

Public Opinion on
**CONTROL OF PRICES...
WAGES...SALARIES...**
during
War and Reconversion



NATIONAL OPINION RESEARCH CENTER
UNIVERSITY OF DENVER

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25 cents

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Prices, Wages, and Inflation

A S U M M A R Y

A substantial majority of the people of the United States approve the government's wartime program of controlling prices, wages, and salaries -- a program planned to prevent inflation both during the war and in the reconversion period following the war.

According to a recent nation-wide survey by the National Opinion Research Center:

IN WARTIME

88% of Americans indicate a basic understanding of the problem of inflation, in that they prefer to see both prices and wages maintained at present levels rather than an alternative policy of allowing both prices and wages to go higher.

97% of the public believe the government should be trying to control prices.

Most of these believe all prices should be frozen.

76% of the public think the government should be trying to control wages and salaries.

More than half of these, however, would still allow some wages and salaries to go higher. Salaries of office and white collar workers are most often cited as being in need of adjustment.

FOR THE RECONVERSION PERIOD

84% of the public think it will be necessary for the government to continue controlling prices while we are getting back to peacetime conditions.

74% believe continued control of wages and salaries will be necessary.

-- Louise Merrick Van Patten
Editor of Publications

Part I

F R O M P R I C E T O W A G E C O N T R O L

ATTITUDES BEFORE PEARL HARBOR

A year and a half after the outbreak of World War II in Europe the American Institute of Public Opinion (Gallup Poll) began to study the problem of inflation -- the rapid rise of wages and prices associated with mushrooming defense production in the United States. At that time the federal government had already placed compulsory price limits on a few materials and had appointed Leon Henderson to the task of dealing with the inter-related problems contributing to inflation.

In the spring of 1941, Gallup reported a two-thirds majority of the public in favor of price control, but barely half in support of wage control. The laboring or wage-earning group within the population supported both proposals by the largest percentages. Nine per cent of the public as a whole were "Undecided" on the question of price-fixing; 12 per cent, on the issue of wage-fixing. The questions:

PRICES

"Would you like to see the federal government fix prices so that as long as the war in Europe lasts everything you buy will cost the same as it does now?"

WAGES AND SALARIES

"Would you like to see the federal government keep all salaries and wages at the present level so that nobody's wage could be cut and nobody could get an increase as long as they did the same kind of work, until the present war in Europe is over?"

PERCENTAGES OF PERSONS WITH OPINIONS
FAVORING PROPOSALS TO:

	<u>FIX PRICES</u>	<u>FIX WAGES AND SALARIES</u>
All those interviewed	68%	52%
Skilled, semi-skilled, and unskilled laborers	80	57
White collar workers	68	47
Farmers	61	55
Businessmen	53	42

Some of those interviewed indicated that they favored price-fixing "to prevent profiteering" or "to prevent inflation." Those who favored keeping wages at their then current levels thought such action might "prevent strikes if labor knew it could not get more money by striking." Some wage-earners said they were satisfied with their present pay; others, that they would prefer stabilization rather than gambling on a wage cut or raise.

Many businessmen opposed price and wage-fixing purely on the grounds that there was too much government control already. Others considered control unworkable and impractical, said they believed wages should be set "according to a man's ability and speed production," or commented: "People will lose their incentive to work harder if wages and salaries are fixed."

Five months later, in September, 1941, a Fortune survey of executives found a majority of business leaders in favor of freezing wages, but neither wholesale nor retail prices:

"Which would you favor freezing at their present levels for the duration of the emergency?"

Wages	63%	Retail prices	28%
Raw materials	52	Freeze everything	
Wholesale prices	31	or nothing	14
Farm products	31	Freeze nothing	11

In the same month Gallup reported the non-farming public somewhat more willing to see their wages and salaries regulated than were farmers to have their prices regulated. The two questions:

FARMERS

"Would you be willing to have the government keep prices where they are now on the things you sell, provided the government also fixes the prices of the things you buy at the present level?"

NON-FARMERS

"As one way to prevent prices from going up rapidly, would you be willing to have the government keep your wage (salary) rate where it is now, if the government also keeps the prices of the things which you buy where they are now?"

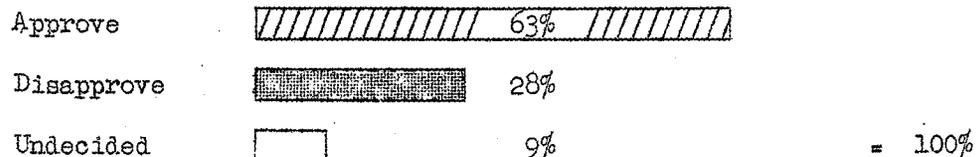
		<u>FIRST SURVEY*</u>	<u>SECOND SURVEY**</u>
Willing	55%	62%	66%
Not willing	28	32	28
Undecided	17	6	6
	<u>100%</u>	<u>100%</u>	<u>100%</u>

* AIPO RELEASE, SEPTEMBER 11, 1941
 ** AIPO RELEASE, NOVEMBER 9, 1941

Sixty-four per cent of the public as a whole considered that they were being paid a fair wage or salary, but only 52 per cent of farmers (56% in the Midwest and 48% in the rest of the country) believed they were getting a "fair price" for their chief crop or product, "considering the costs of production."

In November, 1941, 83 per cent of the public told Gallup interviewers they expected higher prices "on most products" within six months. Two-thirds of the American people said they would approve of a law in the United States similar to the Canadian law keeping prices, wages, and salaries from going higher. Shortly before Pearl Harbor 63 per cent of the public as a whole and 59 per cent of the farmers replied "Approve" to this more specific question:

"A new law in Canada keeps wage and salary rates from going higher than they are now and also keeps all prices, including prices of farm products, from going higher. Would you approve or disapprove of such a law in the United States?"



