

Speeches and messages: 1963-1964: A Job left for labor

Senator Daniel K. Inouye Papers

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SPEECH BY UNITED STATES SENATOR DANIEL K. INOUE FOR DELIVERY
ON June 24, 1963 - Chicago, Illinois, AT DIAMOND JUBILEE YEAR CONVENTION
OF THE RETAIL CLERKS INTERNATIONAL ASSOCIATION

A JOB LEFT FOR LABOR

The editorial from the June 1963 issue of your magazine THE ADVOCATE proclaims that the eyes of the entire Retail Clerks International Association will turn to Chicago on June 24, as this 24th Constitutional Convention opens. I would like to say that not only are the eyes of RCIA cast in the direction of Chicago in this, your Diamond Jubilee Year, but the collective attention of most of the United States is riveted here in the Windy City.

I say this because a strongly objective study of your Union sponsored by the Ford Foundation claims that "by the end of the 60's, it may well be that the RCIA will be one of the two or three largest, and perhaps the most powerful labor institution in the United States. "

I think that both the rank and file members, as well as the top leaders of the RCIA must certainly realize that today is marked not only on their calendars but in the minds of many in the top echelons of business and industry, as well as government. There is no denying that the RCIA is destined to become one of the most outspoken, most influential, and most responsible unions in this country of free unions.

The record of the RCIA is one of outstanding accomplishment and substantiates the claim made for your organization by the Ford Foundation study. For example, I have no doubt of the claim made by your organization that today retail clerks enrolled under the banner of RCIA are the highest paid group of store employees in the world.

Because of what I have said for the past minute or so, I think that it is especially commendable that you have the kind of leadership which all unions ought to have. This Convention as well as others in the past have shown your leaders to be very much concerned about the structure and procedure of union democracy. They have taken pains to permit the free flow of criticism and expression of opinion from the lowest levels of union organization to the highest. Of course, such a commitment to democratic practices ultimately makes for more effective labor unions. In this regard, I might add that you also have one of the smartest set of leaders. Nevertheless, I think it is especially commendable that the union which has been characterized as potentially one of the most powerful in this decade also realizes very clearly its responsibilities.

After these opening remarks, I should realize that I am a little ahead in this game. But politicians are much like union negotiators -- we hate to give up an opening. I hope you will bear with me.

I think you will have to agree with me that there is a large number of people whose reaction to increasing labor union activities is, to say the least, unfavorable. Such individuals are not to be found in any particular economic stratum of society. Nor do they predominate among those who have a certain social background. I think it is rather widespread and covers the entire spectrum of American society. What are some of these reactions? Let us try to list them.

1) Labor Unions are too powerful. It has often been said that certain of our labor unions have become much too demanding as a result of previous victories won. Labor unions are no longer satisfied with 2 or 3 per cent increases but incline towards greater and greater annual increases with the sky as the limit. Unions are too obsessed with lining their own purses and not given to any concern for the health or welfare of the national economy.

2) Labor unions are dominated by rackets and racketeers. As a result of certain evidences uncovered by Senate investigators with regard to a few isolated unions, there is a feeling that unscrupulous practices have been long tolerated throughout the labor movement, a feeling that labor union racketeering is widespread throughout the movement.

3) Labor unions are too strike-happy. They strike without provocation. They strike without cause. They strike without regard for the economic consequences to their neighbors. They strike because they want merely to flex their muscles.

Strikes have wreaked havoc on the national economy leading to decreased production and internal debilitation. Strikes have resulted in indefensible loss of man hours and salaries leading to a generally weakened national economy. If all the lost man hours and salaries resulting from such strikes were to be added, it would far outweigh any minor gains made by labor unions. Strikes are the bane of the hard-working man as they are the haven of the inveterate loafer.

I do not think it is necessary for any of us here today to feign surprise at what I have just said. If we are honest with ourselves, we must surely realize that such images as I have presented have gained general acceptancy among our fellow citizens more and more in the last

decade. It seems to me reasonable to assume that the manipulators of image distortions have not been napping on their jobs. Journalists given to sensationalism have had more than one field day in which they have let their imaginations stray. As a result, many of our citizens have been influenced by such stories as I have cited.

In order to set the record straight, let us analyze these image distortions one by one.

I do not think that I need to spend much time on the argument that labor unions are too powerful or that they are merely self-interested in their own good. Labor unions are restricted as to monopolistic practices in much the same way as are industrial concerns. If labor is not satisfied with 2 - 3 per cent annual increases and feels that it deserves more and can substantiate these demands, then it appears to me that it is the responsibility of industry to refute them. Free enterprise was never an exclusive prerogative of industry.

