THE LABOR PRESS

COMMENT ON STEEL PRICE RISE

1962

by

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A Thesis Submitted to the Faculty of the Graduate School
of Loyola University in Partial Fulfillment of
the Requirement for the Degree of Master
of Social and Industrial Relations

June
1963
THE LABOR PRESS

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1962
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THESIS ABSTRACT

THE LABOR PRESS COMMENT

ON STEEL PRICE RISE, 1962

WILLIAM ARTHUR HARPER
General

This paper consists of five preliminary pages and 59 pages of text, including text of President Kennedy's and George Meany's statements.

Purpose

The purpose of the thesis was to study and analyze the comment by the labor press regarding the price rise announced by the steel industry in April, 1962, after negotiations with the steelworkers' union, and the reaction to this price rise by President Kennedy which resulted in a revision of the price rise.

Technique

Fifty-one labor press periodicals are received by the University of Chicago, A. G. Bush Industrial Relations library. These publications were studied to determine five categories of reaction:

1) Space devoted to the above incidents.
2) Orientation of the articles about the incidents.
3) Use of reinforcing comment.
4) Independent comments made.
5) Recommendations made.

The publications were grouped to show origin of publication as follows:

Group I - Federation or Association
Group II - AFL-CIO Building and Construction Department Unions
Group III - AFL-CIO Industrial Union Department unions.
Group IV - Other AFL-CIO Affiliated unions.
Group V - Miscellaneous unions and non-labor organizations.
The analysis showed that only two publications of five in Group I, none of six in Group II, eight of 22 in Group III, 13 of 14 in Group IV for a total of 31 of 51 did not comment. The most striking aspect of the study seemed to be that of 42 AFL-CIO publications, only 15 commented with 14 of these belonging to the Industrial Union Department.

Chapter IV analyzed the content of all publications. Since there were so few, 20 of 51, commenting, Chapter V disregarded the original grouping and analyzed the categories those papers which commented.

The largest amount of space was devoted by UAW Solidarity. 33% of the edition studied was spent reporting the incident and Walter Reuther's lengthy letter to the President. The rest of the publications devoted from .05% for Textile Labor to 13% for Public Employee. It was strange that the latter devoted so much space since it is published by a union which is not connected with industry.

Although one publication was neutral in its comment on the price hike, five publications were neutral toward the President's action. Included in this latter group was the UAW Solidarity.

The next most interesting category was that of Recommendations. Seven of the 20 publications commenting made recommendations.

Recommendations made:

1) Congressional investigations.

2) Government pump-priming (to revive business so it could accumulate profits for plant renewal).
3) Use of a Public Review Board to which unions or management would justify wage/price increases.

4) Labor should rely on its own economic strength through boycott.

The overview of the labor press gained from this study reveals that the phrase labor movement should be changed to connote an institution that is far from being unified in its attitudes toward the same subject. Parochial interests blunt the propensity to be concerned about the topic of prices.

One can conclude that though the labor movement exhibits signs of growing up, it has not matured until the leaders have a difficult time avoiding the printed page with their comments or recommendations for courses of action that will modify or correct some of our institutional deficiencies.
CHAPTER I

INTRODUCTION

On April 11, 1962, President Kennedy voiced opposition to an increase in basic steel prices announced by U. S. Steel Corporation the previous day. Five other steel companies also raised prices at this time. As a result of a vigorous counter-action by the administration, these companies rescinded the price increase on April 13. The stock market dropped 9.1 points in anticipation of an anti-business attitude on the part of the administration. Management voices throughout the country spoke out against the President's action but many more approved.

Purpose of the thesis

These events and opinions were reported in detail by the daily newspapers, weekly newsmagazines and radio and television stations. For weeks after, the media continued to report subsequent actions and statements on the incidents. Not commonly known is the type of coverage by the labor press.

1Price increases were announced by the following companies: Bethlehem, Republic, National, Jones & Laughlin, and Youngstown.

2See CHAPTER II for the historical events surrounding this action.


This paper reports on the type and amount of coverage by the labor press.

METHODOLOGY

Selection and source

This study was limited to the array of 49 periodicals published by labor federations and national and international unions as cataloged by the A. G. Bush Industrial Relations Library of the University of Chicago. These periodicals are published by unions whose members practice occupations which are skilled, technical, craftsmen, white collar, labor and factory type including bookbinders, textile, rubber and automobile assemblers. In addition, two other periodicals were selected. These two are published by social reform movements, The Detroit Catholic Labor Council and the Industrial Workers of the World, and afford an opportunity to study publications which present an orientation on labor affairs similar to that of labor unions.

CATEGORIES

Each periodical was studied to determine --

1. amount of space, if any, devoted to the steel price rise and recession incidents
2. the orientation of this content
3. use of reinforcing comment
4. independent comment
5. recommendations
These periodicals are not the same size, nor do they use the same type of print, nor the same number of columns per page. In order to measure all the periodicals in the same manner, one must use percentage of space available instead of lineage as a measure. Each paper was measured to determine the length of one column of print in inches. This figure was multiplied by the number of columns per page to determine the total amount of space available on one page. The total inches of print per page was multiplied by the number of pages in the particular edition to determine the total inches. The number of inches devoted to the report on these incidents was then divided by the total inches per paper to arrive at a percentage figure.

**Orientation**

The periodicals reaction or orientation was graded on the following scale:

- **For/Against the price rise or rollback**
  - Vehemently - Use of exceptional or emphatic phrasing to connote overwhelming approval or disapproval.
  - Definitely - Use of less emphatic, yet positive phrasing to connote approval or disapproval of the act.
  - Neutral - A comment or report which neither approves nor disapproves the act from the viewpoint of economic propriety or necessity.

An article might be for or against one act and neutral toward the other. It might be neutral toward both acts. By not commenting a periodical leaves to conjecture what its orientation or reaction might have been.
Reinforcing Comment

Beyond printing a report of these incidents, some publications added emphasis to their orientation by printing articles which explained why a certain action is to be approved or to be disapproved. A reinforcing article was one which discussed the techniques of administered pricing and points out that such a technique is responsible for inflation. Conversely, an article might explain that unions cannot control prices and so governmental action is needed. This type of an article then, indirectly discusses the steel price incidents and explains or emphasizes the orientation of the periodicals towards certain of these events.

Independent Comment

Some publications do more than just report the incident and the statements of individuals participating or commenting on the incident. Independent comment by the publication helps to determine its reaction. Relating historical events was not construed as independent comment; independent comment must pertain to the central acts.