Strongest approval for such a measure came from the West Coast -- already a wartime boom area. Comments indicated that many of those interviewed were aware of the connection between price control and wage control in the effort to prevent a vicious spiral of inflation.

EXTENSION OF CONTROL AFTER PEARL HARBOR

Until January, 1942, emergency ceiling schedules had been issued only for certain selected products, primarily in the wholesale field. With the passage of the Emergency Price Control Bill -- signed by President Roosevelt on January 30, 1942 -- government ceilings were extended to cover all wholesale prices. In May, 1942, all retail prices came under government ceiling regulations. Discussion of government measures to prevent inflation then centered on three issues:

1. Current legislation in relation to rising prices.
2. Extension of ceilings to cover prices on all farm products.
3. Extension of government control into the field of wages and salaries.

Attempts to
Control Prices

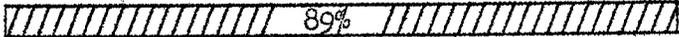
According to an NORC question asked in February, 1942, a majority of the people of the United States saw rising prices as a "bad thing." Residents of large cities much more often than farmers seemed aware of the danger of inflation inherent in uncontrolled price increases. NORC asked:

"Do you think that rising prices are a good thing or a bad thing for the United States at this time?"

	<u>ALL THOSE</u> <u>INTERVIEWED</u>	<u>BY RESIDENCE</u>		
		<u>CITIES OVER</u> <u>100,000</u>	<u>CITIES UNDER</u> <u>100,000</u>	<u>FARMERS</u>
<u>Bad thing</u>	58%	64%	59%	46%
<u>Bad for some products,</u> <u>good for others</u>	16	14	16	19
<u>Good thing</u>	18	15	19	23
<u>Undecided</u>	8	7	6	12
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Another NORC question, asked in May of the same year, showed overwhelming popular approval for the new price control law. All groups considered in the survey were in substantial agreement on this question:

"It is now against the law for the prices of some products to go any higher during the war than they were last March. Do you think this is a good idea or a bad idea?"

<u>Good idea</u>		89%	
<u>It depends</u>		4	
<u>Bad idea</u>		3	
<u>Undecided</u>		4	= 100%

Those classed under "It depends" offered such remarks as: "The law is all right if the price ceiling is related to the cost of production." "If there is a ceiling on prices there should also be one on wages and salaries."

W a g e C o n t r o l ? In September, 1942, all three of the leading polling organizations asked questions regarding the extension of government control to cover wages and salaries. In every instance -- in spite of differences in question wordings -- a majority of the public believed wage and salary increases should be subject to government regulation. The National Opinion Research Center used two different questions to ascertain public attitudes on the problem. The first:

"Which of the following statements comes closest to what you think should be done regarding wages and salaries during the war?"

"There should be <u>no limit*</u> placed on how high wages and salaries can go for different kinds of jobs.	12%
" <u>A limit*</u> should be set on how high wages and salaries can go for different kinds of jobs.	61
"Wages and salaries for different kinds of jobs should not be allowed to go any higher than they are now*."	20
Other answers	2
Undecided	5 <u>100%</u>

The 61 per cent who said that a limit should be set on wage and salary increases included 5 per cent who volunteered the comment that they would approve such increases only if prices too were effectively controlled.

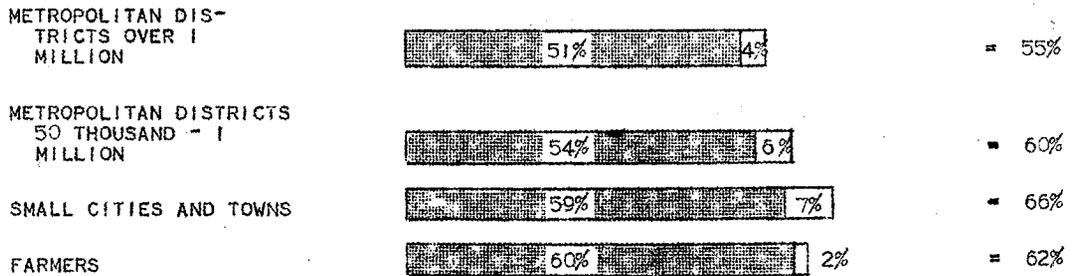
PERCENTAGES REPLYING "LIMIT"

ALL THOSE INTERVIEWED		= 61%
<u>BY EDUCATION</u>		
COLLEGE		= 77%
HIGH SCHOOL		= 64%
GRADE SCHOOL		= 51%
<u>BY OCCUPATION</u>		
BUSINESS, PROFESSIONAL, AND WHITE COLLAR WORKERS		= 68%
FARMERS		= 62%
MANUAL WORKERS		= 55%
SERVICE WORKERS		= 48%

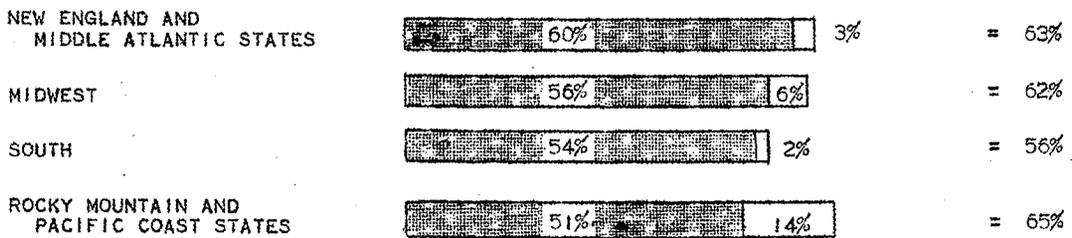
* UNDERLINED FOR REPORT PURPOSES -- NOT UNDERLINED ON THE CARDS SHOWN RESPONDENTS.
** LIMIT IF PRICES ARE EFFECTIVELY CONTROLLED

