Political Mediation and American Old-Age Security Exceptionalism

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Abstract
Debates over America’s heavy reliance on employer-provided private pensions have understated the profound role organized labor played after World War II. Archival evidence from prominent unions and business associations suggests that the shift in organized labor’s strategy after the New Deal toward electoral activity helps explain critical interventions by Northern Democrats into the system of private pensioning in the postwar period that laid the foundation for America’s old-age security system. Such a strategy was insufficient, however, to expand Social Security. This article offers a political mediation account of electoral activity as a source of labor influence on social policy that draws on political institutionalist and class power theories.

Keywords
employment benefits, retirement pensions, collective bargaining, labor movements, labor politics

America’s comparatively small welfare state has made it a favorite test case for social policy scholars. However, only recently have scholars begun to consider the United States’ heavier reliance on private,
employer-provided social programs (Gottschalk, 2000; Howard, 1997). The private welfare sector in the United States is the largest in the world, leading some to conclude that it is a central aspect of American exceptionalism (Hacker, 2002). In 2005, expenditures on private social programs accounted for 10.1% of gross domestic product (GDP), far above the Organisation for Economic Co-operation and Development (OECD) average of 2.9% (Adema & Ladaique, 2009, p. 29). Somewhat surprisingly, this is also true of old-age security, an area with an established public program; 45.1% of retirement income in the United States derives from employer-provided private pensions, well above the OECD average of 19.5% (OECD, 2009).

The timing of the expansion of private pensions in the United States is a critical part of America’s public–private pensioning mix. Public and private pensions did not gradually grow at the same rate in parallel to one another. Instead, their development was temporally uneven. In the postwar period, after the large-scale expansion of public pensions with the 1935 passage of the Social Security Act (SSA) and the 1939 amendments, the dominant trend was the expansion of private, collectively bargained pensions (National Industrial Conference Board [NICB], 1950a). This then triggered an expansion of private pensions in the nonunion private sector. Although amendments to the SSA in 1950 and 1954 moved the public system toward universality, the next time replacement rates were expanded beyond correcting for inflation was under the Republican presidency of Richard Nixon in the early 1970s. This raises a question about the American case: What factors at play in the postwar era explain the expansion of private pensions while the public system largely stagnated?

Using archival evidence from prominent unions and business associations, I show how a political alliance between the Congress of Industrial Organizations (CIO) and Northern Democrats helped shift American old-age security toward private, collectively bargained pensioning between 1940 and 1965. After the war, CIO electoral activity led to critical Northern Democrat interventions in labor–management disputes that legitimated and mandated collective bargaining over private plans. Yet organized labor supported expansions in both private and public old-age security. Electoral activity, however, was not a sufficient cause of expansions in the replacement rates for social security.

I draw several theoretical conclusions from the research. First, I challenge traditional institutionalist approaches that downplay the influence of class-related actors on welfare development. Labor played a critical role in the making of America’s old-age security system.
Second, however, I show that simply relying on balance of class forces arguments is an insufficient alternative to institutionalism. Union agency bore directly on developments in the pension system, but their influence was mediated by the existing arrangement of political institutions (Amenta, 2006; Hacker & Pierson, 2002; Hicks, 1999; Huber & Stephens, 2001). Finally, incorporating class power approaches into a theory of social policy development requires identifying the mechanism of labor influence at work (Hedström, 2005). To do so, I present a middle-range theory of labor’s electoral activity, which is not captured in existing accounts. In the American context, I find that the strategic orientation of labor not only bears on whether pension programs are enacted but also on whether they are public or private.

My argument proceeds as follows: First, I review existing political institutionalist and class power approaches to American welfare development. I show that both are insufficient and instead offer more convincing explanations when combined and framed at a middle level of abstraction. To do so, I propose an account of the relationship between American labor’s electoral activity and welfare outcomes to show how political institutions mediate union influence on policy development. I then map out the research design, both discussing the archival documents that I drew on and the analytical strategies that I employ. Next, I begin my empirical analysis by briefly sketching the history of the political alliance formed between the CIO and Northern Democrats in the years after the New Deal. Finally, I consider the development of public and private pensions in the United States from 1940 to 1965, first demonstrating the empirical shortcomings of political institutionalist and class power approaches and then offering evidence for a theory of politically mediated labor influence.

Approaches to Pension Development in the United States

For almost two decades, the most prominent studies of American welfare development employ a political institutionalist approach (e.g., Amenta, 1998; Hacker, 2002; Orloff, 1993; Pierson, 1996; Skocpol, 1992). Pioneered by Skocpol and her colleagues (e.g., Skocpol, 1979, 1992; Skocpol & Amenta, 1986), the approach proposes that political institutions create constraints and opportunities that shape national welfare arrangements. While this field is far from unified, studies in this vein tend to emphasize two causal properties of political institutions: state structure and policy legacies. Timing of democratization (Skocpol, 1992),
a 19th-century patronage system (Amenta, 1998, p. 24; Orloff & Skocpol, 1984), uneven democratic development (Amenta, 1998), party control (Hooks & McQueen, 2010; Huber & Stephens, 2001), and the constitutional rules of the game (Immergut, 1992; Lipset & Marks, 2000) are all used within this framework to help explain the development of particular welfare provisions in the United States.

A key contribution of political institutionalism is to pose questions and offer explanations at a lower level of abstraction than earlier approaches (Hedström & Udehn, 2009). Earlier welfare state theory tended to ask about the broad relationship between industrialization (e.g., Wilensky, 1965) and capitalism (e.g., Offe, 1984) on the one hand and welfare state development on the other. Institutionalists have rightly responded that “it depends,” since capitalist democracies take widely divergent institutional forms (Hacker & Pierson, 2002, p. 282). As such, institutionalist theory is built around examinations of policy development in particular issue areas using detailed case studies (e.g., Hacker, 1998; Skocpol, 1992) and cross-national policy comparisons (Myles & Pierson, 2001; Thelen, 2004).

Institutionalists persuasively argue that the peculiarities of American institutions have played an important role in shaping the private American welfare state. However, several of these scholars acknowledge that without an account of the interests and sources of influence of key class-related groups, political institutionalism alone is insufficient (e.g., Hacker & Pierson, 2002, 2010). The institutionalist literature, however, does not offer a systematic account of class influence, and as a result, the existing institutionalist explanations of private pension development are incomplete. As I demonstrate in the empirical section of this article, policy incentives alone fail to explain the rapid expansion of private pensions after the war.