Recommendations

Beyond commenting independently, a publication may make some recommendations of its own. These recommendations were spelled out in the review for each publication and summarized in an appropriate chapter.
CHAPTER II

HISTORICAL BACKGROUND

In February, 1962, Secretary of Labor Arthur Goldberg, acting on behalf of President Kennedy, urged the United Steelworkers Union and a management bargaining team of the largest steel producers to enter into immediate early collective bargaining negotiations of their existant agreement which would end on June 30, 1962. His argument was that the country's economy would suffer greatly unless purchasers of steel were assured that no strike would take place at the end of the contract period. In 1959, prior to a very long strike, purchasers had stockpiled orders betting that the strike would take place. This above normal ordering followed by a contraction was costly on the one hand to purchasers and on the other to steel workers and their economic dependents. Secretary Goldberg felt that negotiations would proceed more quickly were labor to abandon efforts to obtain a rise in wages. Concomitant with an agreement by labor to abandon wage increases was the administration's restriction that the steel companies not raise prices. Thus both sides were requested to negotiate a non-inflationary agreement. Additional economic background is seen in the many efforts at stopping the outflow of gold. If prices were raised, foreign companies and American companies would spend their money in lower cost markets. The administration's efforts were directed to economic ends by improving the collective bargaining atmosphere.
Negotiations were started in late February and proceeded into early March when after a recess both negotiating teams called off further talks. Secretary Goldberg again stepped in and urged resumption of talks after a two-week recess. Both teams reconvened in late March. On April 6, 1962, U. S. Steel and Bethlehem signed a two-year pact with the steelworkers' union. No wage increase was received by the union. However, several fringe benefits were increased. Steelworkers' President David McDonald stated that this type of agreement would probably prevent steel strikes in America. President Kennedy hailed the pact as non-inflationary. The atmosphere of achievement was short-lived. On April 10, 1962, U. S. Steel board Chairman Roger M. Blough announced a 3½% price increase ($6.00 ton).

In a TV press conference the next day, President Kennedy delivered a blistering attack on the price increase. Additional companies announced similar price increases. Various government agencies went into action. The Department of Defense announced it would review alternate sources of supply. The Justice Department announced it intended to seek anti-trust action. The Federal Trade Commission announced it would investigate. Congressional leaders also entered the scene by announcing they would press for investigation.

On April 13 both Inland Steel and Kaiser announced that they would not raise prices. This break in the ranks was the final straw and Bethlehem rescinded its price increase. Late in the afternoon of April 13, U. S. Steel also rescinded and the other companies followed suit.

\*See text in appendix.*
CHAPTER III

THE LABOR PRESS

The Format

The format of labor periodicals is not uniform. Many periodicals are the same as a large newspaper, others the size of a tabloid. A great number of periodicals published monthly are in the form of magazines.

Publishing Information

Publication Periods

The publishing periods of periodicals used for this study are shown in column 1 of table 3-1. Column 2 shows the number and periods listed in the bi-annual report to the Department of Labor by the unions in the United States.

Table 3-1
Publication Periods of Labor Press Periodicals

<table>
<thead>
<tr>
<th>Publication Period</th>
<th>Periodicals Used In Study</th>
<th>Periodicals listed IN BLS Bulletin</th>
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<tr>
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<tr>
<td>Bi-Weekly</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Semi-Monthly</td>
<td>4#</td>
<td>10</td>
</tr>
<tr>
<td>Monthly</td>
<td>35#</td>
<td>13#</td>
</tr>
<tr>
<td>Bi-Monthly</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Quarterly</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Annually</td>
<td>0</td>
<td>12</td>
</tr>
</tbody>
</table>

*Includes Industrial Worker. #Includes The Wage Earner.

Publishers

The publishers of all periodicals used in this study are shown in the bibliography. These publishers have been classified into five groups. The groups and the publications in each group are:

Group I - Federations or Associations of Unions

AFL-CIO News

Federation News

Labor

National Independent Labor Journal

Weekly News Letter

Group II - Building and Construction Trades

Department AFL-CIO

The Bricklayers, Mason and Plasterer

The Carpenter

The Electrical Workers' Journal

International Operating Engineers

The Laborer

United Association Journal

Group III - Industrial Unions Department, AFL-CIO

The Advance

The Advocate

The Butcher Workman

CWA News

Engineer's Outlook
The Guild Reporter
The Hosiery Worker
I.U.B. Bulletin
I.U.E. News
The Insurance Worker
International Chemical Worker
The Machinist
The Packinghouse Worker
The Public Employee
Record
Steel Labor
TwU Express
The Textile Challenger
The Textile Laborer
U.A.W. Solidarity
United Rubber Worker
White Collar

Group IV - Other AFL-CIO Affiliates Publications

The Air-Line Pilot
Brotherhood of Maintenance of Way Employees' Journal
International Book Binder
International Musician
International Molders and Allied Workers' Journal
The Journeyman Barber, Hairdresser, Cosmetologist and Proprietor

Pattern Makers' Journal

The Railroad Telegrapher

The Railroad Yardmaster

Service Employee

The Signalman's Journal

The Train Dispatcher

Trainmen News

The Typographical Journal

Group V - Miscellaneous Publications

Federal Employee

Industrial Worker

United Mine Workers Journal

The Wage Earner
CHAPTER IV

CONTENT ANALYSIS

In this chapter we will analyze the contents of all the periodicals listed by groups in chapter III. Each periodical's content was examined to ascertain whether any material was printed which can be categorized according to the plan set forth in chapter I. This categorization is specifically in the analysis for each and is summarized in chapter V. At the end of this content analysis, there is a summary by groups as regards the publication periods and those periodicals which commented in each group.

A. Content Analysis of Group I Periodicals

AFL-CIO News

10% of the periodical was devoted to reporting the incidents. This treatment commenced on page 1 with a two-line headline quoting from Meany's statement. No cartoons were used to add space to the content. On page five were the entire texts of statements by President Kennedy and Mr. Meany. Two smaller articles completed the coverage. One article was a report on a book written by Dr. Gardiner C. Means about the influence of administered pricing in the inflation of the 1950's. The other article reported a comment by Senator Goldwater to the effect that the price increase was reasonable.

By quoting from the President's statement with such phrases as "wholly unjustifiable," "utter contempt," this paper denoted it was vehemently against the price rise. But, regarding the recision, it utilized Mr. Meany's statement which did not comment on the President's action. Instead, this statement called for investigations to place the "spotlight of public attention... on all details of the corporate abuse of economic right." By not speaking for or against the recision but recommending another method of action, the paper was neutral toward the recision.

The use of the report on Dr. Means' book had the effect of backing up the statement by Mr. Meany. The paper thus explains in another person's words that the price rise was an administered price, therefore inflationary.

The main article in the first few paragraphs featured several quotations from Mr. Meany's statement on page 5. This article by the top spokesman of the federation which publishes the paper provides the independent comment by the paper.

The Meany statement contained a recommendation for investigations.
Only 1%, 6.5 inches of 600, were used to report the steel price incident. This small article, captioned, "Meany: Price Hike in Steel Is Abuse of Economic Power," used its entire length to quote from the Meany statement.

No independent comment was made. We can grade this article only on the indicators chosen from the quoted statement. These phrases, "flagrant abuse of vast economic power," and "direct affront to the federal government," indicate that the paper was vehemently against the increase and neutral in opinion of the President's action.

No reinforcing comment was used nor were recommendations made.

\(^3\)Federation News, April 11, 1962
Two articles, a lengthy events article and an editorial covered 37 of 670 inches, about 5% of the paper. The events article, by-lined by Mr. Michael Marsh, was introduced by a two-inch half-page banner headline on page one. This headline, "Steel Retreat Halts Inflationary Spiral," was buttressed by a sub-banner, "Gigantic Corporations Yield Under Hot Fire." Many quotations were taken from Kennedy's and Heany's statements.