PERCENTAGES REPLYING "LIMIT"

BY RESIDENCE

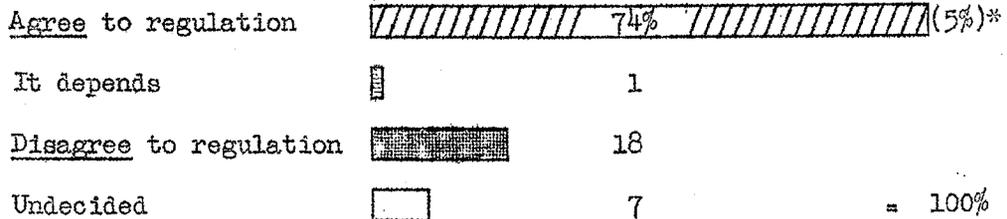


BY SECTION



Later in the same survey NORC asked respondents:

"Do you agree or disagree that the government should make a new law to regulate how high wages and salaries can go?"



Some of those who replied "It depends" said that their attitude would depend on how the regulation was accomplished -- on what government official or agency was put in charge. Others would limit only incomes in the higher brackets; still others said it should depend on the ability or merit of the worker or that wages for some but not all jobs should be subject to regulation.

Most in favor of government regulation of wages and salaries were persons with a college background -- 80 per cent "Agree" and 5 per cent "Agree, if...", and farmers -- 75 per cent "Agree" and 3 per cent "Agree, if...". Manual workers and persons in the lower educational and economic brackets were least in agreement with the proposal, but a majority of every population group studied in the survey replied "Agree" without qualification.

* THE 74 PER CENT "AGREE" INCLUDED 5 PER CENT WHO VOLUNTEERED THE COMMENT THAT THEY WOULD APPROVE SUCH INCREASES ONLY IF PRICES WERE ALSO EFFECTIVELY CONTROLLED.

M a k i n g P r i c e

C o n t r o l W o r k

An AIPO question, also asked in September, 1942, indicated that 83 per cent of the public (including 12% who qualified their approval) favored placing government ceilings on wages and salaries and also on farm products.

Gallup asked:

"To keep the cost of living from going higher, do you favor keeping salaries and wages, and the prices of farm products from going higher?"

Favor	71%
Favor with qualifications	12
	<u>83%</u>
Oppose	11
Undecided	6
	<u>100%</u>

In the same month a strong majority of business executives believed that ceilings on wages and salaries and on farm products were necessary if general price ceilings were to operate successfully. Fortune Survey asked its management panel:

"Do you think the general price ceilings can be made to work by means of price ceilings on wages, price ceilings on farm products, government subsidies, or by any other means?"

- 91% said they thought price ceilings on wages would make general price ceilings work satisfactorily.
- 84% believed price ceilings on farm products would be necessary.
- 26% recommended government subsidies.
- 6% advocated "price ceilings on everything."
- 3% saw a solution in "strong government" or "less politics."
- 2% recommended additional taxes or forced savings.
- 6% suggested other measures.
- 6% thought price ceilings could not work no matter what was done.

Business executives also believed that price schedules would still have to be revised upward. The Fortune question:

"Do you think the current system of price ceilings will prevent price rises, or will the ceilings have to be revised upward, and by what per cent?"

Prices will have to be revised upward	
... by over 50 per cent	3%
... by 20 to 50 per cent	13
... by 10 to 20 per cent	37
... by up to 10 per cent	13
	<hr/>
	66%
Ceiling will prevent price rises	34
	<hr/>
	100%

In October, 1942, Congressional action authorized government control over wages and salaries as well as over prices.

Part II

W A R T I M E C O N T R O L O F P R I C E S

A N D W A G E S ?

INFLATION: THE BASIC PRINCIPLE

Public opinion surveys show clearly that, since the beginning of the war, a majority of national opinion has backed the general principle of controlling both prices and wages as a measure to prevent inflation. Price control in general and in specific application seems, however, considerably better received -- and possibly better understood -- than is the effort to regulate wages and salaries.

In December, 1943, the National Opinion Research Center made a series of two spot-check surveys to ascertain public attitudes toward the inter-related problems of inflation: control of prices, wages, and salaries, and the problem of farm subsidies. Again in the spring of 1945 NORC asked questions regarding the control of prices and wages as seen by the public.

A strong majority of Americans -- 88 per cent -- indicate a basic understanding of the problem of inflation in that they prefer to see both prices and wages maintained at present levels rather than the alternative policy of allowing both prices and wages to go higher. The percentage in favor of the principle of price-wage control was higher in the spring of 1945 than it was a year and a half earlier when NORC first measured public opinion on the question:

"If the government had to do one of these two things, which one would you rather have it try to do?"

	<u>1943</u>	<u>1945</u>
1. "Allow <u>both</u> prices and wages to go higher than they are now.	11%	6%
or		
2. "Keep <u>both</u> prices and wages right where they are now."	80	88
Undecided	<u>9</u> 100%	<u>6</u> 100%

Majorities of all population groups are in close agreement in their desire to freeze both wages and prices as an alternative to allowing both to go higher.

That, even in December, 1943, most people understood the mechanics if not the terminology of inflation is shown by these NORC findings:

- 74% of those interviewed thought that higher food prices would lead to higher prices on other things.
- 70% realized that higher food prices would lead to higher wages and salaries.
- 65% understood that if wages and salaries went higher, prices too would go up.
- 88% believed it would be a bad thing for the country as a whole if food prices should go higher than they were then.
- 67% believed it would be a bad thing for the country as a whole if wages and salaries should go higher than they were then.