Class power theories of social policy change offer an alternative to institutionalist arguments (Esping-Andersen, 1990; Korpi, 2006; Korpi & Palme, 2003). In particular, they point to the usefulness of treating welfare formation as an outcome of, and arena for, antagonisms between class-related challengers and elites. According to the approach, unequal politico-economic relationships facilitate the formation of social groups with competing interests and distinct access to assets which can be used to achieve those interests (Esping-Andersen, 1988; Stephens, 1979), and the context of labor market institutions imposes constraints on the use of these assets (Korpi, 1989). For instance, business will have greater access to economic assets, and labor’s most powerful asset is its potential numbers, that is, its labor
power (Korpi, 2006). Welfare gains are typically won when labor can successfully mobilize its numbers against the economic power of business and can elect social democratic parties into government or pressure existing parties (Hicks, Misra, & Ng, 1995).

While their theoretical claims are sound, most class power approaches are limited analytically in an important way. Although class power theories usefully bring nonstate actors and interests into the picture, their analyses are developed at such a high level of abstraction that the middle-range institutional mechanisms of the sort that political institutionalists consider disappear. Class power approaches ultimately point to balance of class forces arguments—when labor is strong it wins social policy gains, when business is strong it rolls them back (Misra, 2002). While this has merit, it fails to theorize the specific ways labor and business influence social policy given the variation in the institutional constraints that they face and, as a result, fails to provide an adequate account of pension development in the postwar period.

Electoral Activity as a Mechanism of Labor Influence on American Social Policy

As an alternative, my argument builds on studies that explore the joint effects of class and institutions on policy change (Amenta, 2006; Amenta & Halfmann, 2000; Amenta, Halfmann, & Young, 1999; Gottschalk, 2000; Hicks, 1999; Huber & Stephens, 2001; Jenkins, Leicht, & Wendt, 2006; Klein, 2003; Quadagno, 1988). This research shows that when unions pressure the state for collective benefits, their influence is mediated by political institutions. Amenta (2006) argues that “Political conditions influence the relationship between challengers’ mobilization and collective actions, on the one hand, and policy and other outcomes, on the other” (p. 8).

This research highlights several mechanisms. Amenta and Halfmann (2000) argue that strong labor unions in democratic polities with robust administrative capacities promote welfare expansion. Hicks (1999) suggests that strong unions and center or left parties interact with centralized and neocorporatist institutions to facilitate growth of social policy and resist retrenchment. And Huber and Stephens (2001) not only emphasize similar factors in their comparative analysis of welfare formation and retrenchment but also point to the importance of women’s mobilization.

Yet this research downplays how different union strategies can generate different outcomes. Union strength is often a static factor in
models of social policy development. Measured numerically by union density or political representation, unions are either strong or weak. But focusing on strength alone fails to explain unions’ strategic agency. Alternatively, Amenta’s (2006) analysis of the Townsend movement and the rise of social security shows that “the strategies of state oriented challengers need to fit the political situation” (p. 9). The research concludes that “As political circumstances become more difficult ... more assertive or bolder collective action is required to produce collective benefits” (Amenta, 2006, p. 26). Some strategies are more efficacious than others.

Given numerical strength, unions have a range of strategies at their disposal to influence policy. Among others, they can educate their members, raise publicity, mobilize votes, lobby legislatures, initiate strikes, and organize marches and protests. In the American institutional context, do these strategies all have a similar impact on policy development? Or do different strategies facilitate different outcomes? To weigh in on this question and advance the political mediation argument that Hicks (1999), Huber and Stephens (2001), and Amenta (2006) develop, this article shows that in different political situations the same strategy can lead to different outcomes. To do so, I theorize a specific mechanism of union influence on welfare policy in the American context—electoral activity.

Social movements and labor organizations regularly mobilize votes to shape policy (Meyer, Jenness, & Ingram, 2005). In many European capitalist democracies with more robust welfare states, social democratic political parties aligned with, or were created by, strong and centralized labor movements (Huber & Stephens, 2001; Korpi, 1983; Shalev, 1983). In legislative contests, welfare provisions were often advanced when social democratic parties were able to “subordinate class purity to the logic of majority politics” (Esping-Andersen, 1988, pp. 8–32; Hicks, 1999). While the research on the influence of American unions on social policy through electoral activity is inconclusive (see Amenta, Caren, Chiarello, & Su, 2010, for a review), it is well documented that in Western and Northern Europe, high union electoral mobilization resulting in leftist governments typically results in higher levels of welfare spending (Brady, 2003).

However, the strategy of electoral mobilization for organized labor in the United States must be differentiated from its social democratic counterparts in Europe. Countries such as Sweden, for instance, built welfare states via strong alliances between labor and political parties programatically oriented around social democratic policies. Yet, America’s
winner-take-all electoral system imposes major constraints on efforts to organize a viable labor party founded on social democratic principles (Duverger, 1954; Lipset & Marks, 2000). As a result, American parties are not programmatic and are in turn more subject to capture by resourced minority groups (Amenta, 2006, p. 21).

In this context, American labor unions confront a basic limitation when they employ electoral activity. The institutional arrangements tend to favor interest group politics over class politics. If organized labor mobilizes a significant number of votes for a party, the party members who benefit from the votes will have an incentive to intervene on behalf of organized labor’s sectoral interests, not necessarily the general interest of working people. Greenstone’s (1969/1977) definitive study, Labor in American Politics, supports this. He finds that organized labor was incorporated into the Democratic Party as one interest group among many and that in becoming a constituent of the Party actually lost considerable autonomy (1969/1977, pp. 248, 267). As a result, labor had to compete with other constituencies over party policy as an interest group representing its own membership.

This proposition is also supported by the archival record concerning private pension expansion. Electoral activity used votes to motivate Northern Democratic politicians to intervene on behalf of the labor movement against the interests of American businesses in support of private pension plans organized through collective bargaining. This was especially the case immediately after World War II (WWII) under the Democratic presidency of Harry Truman when organized labor’s bargaining power with firms was severely weakened but their numbers were historically quite large. However, electoral activity was not sufficient to push the state to increase replacement rates for social security beyond inflation.

Research Design

In this article, I use archival data to explore the causes of the shift toward private pensioning after the war. First, I look to the materials of unions that were involved in the pension debate in the years under consideration: the CIO and the United Auto Workers. These materials are housed at the Walter P. Reuther Library. I use subcommittee reports, memoranda, studies related to pensioning, letters, speeches, and literature. Second, I use materials from the peak employers’ associations of that period: the Chamber of Commerce, the National Association of Manufacturers, and the NICB, the premiere employers’
research institution. These materials are housed at the Hagley Library. Here, the data consist of subcommittee reports, conference minutes, memoranda, studies related to pensioning and collective bargaining, letters, speeches, and literature.