The independent comment came in the second half of the article. A question was asked, "Why did the steel industry's usual monolithic pattern in imposing higher prices break down this time?... The 1958 price increase stuck because Eisenhower did not use President Kennedy's strong 'moral suasion' this time." Further explanation claimed that 1) "the public is now widely aware that American steel faces foreign competition," and 2) "by angering Kennedy and Congress the steel barons threatened to jeopardize two highly profitable tax proposals."

The article actually used two quotations one from Senator Gore about the pressure of foreign competition forcing a price increase and one from Senator Kerr about the gain to be realized from the investment credit and depreciation deductions to support these explanations.

No recommendations were made. No reinforcing comment was used.

Labor, April 14, 1962.
National Independent Labor Journal

A little more than 1%, 19 of 1500 inches, reported on the steel pact. Nothing was reported on the price hike or the President's action in this or the next issue.

B. Content Analysis of Group II Periodicals

The six periodicals in this group did not devote any space to reporting, commenting, or editorializing on the steel price rise and recision incidents in any 1962 issues.

C. Content Analysis of Group III Periodicals

The Advance

A little less than 2% of 880" (16") were used in printing a direct events article and an indirect article. The former emphasized that the recision of steel prices would not stop promised investigations. Quotations from Senator Kefauver and Representative Celler, chairmen, respectively, of Senate and House Anti-Trust investigating sub-committees were used to explain reasons for the promised investigations.

A quotation from Mr. McDonald calling the recision "a healthy thing" and from President Kennedy terming the steel pact "non-inflationary" closed the article.

A second indirect article reported that a federal grand jury had indicted U. S. Steel and Bethlehem for violating Anti-trust laws by conspiring to fix prices in sales of castings to Army, Navy and electrical firm purchasers. No independent comment.

6 The Advance, May 1, 1962
The articles used words such as, "sudden retreat," "Incensed President," and "uproar of public criticism," to show that it was vehemently against the price rise and definitely for the President's action.

The Advocate

No space devoted to the steel price rise and recision incidents in any 1962 issues.

The Butcher Workman

No space devoted to the steel price rise and recision in any 1962 issues.

CWA News

On the last page of eight and covering 78" of 620, about 11%, one very large cartoon and one direct events article related the steel price events. The cartoon showing about eight large hogs breaking down a fence and rushing in to devour a stand of corn was captioned, "Strictly Competitive." The fence was labeled "anti-inflations efforts," the hogs bore names of the steel companies who had raised prices, and the stand of corn was identified as "U.S. Economic Stability." It was first printed in the Washington Post and was drawn by Herblock. This cartoon then is reinforcing comment. No independent comment was made.

The article quoted from President Kennedy's statement by using such phrases as, "irresponsible defiance," "ruthless disregard," and "utter contempt." It represented the President's mood as the mood of the American people. After telling of the events which followed the President's press conference, it returned to relate the entire series of events from the appeal by Secretary of Labor Goldberg through to the final pact. It explains the increase as being motivated "by an urge for even greater profits (since) last year the steel industry had a gain in man-hour productivity of about five per cent, (while) the new labor pact was estimated to cost about 2.5 per cent more beginning July 1." The article was vehemently against the price increase and definitely for the President's action.

**Engineer's Outlook**

No space devoted to the steel price rise and revision incidents in any 1962 issues.

**The Guild Reporter**

No space devoted to the steel price rise and revision incidents in any 1962 issues.

**The Hosiery Worker**

Approximately 8% of this paper, 47 inches of 600, were used to

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8*The Hosiery Worker*, April, 1962.
report the steel price hike. The direct events article used was the same one printed in The Advance. This article emphasized that investigations into the technique of pricing steel would continue. But additional events were reported in the article in this paper. The additional paragraphs retold the story of the initial plea by the administration, the pact and the actions of public agencies. Terminology used to show orientation on price hike was, "wholly unjustifiable," and "irresponsible defiance." The President's action was termed a "tremendous personal victory." Thus, the paper in playing up the "investigations" and in reporting the action of the President as a personal victory was neutral toward the President's action. No independent comment or recommendations were made.

A second indirect article discussed Mr. David Cushman Coyle's book about the present formation of the large companies of the steel industry. The article concluded that the impact of the present hike could lend to the breakup of U. S. Steel. This article was a reinforcing comment.

International Chemical Worker

No space devoted to the steel price rise and recision incidents in any 1962 issues.

IUD Bulletin

This publication devoted 27" of its 456", or about 6% of this issue

to the steel price rise and recision incidents. Only one article was used to report the story. This article had four elements; orientation, independent comment, reinforcement, and a recommendation. The orientation, definitely for the President's action was shown in the caption --

"(AFL-CIO Executive) Council Promises Kennedy Strong Stand on Steel"

The publication was definitely against the price rise since it devoted more than half of the article to reinforcing comments. These comments discussed the recent profits of several steel companies and the grand jury indictments for price-fixings. Independent Comment and recommendations were contained in the paragraphs which reported Reuther's proposal for an Administered Price Board.

IUE News

All three articles and cartoons were direct and took up 80" of 960 (8%). The lead article quoting from two telegrams of union president Mr. J. B. Carey, was independent comment and used such phrases as "outrage, at the irresponsible, avaricious and unpatriotic action." Carey in his second telegram approved the President's action stating, "But for your firm and principled leadership. . . ."

The editorial page reworded these telegrams and added two new points, 1) that enemies of this nation could say that the very rich run

10IUE News, April 19, 1962.
this country, and 2) that administered prices were used by industry leaders although they demanded free competition.

A by-lines article related the events of the incident and portrayed the President as a fighting Irishman. This leader thus could mean that the nation could hope for good things in the years ahead. The flag cartoon was used on this page, and can be considered reinforcing comment.

This paper was vehemently against the price rise and for the President.

It made little use of remarks from other sources. Only the cartoon and a three-line sentence from the President's statement were used.

The Insurance Worker

No space was devoted to the steel price rise and revision incidents by this publication in any of its 1962 issues.

The Machinist

A two-column speech, a one-half page cartoon and a full-length column on the front page, totaling about 60" of 900 (9%) were used to report the steel price rise incident. The front page column was an unusual treatment. It consisted of five quotations concerning the price increase and one quotation about the damage to industrial relations done by the price increase. Two of the five price increase quotations, one by Mr. Blough the other by Senator Goldwater, approved the increase. The other three quotations spoke against

\textsuperscript{11}The Machinist, April 19, 1962.
the increase. Mr. McDonald and Mr. Meany explained that the increase was unnecessary and not caused by the recent pact. Secretary of Commerce Hodges called the increase a tragic mistake and felt it was caused by a handful of men and did "disservice to the country and to the business community as a whole."

The final quotation was from the Washington Post which stated that the action had "weakened, if not destroyed, what seemed a promising approach to the achievement of stable prices -- the voluntary restraint on the part of business and labor in wage bargaining."