In January, 1944, the Iowa Poll* asked a series of questions designed to ascertain state-wide information and attitudes about the problem of inflation. A plurality of 43 per cent chose the description of inflation framed as correct by the questionnaire committee:

"Which of the following three sentences do you think correctly describes the cause of inflation?"

<i>"Prices go up faster than incomes increase.</i>	30%
<i>"There are fewer things for people to buy, and people have more money to spend for these things.</i>	43
<i>"So much food and material is needed for war purposes here and abroad that there is much less left for us to buy."</i>	19
Don't know	8
	<u>100%</u>

A 57 per cent majority of Iowans believed that there was already "the beginning of a serious inflation in this country." Most, however, thought that inflation could be checked successfully. A tighter freeze on wages and prices was the measure most frequently suggested.

* CONDUCTED BY THE DES MOINES REGISTER AND TRIBUNE.

ARE CONTROLS SATISFACTORY?

The NORC survey made in December, 1943, showed that most people were reasonably satisfied with the government's general price and wage policy. An 81 per cent majority believed the government was trying to keep prices from going higher, and more than half of these (47% of the total cross-section) thought the government was doing a good job of price control. At the time of the survey, however, 56 per cent of those interviewed thought that food prices were too high. A 66 per cent majority believed the government was trying to keep wages and salaries from going higher, and again more than half (37% of the entire cross-section) thought the government was doing a good job of wage control.

In October, 1943, a survey among Iowa farmers* showed that only one person in five would dispense with the OPA program entirely. The largest percentage of opposition was found among Republicans -- 33 per cent of whom termed the OPA a "nuisance ... we'd be better off without." The question:

"Which of the following statements most nearly expresses your views about OPA?"

"OPA, through price ceilings and rationing, has kept down the prices of many goods that farmers buy, has helped prevent inflation.

"OPA has bungled some of its price and rationing programs, but probably has helped to keep prices of things we buy lower than they would otherwise have been.

"OPA is a nuisance, and we'd be better off without it."

Rate OPA:	<u>ALL THOSE INTERVIEWED</u>	<u>MEN</u>	<u>WOMEN</u>	<u>FDR VOTERS</u>	<u>WILLKIE VOTERS</u>
Success	19%	19%	22%	24%	11%
Partial success	48	44	52	51	44
	67%	63%	74%	75%	55%
Failure	21	26	13	13	33
Undecided	12	11	13	12	12
	100%	100%	100%	100%	100%

A similar survey made in the spring of 1945 showed that 78 per cent of Iowa farmers (including 79% of Democrats and 82% of Republicans, exclusive of those who did not vote in the last Presidential election) would favor the re-enactment, with or without modification, of "the price control law authorizing OPA" which "comes to an end June 30." The percentage expressing wholehearted approval of the OPA had increased from 19 to 28 per cent during the year and a half between the two surveys.

ARE CONTROLS NECESSARY?

NORC's spring 1945 survey finds, as did the 1943 study and a Gallup survey made in May, 1944, that an overwhelming majority of the people in this

* CONDUCTED BY WALLACES' FARMER AND IOWA HOMESTEAD OF DES MOINES.

country think the government should be attempting to control prices. Of those who favor the principle of price control a definitely higher proportion today than in 1943 would have all prices frozen. On all three surveys about three persons out of four believe the government should be trying to control wages and salaries. The proportion favoring a freeze on all wages and salaries has increased since the NORC question was first asked, but a plurality would still allow some wages and salaries to go higher. These are the

NORC and Gallup questions:

PRICES (NORC)

"Do you think the government should be trying to keep prices from going higher than they are now?"

	<u>1943</u>	<u>1945</u>
Yes	94%	97%
No	4	2
Undecided	<u>2</u>	<u>1</u>
	100%	100%

(If "Yes") "Do you think all prices should be kept where they are now, or do you think some should be allowed to go higher?"

	<u>1943</u>	<u>1945</u>
All frozen	57%	65%
All frozen, but some lower	--	8
Some higher	33	20
Undecided	<u>4</u>	<u>4</u>
	94%	97%

PRICES (AIPO)

"Do you think prices on most products should be allowed to go up, or should prices be held where they are now?"*

	<u>1944</u>
Hold at present levels	91%
Allow to go up	4
Undecided	<u>5</u>
	100%

WAGES AND SALARIES (NORC)

"Do you think the government should be trying to keep wages and salaries from going higher than they are now?"

	<u>1943</u>	<u>1945</u>
	77%	76%
	15	19
	<u>8</u>	<u>5</u>
	100%	100%

(If "Yes") "Do you think all wages and salaries should be kept where they are now, or do you think some should be allowed to go higher?"

	<u>1943</u>	<u>1945</u>
	19%	30%
	--	1
	54	42
	<u>4</u>	<u>3</u>
	77%	76%

WAGES (AIPO)

"Do you think wages for most workers should be allowed to go up, or should wages be held where they are now?"

	<u>1944</u>
	72%
	18
	<u>10</u>
	100%

* UNDERLINING OURS.

Crystallization of opinion on the issue of price and wage control is emphasized by the fact that the NORC and AIPO questions show remarkably similar results in spite of differences in wording. It should be noted that NORC specifically mentions government control, while AIPO does not; and the AIPO questions use most instead of all.

Black Market? In spite of the overwhelming approval of price control in theory indicated by both AIPO and NORC findings, another AIPO question indicates that in practice more than one person in five would condone black market buying on occasion. In May, 1945, Gallup reported this question:

"Do you think that buying at black market prices is sometimes justified?"