My framework for data collection was intentionally wide. I analyzed all documents in the collections involving pensioning, old age, labor’s political influence, and public and private welfare provisioning. The result was the collection of 7,401 documents, which I systematically coded using Atlas.ti, a qualitative data analysis software. This approach made clear what labor and employers thought about pensioning, what strategies labor adopted in order to influence American pensioning, and what the perceived effects of those strategies were on both sides of the conflict.

The analytical strategy employed to gain new leverage on the causes of the shift toward private pensioning is a comparison of historical trajectories. On one hand, I used new historical data to consider existing explanations. In particular, I assess both institutionalist and class power accounts of the rise of private pensions in the United States. While both advance the argument part of the way, neither is sufficient because both fail to explain the timing of private pension growth after the war. On the other hand, to explore my alternative account, which emphasizes the electoral relationship between the CIO and Northern Democrats, I employ three analytical strategies. First, I analyze the key conflicts between unions and employers over private pensions in the postwar period. I consider how, although their bargaining leverage was weakened, unions were able to secure collectively bargained plans but not public ones. An analysis of the labor-management conflicts, the interventions of the Truman administration and its key labor agencies, and the timing and content of new union bargained contracts suggests the role of Northern Democrats was decisive in the shift. Second, I show that labor’s electoral activity was insufficient for expansions in social security. By considering the inability and sometimes unwillingness of Northern Democrats to increase the social security replacement rates, I highlight the constraining effects of the American political situation on the unions’ strategy.

However, if left at this the analysis raises an unanswered historical question: Did Truman push his agencies to support private pensions simply because he was a pro-labor president? To answer, the third analytical strategy compares the postwar episode in private pensioning with Truman’s role in the counterfactual case of the American Federation of Labor’s (AFL) organizing drive for farm workers in California.
between 1946 and 1948. This comparison is illustrative because the AFL was not an explicitly pro-Democratic union at the time. It was not until after 1947, when the AFL formed Labor’s League for Political Education (LLPE), that it began to institutionalize a pro-Democrat electoral approach to politics. Truman’s antilabor interventions in the farm workers’ organizing drive occurred in the same period in which he supported CIO efforts to expand the private pensioning system.

The CIO’s Electoral Activity and Old-Age Security

The CIO arose in 1935, in the midst of widespread industrial conflict, with United Mine Workers’ leader John L. Lewis acting as its main architect. The officials of the federation almost immediately adopted a pro-Democrat political stance. Such was evident by the 1936 elections, during which the CIO formed Labor’s Non-Partisan League (LNPL) to help secure the reelection of Roosevelt.

Labor leaders and Northern Democratic politicians formed personal ties long before the New Deal. For instance, Sidney Hillman, longtime leader of the Amalgamated Clothing Workers of America (ACWA), had working relations with progressive Democrats prior to World War I (WWI) and a close personal connection to Roosevelt since at least the Great Depression (Lichtenstein, 1982, pp. 34–35). Other labor leaders such as David Dubinsky and Philip Murray were also committed to the Democratic Party and to Roosevelt (Burns, 2002). However, as business support of the administration dwindled, Roosevelt strengthened these connections through the widespread and progressive reforms of the second hundred days of 1935 (Davis, 1980). He needed the votes and campaign support that the nearly 4 million new members of the CIO between 1935 and 1937 might offer in future elections. The strategy paid off. The New Deal achieved an electoral landslide in the 1936 elections.

However, it was not until WWII that a pro-Democratic orientation became fully institutionalized into the CIO section of the labor movement. The 1938 and 1942 elections, in which blocs of antilabor Republicans and Southern Democrats won seats in Congress, spurred CIO leaders to formulate a longer term political plan. After the elections, a top-level political action report within the federation asserted that there was no hope in influencing Republicans. Instead, the CIO should put its full resources behind the Democrats (Foster, 1975, p. 21). This was made official with the formation of the Political Action Committee (CIO-PAC)
in 1943, of which Hillman would take the helm until his death three years later. While the first goal of the CIO-PAC was the reelection of Roosevelt in the 1944 elections, it remained an active organizing hub for Democratic candidates well into the 1950s. C. Wright Mills (1948) described it as an appendage of the Democrats (p. 184).4

As a counter to the CIO’s legacy of intense shop-floor militancy and work actions, the CIO-PAC organized its program around electoral activity, as expressed in the goal that workers should think and vote as liberals (Foster, 1975, p. 48). Assuming that its more than 5 million members could alter the balance of power in several congressional districts, the CIO-PAC made its raison d’être the political education of the CIO membership toward generating a reliable electoral constituency for the Democratic Party (Greenstone, 1977). American businesses recognized this strategy’s dangerous potential. The National Association of Manufacturers lamented that “Organized labor has created a political missile of massive proportions” (National Association of Manufacturers, 1956). And leaders of industry would later refer to the alliance as an unholy political deal (Harbinson & Spencer, 1954).

The CIO-PAC made up a large campaign machine with regional offices in key Northern cities. Under its direction, tens of thousands of local campaign workers mobilized CIO members and their communities to vote for Democratic candidates. If mobilized, CIO leaders believed that the growing corps of organized industrial labor could prove to be an effective electoral force. In the decades following the New Deal, this corps only grew. Both union density and the number of employees in unions tripled between 1936 and the end of WWII (see Figure 1). Yet despite the CIO’s enthusiasm in expanding both public and private pensions after the war, their electoral activity facilitated an expansion of the latter and not the former.

Public Pensions After the War

The passage of the SSA in 1935 did not resolve the problem of old-age security. In 1947, America’s top businessmen at a United States Chamber of Commerce conference agreed that Social Security benefits for the retired hourly worker cannot make ends meet (U.S. Chamber of Commerce, 1947). Five years later organized labor echoed this assessment when the CIO concluded that “The Social Security system is still only a partially realized factor in the American standard of living” (CIO Executive Board, 1952).
During the first 30 years of the social security’s operation (1940–1970), most changes in the old-age pension program were directed at achieving universal coverage across occupational categories rather than increasing replacement rates. In fact, the first 10 years saw a large erosion of the program because of inflation increases. By the end of WWII, public old-age insurance benefits were inadequate and largely overtaken by means-tested old-age assistance benefits (Quadagno, 1988). The amendments of 1950 (which included domestic workers) and 1954 (which included agricultural, hotel, laundry, and government workers) largely accomplished universal coverage and reversed this by increasing benefits. However, every legislated benefit increase until 1970 simply restored the purchasing power lost since the program’s inception (see Figure 2). Those pieces of legislation that aimed to expand benefits in a more comprehensive way such as the Wagner–Murray–Dingell Bill were defeated. As a result, public pension benefits did not tend to keep pace with the rising standard of living among workers (Myles, 1989; Pampel, 1979, p. 135).

