stability in its early days.

By the end of the First World War, however, trade-union welfare activities were definitely on the decline. The attitude of the topmost labor leadership was troubled and unfriendly. In 1930, Matthew Woll stated:

Benefit systems, where they are still in operation, are a constant source of trouble. They are encountering all of the troubles that beset unscientific institutions. Their assessments must be raised constantly to meet rising ages, and increases of assessments are always resented. All manner of complications result. * * * Few union operations are today productive of as much woe and uncertainty as the benefit systems that remain in operation.9

9 Why Trade-Union Group Insurance Rather Than a Benefit Plan? (In The American Photo-Engraver, April 1930.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Daniel J. Tobin, president of the Teamsters’ Union, said very much the same thing in recent years:

Our advice to local unions is to keep away from the sick benefit and from the unemployment benefit as much as possible. * * * Local unions should not overload themselves with liabilities during these prosperous days. Build up your treasuries. Remember there are lean years ahead of us.8

Welfare programs had come to be regarded as of little importance when, in the early 1930’s, union leaders, in launching their campaign to organize the mass-production industries, found to their dismay that in many instances workers were reluctant to join bona fide unions because their own “company unions” were providing them with various forms of health and welfare benefits and recreational facilities which the bona fide unions could not match. Hence, those unions which succeeded in organizing mass-production industries had to promise their newly organized members, in addition to increased earnings and shorter hours, the continuation of the welfare features to which they had become accustomed. Thus, a number of labor unions unexpectedly and sometimes unwillingly undertook social welfare programs quite out of line with their general outlook.

Stimulus Under Little Steel Formula

At this point a basic change in the nature of “union welfare programs” took place. Hitherto, the term implied plans financed by the workers themselves, through regular payments or assessments; henceforth it was to mean funds and programs financed—in part at least—by the employers, in accordance with an understanding reached through collective bargaining and often embodied in the collective agreement. The limitation of wage increases during World War II under the Little Steel Formula greatly promoted this development. Beyond the 15 percent increase above January 1941 levels authorized for direct wage increases, it was possible to obtain indirect increases in the form of “fringe adjustments” including employer-financed health, welfare, and vacation plans. As E. E. Witte, of the National War Labor Board, explained:

It is clear from all these cases that the Board will not normally order an employer to institute a group insurance plan or direct the liberalization of a plan in existence. Each case, however, will be judged on its own facts, and where it is clearly necessary in the interests of a fair and equitable disposition of the dispute to require the employer to institute or liberalize a group insurance plan, the Board will so direct.4

Under the pressure of the war, and in view of the high profits which industry was earning, management was not averse to this directive.

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8 International Teamster, April 1944.
As a result, union welfare programs were initiated in many segments of the trade-union movement.

Present-Day Types of Programs

The type of welfare program in operation today varies with the circumstances in the particular industry or locality in which it functions. In some instances—for example, the erstwhile Kaiser ship-building enterprise on the West Coast—the program is financed entirely by deductions from the workers' earnings, but is managed exclusively by the company. The Endicott Johnson Co. of Binghamton, N. Y., has a different approach: It not only assumes the entire administration of the plan, but also furnishes all the finances as well. A third type is that maintained by the Consolidated Edison Co. of New York, whereby the program is financed by contributions from both the employees and the employer, although administration is the exclusive prerogative of the company. The fourth kind—which will be discussed here in detail—is that of the International Ladies' Garment Workers' Union local unions. Here the programs are financed entirely by management, but the day-to-day administration is left to the union, subject to review of a council on which the employers are represented.

Ladies' Garment Workers' Health and Welfare Programs

History.—The International Ladies' Garment Workers' Union entered the field of welfare programs soon after the historic cloak-makers' strike of 1910. Several local unions, notably Pressers' Local 35 and Cloak Tailors' Local 9, both of New York City, established tuberculosis benefit funds, to which each member contributed a dollar a year. Workers found suffering from tuberculosis were eligible to a cash benefit of $100, or a sojourn in the country for a minimum period of 10 weeks at the full expense of the union.