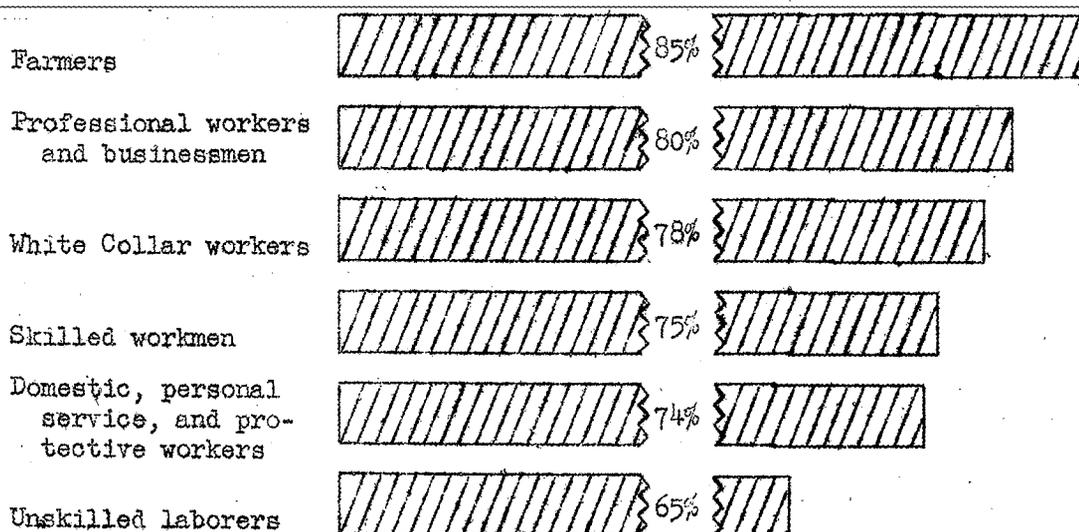
	<u>YES, SOMETIMES</u>	<u>NO</u>	<u>UNDECIDED</u>
All those interviewed	21%	74%	5% = 100%
Men	23	71	6
Women	18	77	5
Cities over 100,000	23	73	4
Towns 10,000 to 100,000	19	78	3
Towns under 10,000	21	73	6
Farmers	18	73	9

The Gallup analysis states: "When questioned as to conditions under which black market buying might be justified, the largest number mentioned emergencies such as illness. 'When you've got to have meat or butter for a sick person, or an undernourished child,' says one housewife, 'what else can you do?' Others said they felt black market buying was justified when the rationing board was unfair after an appeal."

Group Differences Opinion on the two main NORC questions about prices and wage control shows significant differences among persons in the various economic brackets. For example, 80 per cent of the prosperous, 77 per cent of the middle class, and 68 per cent of the poor think the government should control both prices and wages. On the other hand, 13 per cent of the prosperous, 16 per cent of the middle class, and 23 per cent of the poor favor price control but not wage control.

On the NORC survey made in the spring of 1945 support of price control is so strong that only insignificant differences of opinion among groups appear. Support of wage control, however, is conditioned by economic factors, with 82 per cent of the prosperous, 78 per cent of the average, and 69 per cent of the poor expressing approval. The same determinant is probably a strong influence on these varying degrees of approval among occupational groups:

ENDORSE CONTROL OF WAGES AND SALARIES



The Gallup survey showed that 23 per cent of skilled and unskilled laborers -- in contrast to 18 per cent of the population as a whole -- would allow wages to rise, while 14 per cent of farmers -- in comparison with only 4 per cent of the general public -- favor upward revision of prices.

IN THEIR OWN WORDS

A number of those interviewed in the more recent NORC survey indicate by their comments that they see a clear connection between the control of prices and the control of wages and salaries in preventing inflation. Here are a few examples:

"If we are going to keep prices down, we must keep wages down."
(Garage owner, Plainville, Connecticut)

"If there is any chance, prices should be kept at their present level, but if not, wages must go up."
(Railroad yardmaster, Lorain, Ohio)

"Unless the government can keep the cost of clothing and food down, they must let wages go up. Wages haven't raised as much as prices."
(Wife of derrick worker, Crescent, Oklahoma)

"If prices are controlled, wages and salaries must be -- that is a fundamental economic principle."
(Wife of defense engineer, Kensington, Connecticut)

"When wages go up, food goes up still higher. If the OPA hadn't stepped in it would have been awful."
(Wife of steel mill chipper, Duquesne, Pennsylvania)

Price Control? A few persons who express general approval of the government's policy of trying to keep prices from going higher make general comments such as: "I believe strongly in ceiling prices." "We already have inflation to a point, and the higher the prices the more inflationary the situation." or "They haven't done very well, but we have to give them credit for trying." The 65 per cent who believe that all prices should be frozen make comparatively few comments. Representative of two opposite points of view are these: "Price control is about as fair as it can be right now." and "Price control will never be fair, no matter how they do it. Right now I'm getting too much for turkeys and not enough for eggs."

The 20 per cent who think that some prices should be higher sometimes speak in rather general terms: "Prices should be equalized. Those too low should be brought up to the higher ones, and the higher ones lowered some." or "Luxuries should be much higher-prices, but necessities not so high."

Most of those who comment, particularly the farmers interviewed, voice a need for higher prices on specific farm products -- cattle, hogs, milk, chickens, eggs, wheat, cotton, tobacco. The high price of feed as compared with livestock prices is a particularly sore point. Only a few people mention controls on other items. These comments are representative:

"Ceiling prices on eggs, meat, and milk are too low for the cost of feed." (Farmer, near Fairbury, Nebraska)

"The price of hogs is too low, and because of this and the price of feed we are having a pork shortage." (Shoemaker, Oklahoma)

"The grain a farmer sells should be priced higher, but the feed he buys should be frozen." (Farmer, near Sinking Springs, Pennsylvania)

"Cotton and tobacco should bring higher prices to the farmers who sell them, but the retail prices should not be raised." (Mother of farmer, near Laurinburg, North Carolina)

"Our neighbor had some prime beef to sell, and the best price he could get was 4 cents a pound on the hoof. In the meat market it was selling at 38 cents a pound." (Woodworker, Tacoma, Washington)

"The price of land should be allowed to go higher." (Farmer's wife, near St. Paul, Minnesota)

"Landlords have trouble because everything has gone up, but they can't raise their rent." (Nurse, Brooklyn, New York)

"If cigarettes were raised to 25 cents a pack, I think we'd all get a supply." (Wife of restaurant manager, Iowa)

The 8 per cent who think some prices should come down often speak in generalities. Some, however, complain of clothing prices and quality, especially children's clothing.