The back page contained the entire statement by President Kennedy and was captioned, "The Quote of the Week -- BIG STEAL." The final comment was the two-flag cartoon. No independent comment was made.

The Packinghouse Worker

No space was devoted by this publication in any of its 1962 issues to the steel price rise and recision incidents.

The Public Employee

13% of eight pages, 8½ inches of 620, were used to report the steel price incident. Two articles, both direct events type, were used. The lead article started on page one, column one, and was continued on pages 2 and 5. All events from the February move by the administration through the recision and the repeat of pledges to investigate were contained in the article. It

used some quotations from the President's statement but mainly used its own phrasing to relate parts of the statement.

A different approach was used in relating the pressure by the President. It compared the 72 hours from April 11 to April 13 to a poker game.

"The Chief Executive, armed with a full house, three Federal agencies and a pair of Congressional Anti-trust sub-committees, stood toe-to-toe with 'Big Steel' for three tense days. Steel buckled under the pressure. It was a major victory for the administration and for every working man and woman in the nation."

It quoted from an interview its reporter conducted with Mr. McDonald. By using phrases as, "wholly unjustifiable," and "irresponsible defiance," it vehemently disapproved the price increase.

An editorial repeated the main article and added some historical notes. The latter notes concerned the Carnegie strike in 1892, "Veto" Ike and the price rise in 1958.

It deplored that the steel industry could not assume social responsibility, but felt that "little, but honest, firms as Inland Steel. . . . and Bethlehem Steel," held U. S. Steel, et al in line. The large flag cartoon was printed on the editorial page without any caption. Thus, independent and reinforcing comment were included in this article.
A little over 10% of this paper, 101 of 900 inches, covered the steel price incident. Only three articles and two cartoons were utilized. Two articles were on page three. One was an events article with the usual quotations from the President's statement limited to two phrases near the end.

The second article on this page reported on a study made by Mr. David Cushman Coyle for the Political Action Institute in 1961. This study "recounts the monopolistic practices of the (steel) industry." A cartoon portrayed a man, "Steel," throwing a cover over a bird cage in which a parrot, "Price Rise," said, "Well, that was a hell of a short day." This seems to be one of the least biased remarks made by any paper.

The main emphasis on the incident came from the president of this union, Mr. Max Greenberg. He wrote an editorial which with the flag cartoon took entire page 9. It started with, "The public be damned," and continued to express the theme that business will make the profits its choice if forced to make decisions between the nation's welfare or profits. It supported this conclusion with references to pyramid ing of profits on missile projects, to rigged prices of electrical goods sales to the government, etc. The final paragraph definitely approved the President's action by using such language as, "wrath of America's leading industry," "fighting for better standard of living." The editorial did recommend that, "...the labor movement must always count upon its own strength, rather than that of the government, in winning its struggle at the collective bargaining table."

Record, April 22, 1962.
Steel Labor

Of 992" about 5%, 58", were devoted to this incident. A lengthy events article on page one was introduced with the sub-caption, "News Accounts of Hectic Episode Still Make Good Reading," This article used about half of its length to quote from the President's statement. Phrases used were, "profoundly shocked," "double-crossed-deliberately," "irresponsible defiance." The article was continued on page two and quoted from statements by Block of Inland Steel and the New York Times.

More space was devoted on page 15 of 16. This comment was a cartoon showing a laborer looking at a pile of rubble from a hole in a large wall and was captioned, "Got a Quick Rebuilding Job!" It was reprinted from The Southern California Teamster. The final article was a report of a resolution of the steel union which offered heartfelt compliments to President Kennedy for his wise and dynamic leadership.

The paper was vehemently against the price rise and for the President's action. It must be noted that this paper published by the Steelworkers' union which was involved in pact negotiations immediately before the price rise did NOT use any statements from its chief Negotiator, Mr. David McDonald; and by not doing so did not make any independent comment.

TWU EXPRRESS

Three articles were utilized to express the comments of this paper

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11 Steel Labor, May, 1962.
15 TWU Express, May, 1962.
on the steel negotiations and price-rise incident. These articles took up 2%, 26 lines of 1300, and were: one direct events article, one small indirect historical article, and a small article listing certain parts of the steel pact. A small picture of President Kennedy, smiling, was captioned, "Jack the Giant Killer," and completed the coverage. The first paragraph of the main article set the orientation. It was introduced by the caption, "Big Steel Bows to JFK Wrath" and concluded that the "unjustified price increase of the steel industry ended in total and ignominious defeat...." The rest of the article, though, tears apart the "wages-prices-productivity" formula on which the President based his remarks that the final steel pact without a wage raise and with only a $2\frac{1}{2}\%$ increase in fringe benefits was non-inflationary. This article continued that the President had not taken into consideration the profit margin of an industry, nor the impossibility of measuring the productivity of a service industry, including transit industry. It continued with the explanation that most investment in industry is for automation machinery which displaces workers. After this machinery is written off through depreciation, "profit margins soar and costs per unit of production drop considerably." Continuing the explanation, the article stated that "the twelve top steel corporations could make a case for an increase in prices simply because they are investing huge sums to replace antiquated mills and plant." The article concluded with the recommendation that money for these new plants come from larger turnover (of money), and that the way was now clear for government to stimulate growth in all fields. This last explanation did not specifically call for government projects or any other means to stimulate turnover.
A small indirect article recalled that steel industry-union negotiations during the years since World War II the workers had gotten increases totaling $2.12 an hour and that the producers had raised the price of a ton of steel about $60.00. The orientation of these articles was bordering between vehemently or definitely against the price increase, and also shaded in relation to the President's action. The article quarreled with the basis of the President's plea to the negotiators in the first event (probably with the advantage of four months of hindsight). Its final recommendations seemed to be implied instead of being specific.

The Textile Challenger

No space was devoted by this publication in any of its 1962 issues to the steel price rise and rescission incidents.

Textile Labor

Only three inches of a possible 6200 were devoted to the steel price incident by this paper which is published in the form of the American Weekly magazine. The lineage was concentrated in one article which was datelined Pittsburgh. It was a report that the Pennsylvania AFL-CIO convention had sent a telegram with "unanimous approval" to President Kennedy supporting his stand against the new rescinded increase. A quotation taken from the speech by McDonald to the effect that "the recent labor-management agreements cannot be in any sense considered inflationary since they do not go into effect until July 1," completed the article and coverage of the incident.

Textile Labor, May, 1962
UAW Solidarity

Only one page of eight was not devoted to the steel price incident. Pictures of President Kennedy's press conference were used to cover about 102". Other pictures of the President and Mr. Walter Reuther at the UAW convention and cartoons covered another 100". Over 250" were devoted to a letter by Mr. Reuther to the President in which he proposed a public review board to air wage or price increase proposals. This seems to be the reason why pictures of the two men together were used. Page one consisted of captions that were later used to introduce specific articles inside the paper. It was a simple index of contents. These captions used such phrases as, "big steal," "JFK Rips Price Hike," "Steel Recants." A corner of page one consisted of two quotations, one from President Kennedy's statement, the other from Mr. Blough's statement. The rest of the front page was composed of two large pictures; the President as he gestured while talking, and Mr. Blough scowling.