Not so long ago, it will be recalled, the needle trades constituted a thoroughly sweated industry, giving rise to the term "sweatshop." Not much attention was paid to the plight of the workers except by the weak and struggling unions (which, single-handedly, were unable to do much), and by a few reformers. Most of the garment factories in New York City were located in the tenement slums of the East Side; building piled upon building without vacant space for admitting sunshine, light, or air. Sanitary facilities were lacking. The long hours of employment and low wages compelled many workers to use the factory as a lodging. Employers did not object to this arrangement, because it saved them the expense of a watchman. There were no factory laws to observe.
Under these conditions, it was inevitable that tuberculosis should become the chief occupational disease in the garment industry. Such an environment also led to one of the most disastrous industrial catastrophes known in our country, wherein 147 young women workers lost their lives in a fire which broke out in the Triangle Waist Shop in March 1911. It was definitely established, at the criminal trial which followed, that the owners had the factory doors (including those leading to the fire escapes) locked during working hours.

These startling facts came to light as a result of an industry-wide investigation conducted by the United States Public Health Service in 1912 in cooperation with the Joint Board of Sanitary Control. This unique institution came into being as a result of the signing of the "protocol of peace," which followed the prolonged and bitter general strike of the coat and suit makers of New York in 1910. Its main objectives were the elimination of dreaded sweatshop conditions and of fire hazards.

Louis D. Brandeis, Louis Marshall, and Hamilton Holt were the chief architects of this idea. The Board was originally administered by representatives of the employers, the workers, and the public, the latter consisting of Dr. William J. Schieffelin, Lillian D. Wald, and Dr. Henry Moskowitz. Its medical director, the late Dr. George M. Price, succeeded several years thereafter in interesting the parties not only in the maintenance and observance of more desirable working conditions, but also in the improvement of the health of the workers.

UNION HEALTH CENTER

Thus, from a small beginning involving only a few thousand workers, a huge institution today, known as the Union Health Center, was created. It is owned and operated on a nonprofit basis by the ILGWU. Housed at present in its own modern, fireproof 27-story building, it is serving the needs of the 150,000 ILGWU members located in the New York area. In 1945, it rendered no less than 164,636 medical services to 28,056 patients. During the same year, it handled a total of 11,881 disability cases, to whom it rendered 24,652 services. The institution is at present under the directorship of Dr. Leo Price, son of the founder and first administrator of the Center. It has a medical staff of about 100, with a lay staff of over 150.

From the public health standpoint, the Union Health Center is unique. It was the first institution of its kind in the country, and its director is frequently called into consultation by government bureaus and other agencies interested in public health problems.

4 See Monthly Labor Review, October 1939 (p. 811), for description of the ILGWU health program.
GROWTH OF PROGRAM

In the years that followed, local unions of the ILGWU began to inaugurate first a tuberculosis benefit fund and later a limited form of sickness insurance. Both of these benefits were financed by a 35-cent monthly stamp paid by the workers. The actual amount of benefits varied, but the high point was reached in the payment of $150 to tubercular members and a weekly sick benefit of $7 for a period of 8 to 10 weeks.

At the present time, the great majority of the ILGWU's 350,000 members, distributed in 420 separate local unions in 275 communities in 35 States and Canada, enjoy some form of health and welfare benefit.

New York Dress Joint Board

The largest single unit in this integrated union welfare program of the ILGWU is the New York Dress Joint Board, which includes three local unions (22, 60, and 89), with a membership of approximately 60,000. (Cutters Local 10, though part of the Joint Board, is for the present not participating in the program.)

When the collective agreement between the Dress Joint Board and the employers' associations in the New York dress industry was renewed on May 6, 1944, a new clause was included providing for a 3½-percent pay roll contribution by the employers to maintain a health and welfare program. The funds, according to the terms of the agreement, "shall be used exclusively for the members of the union and for the payment of the operating and administrative expenses thereof."

"The health fund," by further provision of the agreement, "shall be administered by the Joint Board, and the Joint Board shall determine what proportionate amount of the health fund shall be allocated for health benefit and what proportionate amount shall be allocated for vacation benefit. With respect to health benefits, the parties hereby create a council consisting of two representatives of the Affiliated Association, two of the National Association, and two of the Popular Association, and six representatives of the Joint Board of the Dress and Waistmakers' Union, which shall be presided over by the Impartial Chairman. The council shall have the right to determine the types and amounts of health benefits which the members of the union shall receive and which, however, shall not exceed the total amount allocated by the union for health benefit. The Joint Board shall file with the council any rules and regulations relating to health benefits which it may adopt, and amendments which it may make thereto, and shall report periodically to the council the accomplishments of the health fund with respect to health and vacation
benefits. With respect to vacation benefits, the parties agree that
the Joint Board shall have the right to adopt rules and regulations in
connection therewith and to establish the eligibility of members of
the union for benefits and the amounts of benefits to be paid them.”