Federalism’s constraints on electoral activity. American federalism splits responsibilities, increases the number of relevant political actors in a policy field, and modifies their preferences and strategic options
(Pierson, 1995). Legislative changes in fragmented political institutions require a massive coordination of divergent actors with unique interest sets and substantial individual influence. As a result, federalism weakens political power at the national level by providing the capacity for minority factions to block legislation (Immergut, 1992). In turn, it increases the difficulty of policy change, since change itself requires the approval of several political actors with veto power (Tsebelis, 2002).

Given these constraints, institutionalists argue that after the 1938 Congressional elections, a bloc of Republicans and Southern Democrats forged an antilabor coalition and blocked attempts to expand social security (Béland & Hacker, 2004, p. 51; Hacker, 2002, p. 86; Patterson, 1967). In a context of Congressional opposition, the pro-labor Northern Democrats could not effectively intervene to support public social provisions.

American federalism and the two-party political context made labor’s electoral activity an insufficient strategy to produce expansions in social security. Pro-labor Northern Democrats had more leverage over labor policy than they had in passing far reaching legislation. Since their party was not programmatically oriented to social democratic policies, the Southern wing represented other local interests, primarily landed agricultural elites. And as a result, Southern Democrats were united in opposition to a pro-labor agenda (Katznelson, Geiger, & Kryder,
1993). Yet the argument that an antilabor coalition blocked expansions needs to be modified. Many Northern Democrats recognized the institutional constraints and as a result did not actively pursue expansions.

The case of the Wagner–Murray–Dingell Bill is illustrative. It was first proposed in 1939 (by Wagner alone, a progressive pro-labor Democrat from New York) and then reintroduced to both houses of Congress in 1943 with endorsement from both the AFL and the CIO. Among its most important changes, the bill proposed a comprehensive federal health and unemployment insurance plan in addition to liberalizing and expanding old-age pension benefits. In regard to expanding welfare provisions, it was the main bill on the legislative table. However, despite the strong support of both the AFL and the CIO, it was not endorsed by Roosevelt, or by anyone else in his administration. Neither was it endorsed by the Social Security Board (Witte, 1943). And although it caused much debate, the lack of support for expanded welfare benefits across the aisles in both the Democratic Party and the Republican Party is the reason why the bill never left committee for a vote.

The bill was reintroduced into both houses, yet again, in 1946—a context in which Republicans did not have majority control of Congress. While Truman had expressed support, especially in his 1948 election campaign in which he needed labor’s vote, it again failed to garner enough momentum to leave committee. According to Hacker (2002, p. 224), hearings on the bill orchestrated by its supporters only showcased the long list of the bill’s opponents. By 1950, Senator Murray largely gave up hope on it moving forward. The Wagner–Murray–Dingell Bill, which would have greatly expanded old-age security, was not only opposed by Republicans and Southern Democrats—the majority of Northern Democrats refused to support it as well. After the legislative difficulties in passing the SSA, namely, the exclusion of racialized occupational groups to win support from Southern Democrats, Northern Democrats were willing to trade the segregated utilization of federal funds to win the support from the Southern section of their party for other spending measures (Katznelson, 2005, p. 49).

But how does my framework account for the 1950 and 1954 amendments to the SSA? Although they were very limited in comparison to the Wagner–Murray–Dingell Bill, the amendments were not insignificant and were certainly supported by labor. It bears repeating that in terms of replacement rates, the increases they brought only made up for inflation-driven losses in benefit purchasing power. More
progressively, however, these amendments largely made social security universal by incorporating occupational groups such as domestic, agricultural, hotel, laundry, and public sector workers into the program. If a Southern faction of the Democratic Party blocked earlier Social Security expansions, how can we account for these amendments?

Alston and Ferrie (1999) make an argument that is compelling and also consistent with the broader claims made here. They argue that when the SSA was passed, the White Southern elite that Southern Democrats tended to represent were primarily agricultural elites, dependent on farm labor. A factor behind their earlier rejection of the SSA, and the primary reason why the eventual act excluded domestic and agricultural labor, was that agricultural production in the South was paternalistic, dependent on having access to a large supply of cheap and dependable labor. It therefore behooved Southern landed interests to prevent government programs that could have substituted for the benefits offered by planters.

However, Southern agriculture was slowly mechanized between 1940 and 1970, and many of the black agricultural workers in the South were displaced, in part leading to the Second Great Migration to the North (Wright, 1986). As Alston and Ferrie (1999) suggest, the advances in science that made farm-specific knowledge of tenants less necessary, the mechanization-caused displacement that heightened the threat of unemployment in the South for agricultural workers, and the fact that mechanization standardized production and reduced the cost of monitoring agricultural labor, all contributed to Southern paternalism becoming outdated as a contractual device (p. 119). I suggest that these changes led to a shift in the attitude of Southern White agricultural elite on the Social Security program and largely opened up the political space for the 1950 and 1954 amendments that had hitherto been blocked by Southern Democrats.

To conclude, despite the CIO’s enthusiasm for expanding the public program in the postwar period, its electoral activity was insufficient for achieving this end in America’s institutional context. Politicians who might have otherwise been favorable would have had to overcome an institutional context with numerous veto points in order to get expansions passed. Vetoes came not only from Republicans but also from Southern Democrats, since their party did not have a programmatic platform on these issues. Northern Democrats saw this challenge as insurmountable. Although Truman did support expansions, his leverage over legislation fell far short of his leverage on labor–management relations through his federal agencies. To support a key pillar in his electoral
coalition, Truman would instead push his agencies to make favorable rulings for CIO unions within the system of collective bargaining.

**Insufficient Arguments for the Expansion of Private Pensions**

While public old-age security stagnated, private pensions took a different course. First, the number of private pensions expanded exponentially (see Figure 3). In 1940, private plans covered 3.8 million employees and by 1960 coverage had reached 21.6 million. The share of Americans covered also increased from about 15% in 1940 to more than 30% in 1960 (Hacker, 2002, p. 79). Second, after WWII plans increasingly came under the purview of collectively bargained agreements.

Political institutionalist and class power arguments alone fail to explain this development. Before turning to my own mediation argument, I briefly identify the empirical shortcomings of the prominent explanations in the literature. First, institutionalists identify several legislative changes, but none alone provides a sufficient explanation for the postwar growth in pensions.