"Four Fantastic Days" introduced an events article using one half of page three, termed a calendar of events starting with April 6 and ending with April 13. (This seems to be more than four days.) The other half of the page was devoted to the President's statement.

Page four consisted of the rest of the President's statement. But, it followed this article immediately with ten questions asked by the press and the President's answers. These questions concerned possible actions to control prices, reactions by union, and reprisal possibilities by the

17UAW Solidarity, April, 1962.
government agencies, i.e., dropping revision of tax depreciation schedules.
The remaining three and one-half pages were devoted to the entire letter from Reuther to the President. It was congratulatory and definitely for the President's action, containing the statement --

"I am confident, Mr. President, that you have the full support of the American people behind your efforts to defend this nation against the sneak attack on price stability -- the economic Pearl Harbor -- perpetrated by the United States Steel Corporation."

The next paragraph presented the position that sets this paper as being vehemently against the price increase.

"U. S. Steel's action, shocking though it was, is in our opinion. . . ."

This paper presented the longest coverage and did not utilize statements from other quarters. It concentrated solely on the President's reaction, and on Reuther's proposals. The final page printed the entire resolution calling for a public review board about which Mr. Reuther wrote in his letter. There were two items used here but not in other papers; the questions and answers of the press conference, and the proposal for public review of wage or price increases of the UAW discussed in Reuther's letter. The paper was vehemently against the price rise and vehemently for the President's action.
A little less than 5%, 53 of 1100 inches, was used to cover the steel price incident. The coverage consisted of an original cartoon on page one spread the width of the page and above the masthead, two direct events articles on page 12 (of 16), and a small two-line quote from Bob Hope on page 15.

The page one cartoon was a baseball game showing the President driving the ball back at the pitcher (Blough) with McDonald as the batting team's manager. The scoreboard carried the "ad," "The Price is Right Now."

Page 12 articles were, 1) a news article reporting events, and 2) excerpts from four other newspapers' comments on the incident. The events article was the same one used by Steel Union with some paragraphs deleted. Using such quotations as, "profoundly shocked," and "wholly unjustifiable and irresponsible defiance of the public interest," the article set the orientation as being vehemently against the price hike and neutral toward the President's action.

The selections from four newspapers confirms this conclusion. The quotations all centered on the President's criticism of the steel price increase:

**Akron Beacon Journal:** "President Kennedy... had been snubbed..."

**Chicago's American:** "Rarely had as much justification for anger."

---

18 United Rubber Worker, May, 1962.
Milwaukee Journal: "...chose the right words to denounce the increase..."

Philadelphia Bulletin: "...It could not have come at a worse time to embarrass the Kennedy administration...

The Bob Hope quote was in a column reporting events here and there:

"The Steel Industry finally found out who Big John is."

No recommendations or independent comment was made outside of the portrayal that the President was batting for the steelworkers' union.

White Collar

About 2% of 310 inches, solely in an editorial, was devoted to the steel price hike. The gist of the editorial was that --

"...the representatives of U. S. Steel (failed)

to differ with President Kennedy during the negotiations when he repeatedly stated that the settlement eventually agreed to was non-inflationary."

The subsequent price rise thus was unethical.

The paper was neutral regarding both the price rise and the President's action. No recommendations.

D. Content Analysis of Group IV Periodicals

The only periodical in this group which commented in any of its

19White Collar, May, 1962
1962 issues on the steel price rise and rencision incidents was Trainmen News.

Trainmen News

Two articles were printed in this paper about the steel price-rise incident. Four per cent (27.5" of 620") were taken up by these articles. One article was an events article mentioning only two events, viz., the price increase and the reaction by President Kennedy. Quotations from the President's statement supplied the subject matter of the article and centered around the sections containing the phrases, "ruthless disregard," "tiny handful of steel executives," "utter contempt," and "no justification." Two quotations completed the article and were: "the Steelworkers' Union can be proud," and the answer by the steel companies to the question, "what each can do for his country. . . .we had their answer." The second article was an editorial titled "Greedy Steel." It emphasized the same as the above article, that the union observed their responsibilities to the nation, but that the steel industry insisted that profits come first. New adjectives used were "despicable action," "steel lords," "grave crises," "speedy attack," "avaricious steel barons," "greedy steel barons," and many more.

Articles in this paper were vehemently for the President's action and vehemently against the price rise.

E. Content Analysis of Group V Periodicals

Federal Employee

No space was devoted by this publication in any of its 1962 issues to the steel price rise and resiliation incidents.

A little less than 4%, 20 of 57½ inches, were used in a column by Matilda Robbins to comment on the steel price increase. The column spoke on two subjects; the missile contract payment scandal, and the steel price rise incident, under the same caption, "Big Time Thieves Caught, But Is Anybody Shocked?" This was a direct events article but the terminology was rather sarcastic --

"Downright disobedient U. S. Steel was to President Kennedy. . . ."

"What if the Steelworkers should reconsider the brilliant strategy of their president (McDonald)?"

Adjectives described the President as "furiously angry," and the price hike, in the President's words, as "irresponsible." The article claimed that the announcement by McNamara that contractors "... should procure steel from companies that had not increased the cost," actually caused the break in ranks.

The recommendation was that Labor use the same type of economic pressure instead of political sanctions. It also mentioned Gore's proposal for an 80-day cooling-off period to halt general price increases. The paper was vehemently against the price hike and definitely for the President's action.

The United Mine Workers' Journal

No space was devoted by this publication in any of its 1962 issues to the steel price rise and revision incidents.
Forty-seven of 580 inches, 8¾, were devoted to a direct events article by Rev. W. J. Smith, S. J., about the steel price hike incident. The orientation of the article was contained in the following thoughts. The price hike was a showdown by —

"...business magnates' opposition to any kind of government participation or co-operation in collective bargaining and industrial relations, (but who) still have a nostalgic hangover for that type of economic life ... no different from ... a football game conducted on an open field without guideline markings, goal posts or rule books ... One does not have to be an expert in economics ... to recognize the fact that it is too late to 'do what we did yesterday' in any area of major importance of our national life." "... a fighting Young Irish President won one of the most significant victories that this nation has ever witnessed."

No recommendations were made.
### TABLE 4-1

**SUMMARY OF PUBLICATIONS COMMENTING BY GROUPS**

<table>
<thead>
<tr>
<th>Group</th>
<th>In Group</th>
<th>Commenting</th>
<th>Not Commenting</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>II</td>
<td>6</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>III</td>
<td>22</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>IV</td>
<td>14</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>V</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td><strong>20</strong></td>
<td><strong>31</strong></td>
</tr>
</tbody>
</table>

**Analysis:**

Groups II, III, AND IV are composed of unions affiliated with the AFL-CIO. 52% of these unions belong to the Industrial Union Department and 63% of these commented; 48% do not belong to the IUD and 5%, actually only one, commented.