TYPES OF BENEFITS PAID BY THE BOARD

Benefits currently paid by the New York Dress Joint Board are as
follows:

(1) **Cash benefit.**—Members who are ill and unable to work are
entitled to a cash benefit of $15 a week for a period of 10 weeks each
calendar year. It is paid upon certification by the medical depart­
ment of the union (Union Health Center), and continues as long as
the member is unable to work, up to 10 weeks.

(2) **Hospitalization.**—Members are entitled to a benefit of $5 per
day for each day of hospitalization up to 60 days in any calendar year.

(3) **Surgery benefit.**—The union pays every member undergoing a
surgical operation a sum varying from $10 to $50, depending upon the
nature of the operation.

(4) **Medical credits.**—In addition to all the above benefits, every
member of the union is entitled to $25-a-year medical service at the
Union Health Center for general medical examination, special labora­
tory tests, or X-ray.

(5) **Maternity assistance.**—A $50 maternity benefit is paid members
upon presentation of a board of health birth certificate. The plan is
being enlarged to include stillbirths, etc.

(6) **Eye conservation program.**—Every member is entitled to free and
unlimited eye treatment and to free eyeglasses.

(7) **Tuberculosis benefit.**—Members who are found to have tubercu­
losis are sent, at the expense of the fund, to any one of the many
tuberculosis sanitariums with which it is affiliated, and are kept there
until their health is fully-restored. Those desiring to withdraw from
membership and take care of their health independently of the fund’s
provisions are allowed a cash settlement of $250. The obvious
difference in cost between an unlimited stay in a recognized health
institution with all costs (including regular sick benefit and personal
expenses) paid by the fund, and the alternative of $250 allowed a
sick member who undertakes his own cure, is intended to deter mem­
bers from asking for cash settlements and to encourage them to enter
an institution where the chances for the arrest of the illness and its
ultimate cure are so much better.

(8) **Vacation benefit.**—Every member of the union, employed or
available for employment in the industry, is entitled to a cash vacation
benefit ranging from $33 to $48, depending upon the particular craft
of the worker. This sum is payable on the first of June of each year.
(9) **Death benefit.**—In addition to the $150 lump-sum death benefit paid by the home office of the ILGWU, for which the individual member pays $1 a year, most of the local unions pay an additional $150 without any contribution from the members. Death benefits, it should be noted, are not financed from the Joint Board Health Fund, but by the members' contributions supplemented by the local treasuries.

**COST OF BOARD'S HEALTH AND WELFARE PROGRAM**

The size and scope of the New York Dress Joint Board health and welfare system are indicated by the payment, during the first 8 months of 1946, of over $600,000 for seven kinds of health benefits (as shown by the following table) and of more than 2 million dollars in vacation benefits in 1946.

### Comparative amount of health benefits paid during first 8 months of 1945 and 1946

<table>
<thead>
<tr>
<th>Type of benefit</th>
<th>First 8 months 1946</th>
<th>First 8 months 1945</th>
<th>Increase Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount paid</td>
<td>$694,199.42</td>
<td>$386,072.37</td>
<td>$308,127.05</td>
<td>66.8</td>
</tr>
<tr>
<td>Cash benefits</td>
<td>$397,042.50</td>
<td>$397,042.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical credit</td>
<td>$37,638.75</td>
<td>$37,638.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eye conservation program</td>
<td>$22,941.95</td>
<td>$22,941.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternity assistance</td>
<td>$6,726.57</td>
<td>$6,726.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgery benefit</td>
<td>$16,593.00</td>
<td>$16,593.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitalization benefit</td>
<td>$40,015.00</td>
<td>$40,015.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Per capita costs.**—On the basis of the foregoing figures, it is estimated that the average cost in health benefits alone, excluding medical and general administration, is over $16 per member per year.