The 42 per cent who endorse the general principle of wage-control? wage-salary control but believe that some wages and salaries should be allowed to go higher amplify and define their opinion in a number of ways. Some state their views in rather general terms: "Ordinary men working for a living should have enough money to live decently." "Men who have their wages the same now as before the war should have an increase to take care of the increase in cost of living."

Most of those who explain why they want some wages and salaries to be increased speak of the special needs of white collar workers, teachers, and some civil service workers such as mailmen, firemen, and policemen. Occasionally mentioned are other specific groups such as ministers, nurses, common laborers, farmers, and bank employees. A number of respondents express their opinions in this vein: "The white collar man is hard hit. He sticks to his job and struggles along. He needs and is worthy of more money." "Most white collar workers do not make enough to live on, now that living is so high." "The white collar man has been hit drastically. He cannot make ends meet without drawing on his reserve finances." "There are a lot of inequalities at the moment. They run by industry. A lot of jobs pay no more than they did ten years ago."

More unusual are specific observations such as the following:

"Girls in stores should have more money, but government workers should not." (Farmer's wife, Connecticut)

"Civil service jobs are good in peace time, but they are not making much now." (Fireman's wife, Minneapolis)

"Wages and salaries should be raised for bankers, postmen, police, and checkers in stores." (Farmer, near Reading, Pennsylvania)

Some of the 30 per cent who approve government control and also think that all wages and salaries should be frozen make comments such as: "Everything should have been frozen the day war was declared." "Wages are clear out of proportion now. We can't afford to hire farm help at the wages they demand." "The government should try to bring the cost of living down."

Among the few comments made by the 19 per cent who oppose government attempts to control wages and salaries, the most common reaction is: "Wages are not now equal to the cost of living." An aviation executive in New Orleans thinks: "Wages and salaries should not be frozen the way living conditions are now. You used to get by on 30 dollars a week, now you are lucky to get by on 60." A Minneapolis woman who owns the controlling interest in a large business enterprise replies: "No. It's none of the government's darn business. If a man is worth a lot of money to an industry, he should be paid it and the government should not interfere, as long as he pays his income tax. It looks too much like dictatorship when the government says what can be paid."

"Little Steel"

Wage Formula?

The Gallup Poll on a nation-wide scale and the state-wide polls in Iowa and Minnesota* have undertaken studies of public opinion on increased wages and salaries -- either in instances of specific need or in relation to the "Little Steel Formula" by which wage increases throughout the nation were restricted to 15 per cent above their level of January, 1941. This phase of the federal anti-inflation program has been attacked by labor leaders as being inadequate in view of the increased cost of living -- 25.1 per cent according to the Bureau of Labor Statistics and 45.3 per cent according to the CIO.

In the spring of 1945 Gallup reported that:

52% of the public had heard or read about the "Little Steel Formula,"

BUT ONLY

30% of the public as a whole were informed -- that is able to give a "reasonably accurate indication" of what the "Little Steel Formula" was intended to accomplish,

AND

38% of labor union members gave informed replies.

Gallup next asked the entire cross-section:

"Do you think the government's present policy in regard to wage and salary increases should be continued, or should it be changed to permit general increases in wages and salaries?"

	<u>ALL THOSE INTERVIEWED</u>	<u>INFORMED</u>
Change to permit general increases	29%	30%
Change only in case of special need or ability	<u>13</u>	<u>16</u>
	42%	46%
Continue present government policy	42	45
Undecided	<u>16</u>	<u>9</u>
	100%	100%

According to Gallup, "Among labor union members in the 'informed' group, the weight of opinion was found slightly in favor of change rather than continuation of the present policy as it is."

* SPONSORED RESPECTIVELY BY THE DES MOINES REGISTER AND TRIBUNE AND THE MINNESOTA STAR-JOURNAL AND TRIBUNE.

The minority who, although opposed to a general wage increase, think the "Little Steel Formula" should be modified in cases of special need or ability most often mention white collar workers specifically. Others suggest "changing wages to equalize pay for certain groups now underpaid, or permitting special increases for ability, education, training, and experience."

In the fall of 1944 the Minnesota Poll found 50 per cent of the public answering a flat "No" to the question: "There is much talk in Washington of changing the 'Little Steel Formula' to let wages rise further. Generally speaking, do you favor higher wages for factory workers and other wage earners?"* Some 32 per cent would favor higher wages for these groups, either generally or in some cases. Only 7 per cent were undecided, but 11 per cent had never heard of the "Little Steel Formula."

In Iowa 60 per cent of the public replied "No" to a simpler question which did not mention the "Little Steel Formula": "Generally speaking, do you think factory workers and other wage earners need higher wages?" Among union members 58 per cent -- in contrast to 34 per cent of the public as a whole -- favor increases, either generally or in some cases, for the wage-earning groups.

Salary increases for office and white collar workers, however, are approved by majorities in both states. "Yes" generally or in some cases was the response of 57 per cent in Minnesota and 55 per cent in Iowa to the question: "Do you think salaries for white collar or office workers should be raised?"

* UNDERLINING OURS.