Approximately 40% of the publications studied devoted space to these incidents.
Table 4-2
Summary of Publications Commenting or Not Commenting
by
Group and Publication Period

<table>
<thead>
<tr>
<th>Group</th>
<th>Weekly</th>
<th>Bi-Weekly</th>
<th>Semi-Monthly</th>
<th>Monthly</th>
<th>Bi-Monthly</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>C</td>
<td>NC</td>
<td>C</td>
<td>NC</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>III</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>IV</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td>9</td>
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<tr>
<td>V</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
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<tr>
<td>Total</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

C = Commenting
NC = Not Commenting

Analysis of Table 4-2
Weekly - Weekly News Letter did not comment.
Semi-monthly - United Mine Worker did not comment.
Monthly - Outside of the IUD organizations, only The Wage Earner, a non-union, labor oriented publication made comment.
Bi-monthly - All in Group IV and no comment.
CHAPTER V

CATEGORY ANALYSIS

Since many of the publications did not devote any space to reporting the steel price rise incidents, analysis of categories will be made without regard to groups of publications or publication periods.

Table 5-1
Summary of Space Used by Publication

<table>
<thead>
<tr>
<th>Publication</th>
<th>% Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAW Solidarity</td>
<td>88%</td>
</tr>
<tr>
<td>Public Employee</td>
<td>13</td>
</tr>
<tr>
<td>CWA News</td>
<td>11</td>
</tr>
<tr>
<td>AFL-CIO News</td>
<td>10</td>
</tr>
<tr>
<td>Record</td>
<td>10</td>
</tr>
<tr>
<td>Machinist</td>
<td>9</td>
</tr>
<tr>
<td>Hosiery Worker</td>
<td>8</td>
</tr>
<tr>
<td>IUE News</td>
<td>8</td>
</tr>
<tr>
<td>Wage Earner</td>
<td>8</td>
</tr>
<tr>
<td>IUD Bulletin</td>
<td>6</td>
</tr>
<tr>
<td>Labor</td>
<td>5</td>
</tr>
<tr>
<td>Steel Labor</td>
<td>5</td>
</tr>
<tr>
<td>United Rubber</td>
<td>5</td>
</tr>
<tr>
<td>Industrial Worker</td>
<td>4</td>
</tr>
<tr>
<td>Trainmen News</td>
<td>4</td>
</tr>
<tr>
<td>Advance</td>
<td>2</td>
</tr>
<tr>
<td>TWU Express</td>
<td>2</td>
</tr>
<tr>
<td>White Collar</td>
<td>2</td>
</tr>
<tr>
<td>Federation News</td>
<td>1</td>
</tr>
<tr>
<td>Textile News</td>
<td>.05</td>
</tr>
</tbody>
</table>

36
Analysis of Table 5-1

An interesting feature must be noted about this summary. It is strange that the union which refrained from seeking a wage increase should not utilize more space to decry the breaking of an apparent pledge not to increase prices. In fact, a publication, Public Employee, which represents a union that does not bargain with manufacturing industry actually devoted more space to reporting these incidents. Even the periodical of a non-union organization, The Wage Earner, utilized more space.
### Table 5-2

Orientation of Comment by Publication

<table>
<thead>
<tr>
<th>Action</th>
<th>Orientation</th>
<th>Vehemently For</th>
<th>Definitely For</th>
<th>Neutral</th>
<th>Definitely Against</th>
<th>Vehemently Against</th>
<th>White Collar</th>
<th>IUD Bulletin</th>
<th>Textile Labor</th>
<th>All other publications commenting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel Price</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rise</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td>1</td>
<td>2</td>
<td>17</td>
<td></td>
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</tr>
</tbody>
</table>

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<tr>
<td>Total</td>
<td></td>
<td>1</td>
<td>11</td>
<td>5</td>
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<td>0</td>
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<td></td>
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</tbody>
</table>
Analysis of Table 5-2

Two unusual aspects can be noted:

1) The publication using the highest amount of space did not vehemently approve the President's action. The recommendation of this paper, a public review board, is spelled out in great detail both in Reuther's letter and again on the final page of the paper. This paper supported its recommendation with a great amount of space. Such treatment tends to withdraw some emphasis from any extreme presentations supporting the President that might have been presented by other articles in the publication.

2) The leading federation did not support the President's action vehemently. The statement by its president, Mr. Meany, goes into great length commenting on the economic issues behind the incident. Although the President used the same technique to justify his actions, Meany emphasized more an investigation technique less commonly performed by the Executive branch. The amount of space devoted to explaining this recommendation, as in the UAW Solidarity treatment, withdraws support from any extreme support of the President.
Independent Comment

Table 5-3 is constructed to compare independent comment, space devoted to the story and orientation.

Table 5-3
Summary of Independent Comment Made, Space Used, and Orientation

<table>
<thead>
<tr>
<th>Publication</th>
<th>Space</th>
<th>Orientation</th>
<th>Action</th>
<th>Independent Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAW Solidarity</td>
<td>88%</td>
<td>Vehemently Against</td>
<td>Definitely For</td>
<td>Yes</td>
</tr>
<tr>
<td>Public Employee</td>
<td>13%</td>
<td></td>
<td>Vehemently For</td>
<td>Yes</td>
</tr>
<tr>
<td>CWA News</td>
<td>11%</td>
<td></td>
<td>Definitely For</td>
<td>No</td>
</tr>
<tr>
<td>AFL-CIO News</td>
<td>10%</td>
<td></td>
<td>Neutral</td>
<td>Yes</td>
</tr>
<tr>
<td>Record</td>
<td>10%</td>
<td></td>
<td>Definitely For</td>
<td>Yes</td>
</tr>
<tr>
<td>Machinist</td>
<td>9%</td>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Hosiery Worker</td>
<td>8%</td>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>IUE News</td>
<td>8%</td>
<td></td>
<td>Vehemently For</td>
<td>Yes</td>
</tr>
<tr>
<td>Wage Earner</td>
<td>8%</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>IUD Bulletin</td>
<td>6%</td>
<td>Definitely Against</td>
<td>Definitely For</td>
<td>Yes</td>
</tr>
<tr>
<td>Labor</td>
<td>5%</td>
<td>Vehemently Against</td>
<td>Definitely For</td>
<td>Yes</td>
</tr>
<tr>
<td>Steel Labor</td>
<td>5%</td>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>United Rubber</td>
<td>5%</td>
<td></td>
<td>Neutral</td>
<td>No</td>
</tr>
<tr>
<td>Industrial Worker</td>
<td>4%</td>
<td></td>
<td>Definitely For</td>
<td>Yes</td>
</tr>
<tr>
<td>Trainmen News</td>
<td>4%</td>
<td></td>
<td>Vehemently For</td>
<td>Yes</td>
</tr>
<tr>
<td>Advance</td>
<td>2%</td>
<td></td>
<td>Definitely For</td>
<td>No</td>
</tr>
<tr>
<td>White Collar</td>
<td>2%</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Yes</td>
</tr>
<tr>
<td>TWU Express</td>
<td>2%</td>
<td>Vehemently Against</td>
<td>Neutral</td>
<td>Yes</td>
</tr>
<tr>
<td>Federation News</td>
<td>1%</td>
<td></td>
<td>Neutral</td>
<td>No</td>
</tr>
<tr>
<td>Textile Labor</td>
<td>.05%</td>
<td>Definitely Against</td>
<td>Definitely For</td>
<td>No</td>
</tr>
</tbody>
</table>
Analysis of Table 5-3

Comparison of Independent Comment and

1) Space Used

   a) The lack of independent comment in
      periodicals which used less than 5% of space available can be noted as
      the main reason that these periodicals fall near the lower end of the table.