The cost is not uniform for the three local unions involved in the foregoing table. Thus, Local 22, with a dues paying membership of 25,671, runs its various forms of benefits at an annual cost of $19.36. Local 89, with a membership of 30,405, averages $12.69, and Local 60, with 2,766 members, averages $19.34. The wide difference in costs between Local 89 and the other two locals is attributable largely to the fact that the former is composed of a considerably younger element; moreover, the whole benefit system is more recent in this union than in the other locals, with the result that its membership is not yet fully aware of what it has to offer, and so does not take the same advantages of the program as do the other two unions.

**Actual per capita costs in cash sick benefits**, including the medical fees involved in the examination of sick members, are as follows:

<table>
<thead>
<tr>
<th>Local</th>
<th>1945</th>
<th>1946</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>$11.15</td>
<td>$8.43</td>
</tr>
<tr>
<td>60</td>
<td>10.52</td>
<td>8.44</td>
</tr>
<tr>
<td>89</td>
<td>8.45</td>
<td>6.34</td>
</tr>
</tbody>
</table>
Cost of medical benefits (on a per capita basis) are distributed as follows:

<table>
<thead>
<tr>
<th>Local</th>
<th>1945</th>
<th>1946</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>$3.29</td>
<td>$1.64</td>
</tr>
<tr>
<td>60</td>
<td>3.43</td>
<td>1.69</td>
</tr>
<tr>
<td>89</td>
<td>.99</td>
<td>.32</td>
</tr>
</tbody>
</table>

Claim rate per 1,000 (percent)

<table>
<thead>
<tr>
<th>Local</th>
<th>1945</th>
<th>1946</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>16½</td>
<td>12½</td>
</tr>
<tr>
<td>60</td>
<td>16½</td>
<td>12½</td>
</tr>
<tr>
<td>89</td>
<td>10%</td>
<td>8%</td>
</tr>
</tbody>
</table>

General administration, including complete supervision as well as audit of employers’ books, runs at the rate of 5 percent of gross collections.

A further examination of the foregoing table (p. 18) shows that as the health fund becomes better known to the members, payments increase correspondingly. This fact accounts for the 29 percent rise in the eye conservation program, wherein no change in benefit rate was made between the first and second year of operation.

Increases in the other parts of the program are due primarily to the change in schedules which went into effect on April 1, 1946, whereby the weekly rate of cash benefit was increased from $12 to $15, the hospitalization benefit from $3 to $5 per day and from 20 to 60 days per year, and medical credits from $15 to $25 per year. Two entirely new benefit forms were added—surgery benefit and maternity assistance.

There was also a substantial increase in the vacation benefit paid this year. From a preliminary report recently made available, it is evident that, although the total amount disbursed for vacation benefit for the full year ending May 30, 1945, amounted to $1,476,709.90, the vacation benefit paid out for the year ending May 30, 1946, amounted to at least $2,069,254.46, an increase of over 40 percent. This advance is explained in part by the fact that vacation benefits were increased by $10, and in part by the rise in the number of claimants (51,077 to 53,503) for the benefit. The average cost of this type of benefit was about $39 per member during the 1946 period indicated.

The administrators of the health fund are not disturbed by these increases. The industry is still operating at a good pace and the receipts in 1946 not only compared well with the previous year but also showed an increase of 13.9 percent, as of August 1, 1946. As a result of the added income, the health fund has been in a position to put away a substantial reserve, from which it expects to be able to increase current benefits still further and gradually add new forms of benefits.

The types of benefits herein described are determined by the experience which the union has gained from the operations of similar funds during the past 30 years and are also geared to the revenue
derived during the past year. As already indicated, systematic upward readjustment is anticipated. Knowing the character of the industry—its sharp seasonal fluctuations and general instability—the union administration is taking a most careful attitude with respect to scales of payment since it does not want ever to be in a position which necessitates reduction in benefits.

HOW BENEFITS ARE PAID

We were faced with the problem of how to pay benefits. Instead of establishing a completely new department, with an individual record for each of the 60,000 dues-paying members, which would have required continuous posting of the members' records, we agreed to utilize the already existing sick-benefit departments of the individual locals and their records. Thus, members, who take sick, report directly to the local to which they belong. The health fund department of the locals, in accordance with uniform rules and regulations, then notifies the Union Health Center of the case. The member is examined within 3 days, and if disability is established, the first week's benefit is paid on the tenth day following the receipt of the report of illness. Thereafter, weekly checks are mailed upon the seventh day.