*The Revenue Act of 1942.* According to the account, the act created incentives to adopt private pensions because it made contributions to fringe benefits tax-free for employers (Béland, 2005; Béland & Hacker, 2004; Hacker, 2002, p. 86; Macaulay, 1959; Munts, 1967; Stevens, 1988). However, preferential tax treatment for employer pensions was not a new development in the 1940s. Instead, the revenue act of 1942 reinforced changes that had been made between 1910 and 1930. For instance, the Treasury Department ruled in 1914 that “amounts paid for pensions to retired employees or to their families or others dependent on them, or on account of injuries received by employees, are proper deductions as ordinary and necessary business expenses.” And although employers had been deducting contributions for quite some time, the Treasury Department ruling was codified in the revenue act of 1926, which included an amendment that exempted employer contributions from taxation (Howard, 1997, p. 55).

*WWII wage controls and regulations.* During WWII, federal income and excess profit taxes were very high and the stabilization act of 1942 imposed heavy constraints on wage increases (NICB, 1950a, p. 7). Under changes in the Internal Revenue Code, employers could deduct their contributions to a qualified pension plan from their taxable income when they made their tax returns, and the employee paid no taxes on
fringe benefits. According to political institutionalists, such policies were another major cause of the rapid growth in private pensions (Howard, 1997; Stevens, 1988).

However, these policies came too late in the war effort to have caused the rise in private pensions between 1945 and 1965 (Dobbin, 1992). Furthermore, the wage freeze policy had little effect because firms easily found ways to circumvent it. The National War Labor Board (NWLB) permitted wage and salary increases in cases of promotion, and as early as 1943, three of five firms were paying wage increases for promotions to higher job titles for the same work responsibilities (Dobbin, 1992, p. 1438; Jacoby, 2004). Additionally, at the end of the war, most wage controls and regulations were lifted (NICB, 1947, p. 9).

**New Deal legislation.** Another account suggests that public policy shifts during the New Deal changed the organizational and political goals of unions and in turn stimulated the growth of fringe benefits. In an influential article, Dobbin (1992) argues that

the passage of the Social Security legislation had an unexpected positive effect on the prevalence of private pension insurance in selected sectors. Most firms delayed canceling private pension insurance, high wage firms
installed supplementary plans, banks installed private pensions, and most firms that had pension plans replaced them with special supplemental plans, and, in the process, many switched from informal to insured plans. (p. 1434)

While it is clear that the Wagner act helped to spur labor organizing, it is difficult to demonstrate a direct causal link between both it and social security and the large-scale expansion of private pensions after the war. First, NICB (1939) data show that there was almost no change in the aggregate private pension figures between 1935 and 1939. Second, although there was an increase of private pension provisioning during WWII, it was not the sort unions won. At the beginning of the war, employer contributions to pension plans totaled $180 million. By war’s end in 1945, this had risen to $830 million (Skolnik, 1976, p. 4). However, the adoption of pensions for top-tier employees, not hourly or unionized employees, explains much of this shift (Sass, 1997). Private sector pensions that developed during the war were not a reasonable supplement to public programs. Average working people were still very much on the margins of the private pensioning system by 1945. NICB survey data from 1948 and 1954 suggest this much; for reporting companies, there was a significant difference in private pension coverage of hourly and salaried workers in the respective periods. As Figure 4 suggests, coverage of salaried workers in 1948 was more extensive than that of wage workers. And the 1954 figures suggest that since WWII, wage workers, not salaried workers, made the largest gains in private pension coverage. While these institutionalist accounts fall short, class power arguments, alternatively, are also found wanting.

Postwar labor power. The limitation of the class power argument is evident when considering the impacts of the strike wave between 1945 and 1946. After the war, labor initiated the largest strike wave in U.S. history to that point. Even the strong advocate of labor discipline during the war, Walter Reuther, president of the UAW, led a 113-day strike against General Motors. The strikes represent a plausible cause of the expansion of collectively bargained pensions. After all, collectively bargained plans that included pensions were negotiated in industries with labor-management conflicts. However, the strikes were wholly different from those that revitalized organized labor in the 1930s—American businesses were in a very strong bargaining position.

The war’s end brought several changes that weakened labor’s ability to press American businesses for concessions. First, returning soldiers
flooded the labor market, drastically undermining organized labor’s leverage. Second, the rapid decline in demand for wartime goods made employers more than willing to momentarily shut down operations and let stock and equipment sit idle. This is evident in the fact that employers generally did not attempt to run replacement workers during strikes (Davis, 1980, p. 72; Harbinson & Spencer, 1954, p. 712). Third, far from being on the defensive, employers rapidly counter-mobilized against many of the gains that labor made during the New Deal and WWII. In many states after the war, employer groups successfully lobbied for right-to-work laws and by 1947 unions were staggered by the federal passage of the Taft–Hartley Act (Dixon, 2010; Fones-Wolf, 1994). And finally, unions themselves were internally divided. As the Cold War context set in, the earlier red unionism that provided the ideological basis for CIO militancy became a point of division. One part impelled by the noncommunist affidavits contained in Taft–Hartley and another part by a CIO officialdom oriented toward labor–management peace, reds were expelled from the federation in 1949 and 1950 (Lichtenstein, 1982; Stepan-Norris & Zeitlin, 2003).

In such a context, gains in private pension benefits would not have been made without intervention from the state. Although the strikes did not directly impel employers to settle for collectively bargained pension plans they did indirectly, by spurring support from Northern Democrats. However, understanding why Northern Democrats were motivated to support CIO unions requires understanding the interaction between political institutions and class organizational strategies.

![Figure 4. Pension coverage of employee type, 1948 and 1954.](image)

Northern Democrats and the Expansion of Private Pensions

Straight power-bargaining resulted in the adoption of some union-negotiated pension programs during WWII. However, labor won the great majority of collectively bargained pension plans in the post-war period (Employee Health and Benefits Committee, 1955). Why? According to the NICB (1950a), “The most important event in the field of company pension plans has been the ruling of several federal agencies and courts that pensions are a subject for collective bargaining” (p. 27). In what follows, I argue that the CIO’s shift into an electoral alliance with Northern Democrats resulted in favorable interventions by federal agencies and the executive.