Part III

C O N T R O L D U R I N G

T H E R E C O N V E R S I O N P E R I O D ?

NORC FINDINGS

While a majority of the public think that both prices and wages should be controlled during the reconversion period after the war, more people take a firm stand on the issue of prices than do so on wages and salaries. In the spring of 1945 -- shortly before V-E Day -- NORC asked this question:

"After the war, do you think it will be necessary or unnecessary for the government to continue controlling prices while we are getting back to peacetime conditions? How about controlling how high wages and salaries can go?"

	<u>PRICES</u>	<u>WAGES AND SALARIES</u>
Control necessary	84%	74%
Control unnecessary	11	19
Undecided	5	7
	100%	100%

Definite majorities of every population group studied in the survey concur closely with the opinions expressed by the public as a whole. On the question of price control a slightly smaller majority of adults 40 and over than of adults under 40 and a somewhat smaller majority of farmers than of persons in other occupations endorse continued government regulation. On the issue of controlling wages and salaries, residents of the highly industrialized New England and Middle Atlantic states approve regulation during the reconversion period by a somewhat smaller majority than do persons in other parts of the United States.

Whether or not people think price control will be necessary during the reconversion period makes little difference in their attitudes toward price regulation in wartime. Of those who believe government price control will be necessary "while we are getting back to peacetime conditions" 98 per cent favor price regulation in wartime; of those who believe price regulation will be unnecessary during reconversion 92 per cent favor wartime control.

A highly significant difference is seen when a similar comparison is made on the question of wage and salary regulation. Of those who believe government wage control will be necessary during reconversion 80 per cent approve the government's efforts to control wages and salaries during wartime. Of those who believe post-war government control will be unnecessary only 65 per cent endorse wartime regulation of wages and salaries. On the other hand twice as many of those who believe post-war control will be unnecessary as of those who believe it will be necessary oppose wartime regulation of wage increases.

IN THEIR OWN WORDS

A few of those people who feel that both price and wage control will be necessary during reconversion emphasize their conviction that the period should be limited: "Control will be necessary for only 12 to 18 months after the war." "When things get back to normal again, let private business take over." A Tucson, Arizona, freight clerk remarks that wage control, in particular, "may be more necessary after the war than it is now." A minority opinion is expressed by the wife of an Oklahoma oil worker: "The government shouldn't ever turn loose of this business of price control."

From persons who believe that price control but not wage control will be necessary while we are getting back to peacetime conditions come remarks such as: "We're heading away from democracy when we control wages and salaries too strictly." "I think the unions will take care of controlling wages." "Most wages will fall. The munitions plants will be closing, and people will be looking for normal jobs again." A war worker in Newington, Connecticut, -- one of the few who would control salaries but not prices after the war -- says: "The presidents of large companies especially should have their salaries controlled."

Respondents who think neither price nor wage control will be necessary occasionally comment: "Both prices and wages will control themselves." "The government controls too much."

OPINION FROM OTHER POLLS

In May, 1945, the Minnesota Poll showed a division of opinion in this state regarding a continuation of price controls on farm products after the war. The question read:

"Do you think the federal government should or should not continue price controls on farm products after the war?"

Should 51% Should not 31% Undecided 18% - 100%

Of those who favored continuation of the price controls, more than half recommended keeping them in effect "indefinitely," according to the Minnesota release.

In July, 1942, the Canadian Institute of Public Opinion asked a Dominion-wide cross-section:

"Do you think the law which keeps prices and wages from going higher should remain in effect after the war?"

Yes 50% No 33% Undecided 17% - 100%

In February, 1943, Fortune released results of a survey taken among a cross-section of four groups of wage-earners: factory workers (the largest and most important group), miners, transportation and public utility workers, and personal service workers (janitors, beauticians, laundrymen, domestics, etc.). Fortune reported the most interesting results as follows:

"When the war is over, do you think it would be a good idea or a bad idea for us to have a top limit on the amount of money any one person can get in a year?"

	<u>GOOD</u>	<u>BAD</u>	<u>UNDECIDED</u>	
Mine workers	51%	31%	18%	- 100%
Factory workers	47	42	11	
Farmers*	37	51	12	

According to Fortune: "With astonishing uniformity labor groups in all occupations, union and non-union, well informed and uninformed, North and South, voted for the limitation of incomes by a close plurality just under 50 per cent -- all except the miners, who were higher. The only exceptions to the rule, with small pluralities opposed to income ceilings, were female factory workers, young workers between 20 and 35, and Southern Negroes."

When those favoring limitation of incomes were asked: "Roughly, what would be the highest salary you would allow anyone in the country to get?" the approximate median of replies was \$32,750, a figure which "would be regarded as a handsome income by all but a very few thousand executives."

In the spring of 1945 the Iowa Poll found that a majority of the Iowa public believe the present price control setup is satisfactory, a minority would suggest some modification, and only a small number would abolish the system entirely at the present time. Fifty-four per cent of women, who do most of the buying and marketing -- in contrast to only 46 per cent of the men interviewed -- call present price control satisfactory. Approval has increased definitely since the question was first asked in the spring of 1944. The question:

"The law which provides for price ceilings and other price controls expires June 30, 1945, and therefore will have to be re-enacted by Congress if these controls are to be continued. From what you have seen and experienced, would you say that our present price control setup is satisfactory as is, needs some changes or should be abolished?"

	<u>ALL THOSE INTERVIEWED</u>	<u>BY RESIDENCE</u>		
		<u>CITY</u>	<u>TOWN</u>	<u>FARM</u>
Satisfactory as is	51%	56%	48%	46%
Needs some changes	34	31	33	38
	<u>85%</u>	<u>87%</u>	<u>81%</u>	<u>84%</u>
Should be abolished	4	2	7	5
Undecided	<u>11</u>	<u>11</u>	<u>12</u>	<u>11</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* APRIL, 1943.