At the conclusion of each month, the local health fund departments submit detailed statements of disbursements to the secretary-treasurer of the Joint Board Health Fund Committee, who reimburses such amounts to the local health funds, subject to audit.

Any member who feels that he has been deprived of his rights or that he has not been paid in full for his disability, has ample opportunity to lay his grievance before his elected local officer. He can explain, in a language which both understand, his particular claim. He thus has the satisfaction of "talking it out" with the chief administrator of his local union, rather than having to be content with a mute, stereotyped form reply.

If he is still dissatisfied, he has an opportunity to appear before a committee on claims, which meets regularly in the office of the union. This committee is composed of two rank-and-file members from each of the affiliated local unions, and is presided over by the secretary-treasurer of the Joint Board. The rules and regulations of the health fund empower this committee to make whatever adjustments the facts would seem to justify.

In this fashion, we have established a machinery which allows for a centrally controlled administration and at the same time offers wide flexibility, giving the local unions a substantial degree of autonomy and the individual member a feeling that he is not hopelessly removed from the administration of his union and its funds.
Other Considerations

EMPLOYERS' COOPERATION

Obviously the comprehensive health and welfare program here outlined could not have been undertaken without the security and strong organization which the ILGWU has been able to develop in the past 30 years. When a trade-union must devote all of its energies and resources in struggling for adequate wages and decent working conditions, it has neither the time nor the means to think in terms of social welfare programs. Once it has achieved a substantial degree of unionization and control over workers in the industry, it can undertake these "extracurricular" activities, which then become a legitimate part of its industrial program.

In fairness to the employers in our industry, it should be said that they, too, are entitled to credit for the inauguration and development of our welfare program. In the course of the past 30 years of collective bargaining these employers have learned to recognize a responsibility beyond providing adequate earnings and decent working conditions to the men and women in their employ. They have become acquainted at first hand with the social and economic value of human welfare.

WIDE ACCEPTANCE OF UNION WELFARE PROVISIONS

Encouraged by the success which the ILGWU has scored in the field of social welfare, many other unions have, in recent years, succeeded in incorporating similar provisions in their collective agreements. Among them are the Amalgamated Clothing Workers of America (CIO), including its New York and Chicago divisions; Federation of Dyers, Finishers, Printers, and Bleachers of America (CIO); United Furniture Workers of America (CIO); United Hatters, Cap, and Millinery Workers' International Union (AFL); Upholsterers' International Union of North America (AFL); New York Hotel Trades Council;* Chain Service Restaurant Employees' Union;* International Jewelry Workers' Union (AFL); International Union of Mine, Mill, and Smelter Workers (CIO); and International Printing Pressmen's and Assistants' Union of North America (AFL). More recently this movement was spurred by the United Mine Workers of America (AFL), which in a recent agreement has provided for a minimum of social security for the hundreds of thousands of coal miners. Because of the grave industrial hazards to which miners are always exposed, this form of protection would have been desirable even before the garment workers and others began to enjoy it. Henceforth welfare benefits become an important issue in em-

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* Members of the Hotel and Restaurant Employees International Alliance (AFL) in Greater New York.
poyer-employee negotiations. This was made clear by President William L. Green in his report to the convention of the American Federation of Labor held in Chicago in October 1946.7

**EFFECT OF PROGRAM ON UNION**

What has been the effect of this welfare program upon the organization? Does it make for a stronger union? Definitely, yes. Among the chief factors making for the strength and effectiveness of the ILGWU have been its comprehensive benefit services, including, of course, its highly developed educational and cultural program.

In the early stages of the ILGWU, its membership was in a constant state of flux. The industry in all its branches was sharply seasonal. Shop strikes would break out on the eve of every season. The workers would obtain some wage increases here and there, only to see them disappear several weeks later. There was nothing to bind the garment worker to his union. He would join and drop out at frequent intervals. The turnover in membership was tremendous.

With the introduction of the benefit system conditions changed radically. Today the person who joins the ILGWU has every good reason to maintain his membership even in slack periods. He no longer drops his membership at the end of the busy season as he did formerly, because today his membership is a form of security against illness, unemployment, accident, and death. This makes for stability, organizational strength, and effectiveness on the industrial field and gives the union real capacity for expansion.

*New Programs Create New Problems*

The administration of union health and welfare plans carries with it certain new responsibilities and creates certain new problems which are already beginning to make themselves felt.