2) Orientation

   a) The publications which vehemently
      supported the President made independent comment: but only five of 11 which only
      definitely supported the President made independent comment.

   b) Three of the five publications which were
      neutral toward the President's action went to the trouble of making independent comment.
Reinforcing Comment

Table 5-4
Summary of reinforcing comment, independent comment, orientation and space used

<table>
<thead>
<tr>
<th>Publication</th>
<th>Space %</th>
<th>Price Rise</th>
<th>President's Action</th>
<th>Ind. Comment</th>
<th>Reinf. Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAW Solidarity</td>
<td>88%</td>
<td>Vehemently Against</td>
<td>Definitely For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Public Employee</td>
<td>13%</td>
<td>&quot;</td>
<td>Vehemently For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CWA News</td>
<td>11%</td>
<td>&quot;</td>
<td>Definitely For</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>AFL-CIO News</td>
<td>10%</td>
<td>&quot;</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Record</td>
<td>10%</td>
<td>&quot;</td>
<td>Definitely For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Machinist</td>
<td>9%</td>
<td>&quot;</td>
<td>&quot;</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Hosiery Worker</td>
<td>8%</td>
<td>&quot;</td>
<td>Neutral</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>IUE News</td>
<td>8%</td>
<td>&quot;</td>
<td>Vehemently For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Wage Earner</td>
<td>3%</td>
<td>&quot;</td>
<td>&quot;</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>IUD Bulletin</td>
<td>6%</td>
<td>Definitely Against</td>
<td>Definitely For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Labor</td>
<td>5%</td>
<td>Vehemently Against</td>
<td>&quot;</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Steel Labor</td>
<td>5%</td>
<td>&quot;</td>
<td>&quot;</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>United Rubber</td>
<td>5%</td>
<td>&quot;</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Industrial Worker</td>
<td>4%</td>
<td>&quot;</td>
<td>Definitely For</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Teamster News</td>
<td>4%</td>
<td>&quot;</td>
<td>Vehemently For</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Advance</td>
<td>2%</td>
<td>&quot;</td>
<td>Definitely For</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>TWU Express</td>
<td>2%</td>
<td>&quot;</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>White Collar</td>
<td>2%</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Federation News</td>
<td>1%</td>
<td>Vehemently Against</td>
<td>Neutral</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Textile Labor</td>
<td>.05%</td>
<td>Definitely against</td>
<td>Definitely For</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Analysis of Table 5-1

Comparison of Reinforcing Comment and

1) **Independent Comment**
   a) Only five publications of the 14 which used Reinforcing Comment did not make an Independent Comment.

   b) Only two of the 20 did not use either Reinforcing or Independent Comment. These two devoted the least per cent of space to the incidents.

2) **Orientation**
   a) Two of six publications neutral to the President's action did not use Reinforcing Comment.

   b) Only one of 10 definitely for the President's action did not use Reinforcing Comment.

   c) Two of four vehemently for the President's action did not use Reinforcing Comment.

The above comparisons display so much variety that one can safely assume that the labor press does reflect parochial opinions. Instead of a powerful, unified voice, many shadings are placed on the subject incidents.
Recommendation

Table 5-5 shows only the publications which made recommendations and the types of recommendation.

Table 5-5
Recommendation made by publication

<table>
<thead>
<tr>
<th>Publication</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAW Solidarity</td>
<td>Public Review Board for wage and/or price increase.</td>
</tr>
<tr>
<td>AFL-CIO News</td>
<td>Congressional investigations.</td>
</tr>
<tr>
<td>Record</td>
<td>Labor movement's economic and political strength.</td>
</tr>
<tr>
<td>Hosiery Worker</td>
<td>Congressional investigations.</td>
</tr>
<tr>
<td>Steel Labor</td>
<td>Congressional investigations.</td>
</tr>
<tr>
<td>Industrial Worker</td>
<td>Economic boycott.</td>
</tr>
<tr>
<td>TWU Express</td>
<td>Government pump-priming.</td>
</tr>
</tbody>
</table>
Analysis of Table 5-5

The control of price making through market mechanisms is seen in the recommendations which do not recommend Congressional investigations. The recommendation that Congressional committees investigate price making was in all cases coupled with the direct statement that administered pricing was used in place of the law of supply and demand forces of the market. Only one publication _The Hosiery Worker_ intimated that price fixing should be investigated also.

The recommendation by the _Industrial Worker_ was not made in an editorial. The masthead of the publication categorically refutes any position unless labeled as official.

The four publications which supported the President vehemently did not make any recommendation.
CHAPTER VIII
SUMMARY

Space

More than half of the publications which were studied did not use any lineage reporting the steel price hike and revision incidents. In every group according to publishers there were some publications that did and some that did not comment.

Significance may be seen in the lack of comments by unions which belong to the Building and Construction Trades Department of the AFL-CIO. Whether this lack of comment is due to the publishing period, monthly, or the area concerned of the building industry is not known.

Orientation

None of the publications approved the price rise nor disapproved the President's action. There was a range of disapproval of the rise and approval of the reaction.

Independent Comment

Use of press releases or editing wire stories without adding independent comment may suit an editor for any number of reasons.
Use of comment in this situation really was not needed since the statement by the President covered many aspects. If the publication disapproved or was neutral to the incident, it would seem likely that it would state its reasons and make recommendations. This seems to be the case.

Reinforcing Comment

Reinforcing comment consisted of explanation of administered pricing, history of steel mergers, and statistics about profits, plant equipment purchases. Three papers also spoke about the 1958 steel price increase.

Recommendation

Recommendations for Congressional investigations or a Public Review Board are aimed at bringing the facts out into the view of the general public. We cannot assume that those who advocated Congressional investigations of industry pricing policies would also recommend the same spotlight for wage increases. However, this aspect is part of the UAW recommendation. Another point should be considered. A Congressional investigation may promote legislative action unfavorable to the party being investigated. The use of a Public Review Board does not contain this imminent threat.

Publication Periods

The impact of the steel price hike as a news item is reflected by the fact that many monthly publications failed to seize upon the opportunity
to climb on the bandwagon and embarrass management forces even though they had ample time to prepare judicious or sensational copy.

**Publication Groups**

Groups II and IV publications produced very little comment. This is perhaps the most striking feature of this study. These two groups contain 15 of the 24 monthly publications which did not comment.