How Is a Public Opinion Survey Made?

The subjects for the Center's surveys are determined in consultation with its Board of Trustees and other experts. Members of the Center's staff collaborate in drawing up a questionnaire. The individual questions are carefully "pre-tested," that is, tried out on various types of respondents in order to eliminate, insofar as possible, the chance of more than one interpretation and to produce wordings universally understandable and capable of measuring all shades of opinion relative to a specific attitudinal area. "Specifications," or sets of directions for interviewers, are also compiled to insure uniform interviewing procedure. Each member of the Center's personally-trained interviewing staff is sent a set of questionnaires and assigned a quota of interviews he is to secure, together with their distribution by sex, age, economic level, etc.

When the completed questionnaires are returned to the Center the answers are classified and given code numbers for transfer to a punched card. A separate card is punched for each questionnaire, with a punch for the answer to each question. The punched cards are then run through a special tabulating machine which can be set to count the answers, to separate the cards into categories, and in other ways materially to assist the statisticians.

The final percentaged results—the responses to the various questions—are reported not only for the total cross-section interviewed, but also for comparisons between various population sub-groups, such as men and women, young people and older people, groups of people with varying educational and economic backgrounds, farm and

city dwellers, and residents of various sections of the country. The differences of opinion shown in these breakdowns are often of even greater significance than the opinions of the entire cross-section.

The results of the Center's surveys are published in news releases and reports which are utilized by educators, scientists, government officials, publishers and broadcasters, businessmen, and others especially interested in keeping up-to-date on public opinion trends.

Comparisons of NORC's results with those of other opinion-finding organizations are frequently published in *OPINION NEWS*—the Center's fortnightly digest of outstanding polls and surveys.

Factual Information

The Cross-Section The population samples upon which NORC surveys are made are representative, within a small degree of error, of the national population 21 years of age and over. That is, the samples used are stratified according to certain sociological characteristics of the adult population of the United States.

Geographical Distribution Within each of the nine Census Divisions of the country, interviews are properly apportioned among the adult civilian population in the metropolitan districts, towns, and rural areas of that division. For the urban population the interviews are apportioned to metropolitan districts, and towns in various size groups, while in the rural areas the interviews are properly apportioned among farmers and non-farmers.

Size of Cross-Section As a result of statistical research, it is now known that a poll will not be accurate, no matter how large a sample is taken (short of a total census of the entire population), if the cross-section is not an **accurate miniature** of the whole population.

According to a statistical table copyrighted by the President and Fellows of Harvard College, the number of interviews in a national survey necessary to be within 3 per cent correct on questions that divide evenly is 2,500. This number is sufficient 997 times in 1,000. The Harvard table adds that HALF this sample, or 1,250 interviews, would be within 3 per cent correct 962 times in 1,000. NORC surveys used in this report are based on over 2,500 interviews.

Age and Sex Before the war, the adult population for the entire country could be said to be split approximately equally between persons 40 years of age and over and those between 21 and 39 years. Since Pearl Harbor the ever-growing military personnel have been instructed not to voice opinions, so they have been excluded from the

sample. This affects the age and sex distributions rather radically. After making adjustments for this factor, the resulting sex split is 46 per cent men and 54 per cent women. On the age distribution, 53 per cent are 40 and over, with the remainder between 21 and 39.

Race Within each Census Division are obtained a number of Negro respondents proportional to the Negro population in that area. These interviews are properly apportioned among the urban, rural non-farm, and farm residents.

Economic Status Within each sex group the interviews among the white population are assigned on the basis of four standard-of-living categories. For purposes of tabulation the two upper groups are combined in this report. The economic characteristics of persons in each one of these three groups can be defined roughly as follows:

Upper (16 per cent of the sample)—Those persons who have all the necessities of life and some of the luxuries characteristic to their community. Two per cent of the sample is made up of what is understood as the prosperous and wealthy group. The remaining 14 per cent is made up of persons who can afford some luxuries, but must choose rather carefully which ones to buy.

Middle (52 per cent of the sample)—This group is called the great middle class of America. They have incomes large enough to maintain an adequate standard of living but can seldom afford luxuries.

Lower (32 per cent of the sample)—This group has difficulty in maintaining an adequate standard of living. Included are the lowest income non-relief families and also those receiving government aid.

* The September, 1942, and December, 1943, NORC surveys are based on somewhat smaller cross-sections than the other NORC surveys quoted. It is understood that the Gallup and Fortune surveys are based on cross-sections slightly larger than NORC's, while the Iowa Poll, the Minnesota Poll, and the Wallaces' Farmer poll samples are somewhat smaller.

PUBLICATIONS

Publications of the National Opinion Research Center include:

REPORTS

4. <u>Anti-Inflation Measures.</u> June, 1942	\$.10
8. <u>War and Peace -- 1943 Edition.</u> March, 1943	.25
9. <u>The Reconversion Period from War to Peace.</u> June, 1943	.15
19. <u>The Public Looks at World Organization.</u> April, 1944	.25
20. <u>The Public Looks at Politics and Politicians.</u> March, 1944*	.10
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26. <u>Public Opinion on Control of Prices ... Wages ... Salaries ... during War and Reconversion.</u> June, 1945*	.25

* MIMEOGRAPHED

SPECIAL REPORTS

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DISTORTED MAPS

A. <u>Population 21 Years of Age and Over -- 1940.</u> 8½ by 11 inches.	.10
B. <u>Total United States Population -- 1940.</u> 8½ by 11 inches	.10
D. <u>Distribution of Population, 21 years of Age and Over, States and Metropolitan Districts.</u> In two colors, 11 by 15 inches	.15
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