Roosevelt’s death on April 12, 1945, opened the political floodgates for a series of attacks on organized labor. On the one hand, the Congress put several important antilabor measures to the vote. These included the Hobbs Bill (to clamp down on union racketeering), Norton Bill (to stop national emergency strikes), and Gwynee Bill (to prevent workers’ lawsuits for backpay)—among others. In the first two months of the 1946 Congress, 65 antilabor bills were introduced within the House of Representatives alone. The next year, a conservative-dominated Congress passed the antilabor Taft–Hartley Act over Truman’s veto. On the other hand, labor encountered immediate problems in collective bargaining. Wage negotiations broke down in the oil, auto, electrical, meat, and steel industries. In each case, management refused to grant wage increases until the administration relaxed controls and allowed for increases in prices (B. J. Bernstein, 1966).

The wartime context worked against major activist interventions by the executive. After the war, this changed. Truman mobilized presidential power in support of CIO demands broadly and private pensions specifically. When labor’s bargaining position was quite weak during 1945, Truman said to an audience of top labor and business leaders that “The history of labor relations has proven that nearly all labor disputes can and should be settled through sincere and honest collective bargaining. The vast majority of those disputes which are not adjusted by collective bargaining are settled through Government conciliation” (President’s Labor-Management Conference, 1945).

CIO leaders saw Truman as an explicit ally, turning out voters and distributing campaign material on his behalf (CIO Executive Board, 1952). In return, he seized or threatened to seize entire sectors of the economy in favor of labor and pushed his key labor agencies, such as the National Labor Relations Board (NLRB), to take an activist
approach to their decisions (Sass, 1997, p. 126). As a result, many of the outcomes in national labor conflicts in the five-year period after the war were driven by the pro-labor role of the government (Harbinson & Spencer, 1954).

Despite their weakened bargaining position after the war, CIO unions made a large-scale push for fringe benefits (U.S. Bureau of Labor Statistics, 1948, p. 5). In 1945, the United Mine Workers demanded an employer-financed pension fund but backed down in face of owner opposition. In the next year, Lewis called a nationwide strike. But again the lack of leverage over employers resulted in a stalemate and this time Truman invoked the war labor disputes act and seized the mines to force an agreement. Truman’s influence allowed the mine workers to establish a path-breaking pension plan that included disaster, medical, death, disability, and survivor annuity insurance. In addition, the retirement plan paid a flat rate of $100 a month, which, in combination with public pension benefits, provided a comfortable retirement. This victory had a significant impact on the subsequent drive for union pension plans (Sass, 1997, pp. 128–129). Large-scale strikes over pensions also erupted in steel and auto in 1945, where Truman had urged employers in both cases to adopt negotiated pension plans (President’s Labor-Management Conference, 1945).

On April 13, 1948, the presidentially appointed NLRB made a landmark decision. In accordance with the Taft–Hartley Act, the NLRB ruled that the Inland Steel Company was engaging in unfair labor practices when it refused to bargain with the United Steel Workers (USW) regarding the terms of the pension plan and its retirement policy. Instead, it ordered the company to bargain with the union over pension policy, provided that the union qualified under the noncommunist and financial provisions of the law (NICB, 1950a). The ruling determined that pensions lie within the statutory scope of collective bargaining (cited in Sass, 1997, p. 132). The case was upheld by the United States Circuit Court of Appeals on September 23, 1948. And on April 25, 1949 the U.S. Supreme Court set its stamp of approval on the ruling by refusing to review the decision.

In the interim between the NLRB’s ruling and the Supreme Court’s decision, employers resisted compliance resulting in another strike wave over fringe benefits (Stevens, 1988, p. 141). Employer’s associations, such as the National Association of Manufacturers, argued that the entire subject of employee benefit programs must continue to lie outside the scope of collective bargaining (National Association of Manufacturers, 1948). As a result, by the summer of 1949, contract
negotiations in steel, auto, coal, oil, and other industries came to a halt over old-age security. While many national unions were on the verge of striking, the case of steel proved decisive.

Three days before the USW initiated a nationwide strike, the White House intervened by forming the Steel Industry Board. Truman conferred upon it the power to recommend an equitable solution to the steel dispute. The board produced what one historian of private pensions calls the defining document in the history of collectively bargained pension plans (Sass, 1997, p. 133). The document recommended that the owners agree to company-financed pensions and insurance programs—something the union found satisfactory. Although the companies refused to immediately comply with the recommendations, the Steel Industry Board’s decision turned the tide in contract negotiations in the auto industry.

Like in the steel case, when Ford and the UAW went to the bargaining table in 1948, they ended up in a deadlock over the issue of pensions. The union demanded a noncontributory plan that was managed by a joint labor-management board. The company, on the other hand, refused to bargain over pensions. Because of management’s firm position, the UAW settled (Ford Motor Company, 1947). However, during the negotiations, the following year pensions reemerged as a key point of struggle. The report issued by the Steel Industry Board drastically shifted the momentum in favor of the auto workers. Shortly after, Ford and the UAW signed a Memorandum of Agreement on Retirement and Health Security Programs based on the Steel Industry Board’s recommendations. The result was that Ford had to pay $100 per month pensions to all eligible retirees for the duration of the contract (Sass, 1997, p. 135). Once the auto workers won, one by one, starting with Bethlehem Steel Co., the USW won pensions in their negotiated contracts.

The administration’s intervention, alongside the NLRB ruling and subsequent decision by the Supreme Court, settled the question of the bargainability of pensions (NICB, 1950a). Employers accepted this outcome. The National Association of Manufacturers, previously staunch opponents, resigned itself to the position that “mandatory bargaining [over pensions] is now a fact” (National Association of Manufacturers, 1949). This resignation bears out in the statistical evidence. According to a NICB (1950b) study of 487 contracts that were reopened in 1949 (covering 1.26 million workers), the decision had an immediate effect. Out of 399 signed before the steel-fact finding report of January 1 to September 9, 47.2% of renewed contracts made increases in fringe benefits (out of a set of contracts that covered 479,526 workers). After the
report of September 10 to December 31, 96.3% of the 88 renewed contracts (covering 593,162 workers) made increases in fringe benefits and 93.1% made increases in fringe benefits alone (see Figure 5). These contracts were important because they covered very large groups of workers. Nine of the 13 large contracts signed by the USW after September 10 included pension benefits (NICB, 1950b, p. 10).

Truman would intervene in favor of collectively bargained pensions again in the last year of his presidency. In the next nationwide steel strike in 1952, the board, with dissent coming from industry representatives, recommended a package of wage increases and fringe benefits that were historically unprecedented—far more expansive than anything ever offered to or negotiated by a union in the United States. The president gave the recommendation his full public endorsement (Harbinson & Spencer, 1954, p. 714).