1. I should like to stress particularly the need for actuarial experience and guidance in the operation of welfare programs. Heretofore, unions have relied on whatever data they were able to obtain from governmental and private sources, together with their own meager information acquired in the course of experience. Benefit scales have been fixed simply on the basis of availability of funds. Little account has been taken of such facts as the increasing age of the membership and the consequent higher incidence of illness. Will the unions be in a financial position to pay the present benefits in the years ahead, when the needs will become greater and the means more limited? This is but one example of the kind of questions that must be considered. So many factors are involved that, unless the actuarial aspect is properly handled, the entire program may be jeopardized.

*See p. 5 for statement from Mr. Green's report.*
2. It appears to me that the trade-unions ought to begin pooling their experience with a view to setting up definite criteria to enable welfare programs to stand the strains and stresses inevitable under our present economic set-up. It is my feeling that the more efficiently and the more scientifically our funds are administered, the more likely we are to preserve their voluntary character.

3. Another problem which has come to the fore is that of investment. The profitable and secure investment of union health funds, as well as of union funds in general, constitutes a tremendous responsibility upon union leadership. Because persons directly in charge of union funds are free from the governmental restrictions to which most of the nonprofit fraternal organizations, savings banks, and insurance companies are subject, they have to use extreme prudence and care. Investment is a study in itself, and few of the union officials in charge of funds are trained in it. What may appear as a sound proposition to one man may be discarded by another for the sake of an additional fractional percent of interest. Most funds have met the problem by limiting investment to the purchase of Federal, State, and municipal bonds. This seems to be a fairly safe course to follow, and one which will not subject the administrator to criticism in the event the bonds drop in value. But even here there are elements of danger. Some municipalities and States represent a better risk than others. Standards should be set up as to types of investment. The question of maturities is similarly important. Portfolios must be so arranged that advantage is taken of changed financial conditions. It is a mistake to think that, once a Government bond is bought, it must be kept to maturity.

4. The complete segregation of health and welfare funds from the general funds of the union is not only desirable but absolutely necessary. It has already been noted that some unions were at times compelled to suspend or entirely liquidate their health and sick benefit programs because of industrial conflicts that completely drained their resources. No union can consider itself forever immune from labor-management clashes. Unless the health and welfare funds are properly segregated, there is danger that they may be used, directly or indirectly, for general union activity. In this connection, there comes to mind an incident in the course of one of our perennial strikes in the late 1920's. When I told the strike committee that the money to which reference was made was the property of the sick-benefit fund one of the strike leaders told me, "If we don't win this strike, there'll be no union and no sick fund." To this I replied, "As long as there is this sick fund, something will always be left of the union." Experience not only in the ILGWU but in many other sections of the labor movement has proved these words correct.
In the International Ladies' Garment Workers' Union and all its affiliates segregation of funds is an established and fixed policy. Its supreme governing body—the general executive board—has long ago laid down the law that in no instance and under no circumstances are funds to be intermingled.

Needless to say, trade-unions have entered the field of social welfare out of sheer necessity. The attitude of some employers with respect to the health and welfare of their workers and the past inadequacy of governmental plans left them no other course. However, it is hoped that the social security program of the Federal Government, which now offers only a limited form of protection, will eventually embrace all forms of sickness insurance and medical, mental, hospital, surgical, dental, and prenatal care. When this happens, some unions will gladly turn over their responsibilities to the Government and continue to pioneer in other fields of social reform and economic justice.

How well the Government will run this program, no one can tell. Some trade-unionists do not relish the idea of exposing their members to the potential red tape of bureaucratic management. When we reach that point, it may be well to rely upon the experience which the European trade-unionists had in this respect. In pre-Hitler Germany and Austria, as well as in the Scandinavian countries, welfare funds, under the name of "Arbeiter-Kranken und Sterbe-Kasse," functioned very satisfactorily on a tripartite basis—Government, industry, and labor. It may be that we can do the same, and with our American ingenuity, may be able to improve upon it. But I am not prepared to formulate any definite program of administration. We lack sufficient experience to come to definite conclusions. We should, however, endeavor to develop a workable and, above all, a humane approach to the problem. In the administration of health and welfare programs, we are constantly dealing with sick and disabled people. To restore them to health and at the same time help them retain their human dignity is a task worthy of our best talents and attention.