**CONCLUSIONS**

A variety of coverage has been disclosed by this study. The labor press is by no means unified in its recommendations, type of support or amount of space devoted. This latter aspect, together with the fact that almost 60% of the press studied failed to comment at all, definitely indicates that the labor movement has become static, i.e., without a variety of interests. Labor groups still choose their own particular technique of action.
APPENDIX A

TEXT OF PRESIDENT KENNEDY'S STATEMENT

ON THE STEEL PRICE INCREASE

Simultaneous and identical actions of United States Steel and other leading steel corporations increasing steel prices by some $6 a ton constitutes a wholly unjustifiable and irresponsible defiance of the public interest.

In this serious hour in our nation's history, when we are confronted with grave crises in Berlin and Southeast Asia, when we are devoting our energies to economic recovery and stability, when we are asking reservists to leave their homes and families for months on end and servicemen to risk their lives — four were killed in the last two days in Viet Nam — and asking union members to hold down their wage increases, at a time when restraint and sacrifices are being asked of every citizen, the American people will find it hard, as I do, to accept a situation in which a tiny handful of steel executives whose pursuit of private power and profit exceeds their sense of public responsibility can show such utter contempt for the interests of 185 million Americans.

If this rise in the cost of steel is imitated by the rest of the industry, instead of rescinded, it would increase the cost of homes, autos, appliances, and most other items for every American family. It would increase the cost of machinery and tools to every American businessman and farmer.

1AFL-CIO News, April 14, 1962, p. 5
It would seriously handicap our efforts to prevent an inflationary spiral from eating up the pensions of our older citizens, and our new gains in purchasing power.

It would add, Sec. McNamara informed me this morning, an estimated $1 billion to the cost of our defenses at a time when every dollar is needed for national security and other purposes. It would make it more difficult for American goods to compete in foreign markets, more difficult to withstand competition from foreign imports, and thus more difficult to improve our balance of payments position, and stem the flow of gold. And it is necessary to stem it for our national security, if we are going to pay for our commitments abroad. And it would surely handicap our efforts to induce other industries and unions to adopt responsible price and wage policies.

The facts of the matter are that there is no justification for an increase in steel prices. The recent settlement between the industry and the union, which does not even take place until July 1, was widely acknowledged to be non-inflationary, and the whole purpose and effect of this Administration role, which both parties understood, was to achieve an agreement which would make unnecessary any increase in prices.

Steel output per man is rising so fast that labor costs per ton of steel can actually be expected to decline in the next 12 months. And in fact, the Acting Commissioner of the Bureau of Labor Statistics informed me this morning that, and I quote: "Employment costs per unit of steel output in 1961 were essentially the same as they were in 1958."
The cost of the major raw materials, steel scrap and coal, has also been declining and for an industry which has been generally operating at less than two-thirds of capacity, its profit rate has been normal and can be expected to rise sharply this year in view of the reduction in idle capacity. Their lot has been easier than that of 100,000 steelworkers thrown out of work in the last three years. The industry's cash dividends have exceeded $600 million in each of the last five years, and earnings in the first quarter of this year were estimated in the Feb. 28 Wall Street Journal to be among the highest in history.

In short, at a time when they could be exploring how much more efficient and better prices could be obtained, reducing prices in this industry in recognition of lower costs, their unusually good labor contract, their foreign competition and their increase in production and profits which are coming this year, a few gigantic corporations have decided to increase prices in ruthless disregard of their public responsibilities.

The Steelworkers Union can be proud that it abided by its responsibilities in this agreement, and this government also has responsibilities which we intend to meet. The Department of Justice and the Federal Trade Commission are examining the significance of this action in a free, competitive economy. The Department of Defense and other agencies are reviewing its impact on their policies of procurement and I am informed that steps are under way by those members of the Congress who plan appropriate inquiries into how these price decisions are so quickly made and reached, and what legislative safeguards may be needed to protect the public interest.
Price and wage decisions in this country, except for very limited restrictions in the case of monopolies and national emergency strikes, are and ought to be freely and privately made, but the American people have a right to expect, in return for that freedom, a higher sense of business responsibility for the welfare of their country than has been shown in the last two days.

Some time ago I asked each American to consider what he could do for his country and I asked the steel companies. In the last 24 hours we had their answer.
APPENDIX B

STATEMENT OF AFL-CIO PRESIDENT MEANY
ON THE STEEL PRICE INCREASE

U. S. Steel's announcement of a $6 per ton price boost -- a rise of 3.5 per cent -- is the most recent example of the flagrant abuse of vast economic power by the dominant, price-leading corporation in a key industry. It represents a further step by the top corporate executives of this major industry to increase profits on each ton of steel, at the expense of their customers and the entire nation.

Neither supply-and-demand nor cost factors can explain this price-gouging action, which is a direct affront to the federal government and the American people. There are no steel shortages or pressures on the industry's productive capacity. Instead there are large inventories, idle plants and machines, declining orders and production schedules. From an operating rate of only 80 per cent in recent weeks, the present drop in operations is expected to bring production schedules down to about 60 per cent of productive capacity in June.

The recently negotiated improvements in fringe benefits, with no wage increases, will result in a rise of 2 per cent - 2.5 per cent in the hourly compensation of the steel industry's production and maintenance workers below the industry's pace of rising productivity. These results were

1Source: AFL-CIO News, April 14, 1962, p. 5.
hailed as clearly non-inflationary, and well within the bounds of reasonable
stable unit employment costs, by President Kennedy and his economic advisors.

Instead of cutting prices on a selective basis to improve the
industry's competitive position in world markets and against substitute
products at home, U. S. Steel chose to demonstrate its power. The corpo-
ration's action of Apr. 10, 1962 is the most recent in a series of price-
gouging unconscionable abuses of its dominant position in a key industry that
lacks effective price competition.

The power of government and of our entire society is now being
tested by the economic might of a corporate giant and a major industry. This
test must not go unanswered. The spotlight of public attention must quickly
be placed on all the details of this corporate abuse of economic might. The
very future of a free economy in America requires a direct and responsible
public investigation of this action by federal agencies and the Congress,
the representatives of the American people.

At its Fourth Constitutional Convention last December, the AFL-CIO
declared: "The pricing policies of the dominant corporations in key indus-
tries, in which prices are administered, present a potential threat to the
price level and to sustaining a fast pace of economic growth. . . . The
administered price formulas of the dominant corporations in major industries
are set to produce profits at low-level operations and there is little in-
centive for such industries to follow policies that aim for maximum production
rates in a rapidly expanding economy. In addition, price rises by such
industries could establish the pretext for restrictive government measures."
"To curb these potential dangers from the pricing policies of the dominant corporations in major administered-price industries, the spotlight of public attention is needed. Only the federal government — federal agencies, congressional committees or both — can adequately focus public attention on the facts of the cost-price-investment policies of these corporations, in an attempt to curtail their price-raising ability."
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A. PRIMARY SOURCES

Periodicals


The Packinghouse Worker. United Packinghouse Workers of America, AFL-CIO. May, 1962.


Record Retail, Wholesale and Department Store Union, AFL-CIO. April 22, 1962.


B. SECONDARY SOURCES

Books

The thesis submitted by William A. Harper has been read and approved by three members of the faculty of the Institute of Social and Industrial Relations.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Social and Industrial Relations.

June 19, 1963

Date

Signature of Advisor

For W. J. Heneghan