**Truman and farm workers—the counterfactual.** How can we be sure that Truman and his agencies did not intervene in labor–management
conflicts after the war because of his own pro-labor disposition? Was the electoral activity of the CIO a decisive cause of Truman’s interventions? By looking at the counterfactual case of the farm worker organizing drive after WWII by the AFL, I demonstrate that Truman did intervene in favor of private pensions because of the electoral incentive.

Comparison with the AFL farm worker drive is instructive in two ways. First, in the immediate postwar period, the AFL was not an explicitly pro-Democrat organization such as the CIO. Although the AFL benefited from the New Deal legislation and the alliance between the CIO and Northern Democrats, some of its main leaders, most prominently within the building trades, remained vocal Republicans after the war. Their leverage in labor markets allowed them to function without the assistance of the NLRB and other federal agencies (Dubofsky, 1994, p. 199; Marks, 1989). As a result, the federation’s public positions on political candidates reflected its internal divide over electoral politics; in 1948, it rejected a proposal to endorse Truman in an official AFL report (Greenstone, 1977, p. 55). Second, farm workers were also in a weak bargaining position vis-à-vis farm owners and farm owners, like industrialists, were a politically powerful group. However, here Truman intervened in ways that were largely unsupportive of the union.

The AFL’s National Farm Labor Union (established 1946) unsuccessfully tried to organize farm workers between 1946 and 1952. They used mass agricultural strikes, boycotts, and lobbying. However, government officials at all levels tended to intervene on the side of the growers (Jenkins & Perrow, 1977, pp. 250, 255). As soon as the NFLU was chartered, it launched a strike wave in the Central Valley of California that ended with the Los Baños strike of 1952. The largest of these strikes took place at the DiGiorgio Fruit Company between 1947 and 1949 (Grubbs, 1975, p. 454). Its Arvin ranch in the southern San Joaquin Valley employed about 2,000 workers. Approximately three quarters were dust bowlers—Okies from the South—and one quarter were Mexican (Ganz, 2009, p. 47). Of the Mexican workers, most were *braceros*—government-imported contract workers. In response to the agricultural labor shortage during WWII, the federal government recruited Mexican workers to work on American soil.

Once the NFLU began its strike at DiGiorgio, the federal government came to the aid of growers—not the union. The *bracero* workers walked out on the first day, alongside the American employees. However, they were immediately ordered by Mexican and U.S. officials to fulfill their contracts or be deported. With substantial public support in the area for the farmworkers, the NFLU continued the strike,
expecting that their effort would be strengthened substantially by the end of 1947 when the bracero program expired. By that year, the official number of Mexican workers imported primarily to California and Arizona had reached 220,000 (Hawley, 1966, p. 158). Truman intervened, however, by not only extending the life of the program but also expanding the number of imported workers. This drastically undermined organizing efforts by the NFLU. In the coming years, extensions to the program moved through Congress with relative ease, greatly supported by growers and agribusinesses. 

The AFL became much more active in national politics when it formed LLPE in 1947, largely in reaction to a provision in the Taft–Hartley Act that banned direct union contributions to political campaigns. However, during the 1948 elections, the AFL put much of its effort into Senate contests, conceding the presidential election to the favored Republican candidate, Thomas Dewey (Leeds, 1950, pp. 208–212). While many local unions in the AFL supported Truman, as they had Roosevelt in his four elections, the federation never officially endorsed him (Witte, 1956, p. 412). For the first time, the federation officially endorsed a Democratic presidential candidate when it supported Stevenson over Eisenhower in the presidential election of 1952.

Following the lead of the CIO, the AFL slowly shifted its vision away from voluntarism toward social democracy. By the postwar period, the federation was already an advocate for robust redistributive programs that benefited both union and nonunion workers (Cornfield, 1989; Cornfield & Fletcher, 1998). Indeed, the convergence of the public policy agendas of the two federations was an important component of their merger in 1955 (Cornfield & McCammon, 2010). Although the CIO-PAC had established itself much earlier as a pro-Democratic organizing tool, by 1955 both it and the LLPE could work together to support Northern Democratic candidates.

The CIO’s electoral activity provided the impetus for Northern Democrats to intervene in the private pensioning system after the war when favorable executive decisions provided the legal framework for the expansion of private collectively bargained plans. By the completion of the fourth round of postwar labor negotiations in 1952, pensions became a regular component of negotiated CIO contracts (Sass, 1997, p. 136). Between 1950 and 1954, the UAW alone negotiated more than 200 distinct pension plans—more than any other international union (Perham, 1954). After the state’s intervention, the trend spread throughout most collectively bargained plans, eventually resulting in a successful push for pension plans among AFL unions as well (Sass, 1997).
The U.S. government estimates that just more than 50% of unionized employees had pension coverage at the end of 1957. About 10 million of the approximately 17 million employees covered by private pensions in the same year were unionized (U.S. Bureau of Labor Statistics, 1958).

**Conclusion**

Archival evidence contradicts the notion in sociology and political science that state structures and policy feedbacks alone stimulated the growth of private pensions in the American case. None of the major policy innovations between 1935 and the end of WWII fully explains the rapid development of private, often collectively bargained, pension plans after the war. While they may have been important incentives for employers, none was sufficient. Policies pointed to in the literature include New Deal legislation, the SSA, the Revenue Act of 1942, and wartime wage controls. The experience of the immediate postwar period, however, tends to discount these legislative factors. In this period, private pensions were adopted at much higher rates when the immediate effects of this legislation had dwindled. It also challenges a common alternative that pensions were won because of union strength in the labor market. After the war, labor found itself in a weak bargaining position, under attack from business, and internally divided. The source of American old-age security exceptionalism must lie elsewhere.

Alternatively, this article argues that organized labor’s electoral activity bears centrally on the development of old-age security between 1940 and 1965. The findings emphasize the explanatory usefulness of a theoretical approach that investigates the strategic mechanism of class influence and treats the political institutional context as a mediating factor on welfare outcomes.

Class power approaches point to the importance of challenger group influence on welfare outcomes. However, they are often articulated at too high a level of abstraction to analytically account for important variations in labor’s source of influence (e.g., Esping-Andersen, 1988; Goldfield, 1989; Korpi, 1983; Piven & Cloward, 1977, 1993). New research considers this problem by pointing to processes of political mediation (Amenta, 2006; Gottschalk, 2000; Hicks, 1999; Huber & Stephens, 2001). In this article, I build on the concept of political mediation by investigating the particular effects that organized labor’s electoral activity had on private welfare programs. The shift away from public toward private pensioning in the United States makes sense...
only after accounting for the role of labor’s electoral activity. I find that on one hand, labor’s electoral alliance with the Democratic Party in the North generated the conditions necessary for state interventions in key labor conflicts that legitimated and mandated collective bargaining over pensions. However, on the other, American institutions made the strategy an insufficient cause of increased public pensions. Electoral activity on the part of organized labor helped to make American old-age security exceptional.

This historical episode has implications for thinking about the larger story of labor politics in America. In the years after the passage of the SSA, the industrial unions’ strategic approach shifted into institutionalized channels. Philip Murray, president of the CIO, summed up the change in a 1947 Labor Day speech. Pointing to the first half of the 1930s, he said that “It was against great odds that the Congress of International Organizations fought in those days. But men and women fought splendidly—and they won.” The president went on to say that labor’s current problems can be solved only by political action (Murray, 1947). This sentiment was later reinforced by the AFL-CIO’s first president, George Meany, who in 1955 declared that “The scene of the battle is no longer the company plant or the picket line. It has moved into the legislative halls of Congress and the state legislatures” (Meany, 1957).

However, because of American federalism and the two-party institutional context, the alliance between unions and the Democratic Party did not result in a shift in party platform toward the kind embraced by social democratic parties in Western Europe. This is in spite of the fact that by the postwar period, most American unions had largely embraced the vision of social democracy (Cornfield, 1989).

Instead, the strong shift toward an electoral strategy had constraining effects on the same local militancy within the federation that had previously generated a context of crisis conducive to the passage of large-scale public welfare programs. In contrast to mobilizing disruption, CIO officials worked with New Deal Democrats to promote responsible unionism (Lichtenstein, 1982, p. 44). In doing so, the CIO-Democrat alliance pivoted on the recognition of management’s right-to-manage and the promotion of labor-management peace. As a result, progressive Democrats pushed for more negotiated settlements between labor and management, such as occurred in the field of private pensioning, and the suppression of the widespread use of the sit-down tactic and other forms of disruption.

It would be misleading to conclude that the by hitching their fortunes to the Democratic Party, unions simply locked themselves into a barren
marriage (Davis, 1980). The private sector gains that unions made because of interventions from the Democratic Party cannot be dismissed as irrelevant. Because of the rapid spread of pensions and other welfare plans, which included collectively bargained health plans, union members saw their quality of life drastically increase. And these collectively bargained plans triggered a diffusion of welfare plans to the nonunion corporate sector as well.

Yet these private gains brought with them deadly hidden costs for unions. As Cornfield (1986) demonstrates, the post-war decline in union membership was driven not simply by the slow disappearance of manufacturing, antilabor legislation or a business offensive, but also by, “the inability of unions to secure new members in the relatively stable, large establishments that insure their employees against the risk of illness, old age, and death” (p. 1126). Ironically, labor’s greatest gains in the postwar period, which were facilitated by its role as a key political actor, were part and parcel of its slow shift into relative political marginality.

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Notes

1. I follow OECD standards and define public welfare programs as state-administered policies intended to reduce social risks associated with life in
capitalist societies. Similarly, private programs are defined as employer administered.

2. Socioeconomic class constitutes just one of the multiple identities through which groups can form. Others may include ethnicity, citizenship, gender, occupation, economic sector, and so on. Each may entail their own unique access to resources and capabilities.

3. Roosevelt’s famed Section 7(a), the so-called right to unionize clause, in the national industrial recovery act earned him many close allies in the CIO’s top ranks (I. Bernstein, 1960).

4. Outside of the strongholds of the Democratic urban machines, the party lacked the organizational infrastructure to mobilize new urban populations to the polls. The CIO’s organizing arm aimed to fill this gap (Greenstone, 1977, p. 51).

5. While these groups were included in 1950 and 1954, they were not able to immediately catch up with the rest of beneficiaries because the program required that participants contribute for at least five years before they were eligible for benefits (Katznelson, 2005, p. 43).

6. Alston and Ferrie (1999) use the mechanization of Southern agriculture as an explanation for Southern willingness to go along with the Great Society programs that were adopted by the Johnson Administration in the 1960s. The authors do not specifically claim that mechanization resulted in the 1950 and 1954 amendments to the SSA. Although my speculation that it did is not inconsistent with their view, more research is required to empirically make the case. It was also true that Republicans controlled Congress in 1954, so it was a period in which Southern Democrats had lost some of their ability to directly shape legislation (Katznelson, 2005, p. 42).

7. In both the 1948 and the 1954 data, the NICB sought so much information on company pensions that they divided the survey into separate parts, sending each part to different cooperating firms. The companies in each group, however, were chosen so as to be representative of different types of industries and different sizes of establishments. Questionnaires concerning wage earners and salaried earners were sent to different cooperating firms. In 1948, 360 firms reported on wage earners and pensioning and 474 firms reported on salaried workers and pensioning. Similarly, in 1954, 438 firms reported on wage earners and pensioning and 446 firms reported on salaried workers and pensioning.

8. The NLRB became more conservative in the context of WWII (Dubofsky, 1994, p. 161). And Taft–Hartley reformed the board’s internal structure in 1947 by making the agency’s general counsel independent of the board and presidentially appointed with a fixed term of office (Moe, 1987). This tied the board to politics and reduced its independence. At least one of the five board member slots becomes available each year and a new general counsel has to be appointed at least once every 4 years. Appointments are generally handled through the White House and a small number of high-ranking presidentially
appointed figures in the Department of Labor. While this makes the politics of the board more volatile, it also increases the capacity of presidents to shape the board’s orientation to decision making. This is why, despite being restructured by business interests, Truman was able to push the board to take a more pro-labor stance during his presidency.

9. Truman did set up the President’s Commission on Migratory Labor in mid-1950, but it was largely a case of too little, too late. The commission concluded that employers exaggerated the need for foreign labor and that it was being used to depress domestic wages. However, because Truman did not display the same seriousness of action that he had in the CIO-led conflicts, the findings were largely ignored.

10. Like the CIO-PAC, the LLPE financed its activities from voluntary individual member donations instead of union treasuries.

11. The CIO-PAC and the LLPE electoral efforts in 1948 helped to defeat 78 representatives and nine senators that voted for Taft–Hartley (Witte, 1956, p. 413).

12. Business made the right-to-manage a central demand. In 1945, the Chamber of Commerce declared that “Industrial disputes can be minimized by full and genuine recognition of the inherent right and responsibility of management to exercise the usual rights incident of ownership of the enterprise and to direct its operation” (President’s Labor-Management Conference, 1945).

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