As far as a regard for the national interest is concerned, I need only remind you of the Policy Resolutions on Community Service adopted in December 1961 by the AFL-CIO, for example. We find that particular labor organization committed to various community programs for the aging and the aged, rehabilitation for the physically disabled, consumer counseling, elimination of polio, blood banking, and service to children and youth.

That same Resolution recorded the position of the AFL-CIO as follows: The AFL-CIO recognizes that unions have a responsibility to the unemployed non-dues paying member as they have to the employed dues-paying member.

President George Meany expressed Labor's interest best by saying, "We look upon the handicapped workers just as we look upon any other group that suffers from prejudice, discrimination, and inadequate opportunity. We want to help them win their full status as citizens." Not only the AFL-CIO but other labor organizations as well have made impressive contributions of both time and money towards the establishment of local rehabilitation centers. Labor has effectively been represented on the President's Committee on Employment of the Physically Handicapped, as well as on various state advisory committees.

Another of the more interesting stereotypes of labor unions is that they are dominated by racketeers and convicted felons. This is a very prevalent image of unions not only in this country but throughout the world. But again, we ought to look at facts and figures.

A specific comparison between losses suffered by companies that furnish bonds to union officials, as well as officers of banks, savings and loan firms and similar financial institutions has been compiled to provide some very startling information which all of you should know -- especially since you may not get them in any other way.

These figures are not of my own concoction but have been obtained from leading bonding companies throughout the country. It shows that millions of dollars are handed out each year to cover thefts by those who are bonded in the various financial institutions of our country. As compared to this, losses are significantly smaller among the thousands of union officials who are now required to be bonded under the Landrum-Griffin Act.

These are the figures: In 1961, premiums paid by banks and other institutions totaled \$23,944,000 with losses amounting to \$17,095,000 for a loss ratio of 71.4%. In the same year, premiums paid by unions totaled \$1,462,000 with losses at \$257,000 for a loss ratio of 17.6%. In 1960, the difference was even greater. Premiums paid by banks and other institutions totaled \$21,000,000 with losses at \$17 million for a loss ratio of 81.0%. Unions paid a total of \$1,402,000 in premiums with losses amounting to \$104,000 for a loss ratio of 7.4%.

William Botkin, the International Secretary-Treasurer of the International Woodworkers of America, indicated that labor unions are now compiling figures over a five-year period including premiums, losses and the amounts recovered from guilty individuals to support labor's attempts to receive lower rates on bonds for union officials. I am sure that the figures will prove that labor deserves much lower rates on the basis of past, as well as present performance.

When the Landrum-Griffin Act became effective, bonding companies attached a 50% surcharge on the bond premiums of labor officials primarily because of the existing climate of opinion. "Labor corruption" as a tag hung indiscriminately on all union officials apparently led to such an exorbitant surcharge. But that surcharge was later cut in half and now it appears on the basis of facts and figures today that the surcharge is not warranted.

It should not be concluded upon the basis of what I have said that all labor unions are pristine pure and lily white. Continuing effort must be made by labor organizations and labor officials to discharge the public trust fully and honestly. In this sense, we must be our brother's keeper. We must be very much concerned with organizations and officials who have

betrayed not only public confidence but the confidence of its members as well.

As to the charge that labor unions are strike-happy and given to irresponsible waste of man-hours and man-power, there are certain pertinent statistics readily available from the United States Department of Labor.

Secretary of Labor Willard Wirtz has said that: "Lost time -- and production -- from strikes has, during the past three years, represented a smaller percentage, about 1/7 of one per cent, of total man hours worked than during any other years since the end of the last War. "

He went on to say that, "more potential man hours of production were lost in 1962 as the result of involuntary unemployment than have been lost from all strikes in the past three years. The public reacts more vehemently to a kick in the shins than to an attack of economic arthritis. "

Secretary Wirtz's own Department provides us with interesting data. Let's look at the record.

A seemingly awesome total of 19 million man-days were lost as a result of strikes in 1962. But when one considers that this amounts to only .16 per cent of the total estimated working time in that year, somebody has managed to make a winter day look like one in summer. This amounts to less than two-tenths of one per cent of the total!

The purveyors of strike-fright have neglected to point out other equally pertinent facts. For example, they conveniently forget that many more man-hours of labor are lost through chronic unemployment as compared to strikes. The following are the percentages of unemployed in the civilian labor force by years: 5.6 per cent in 1960; 6.7 per cent in 1961; 5.6 per cent in 1962; and 5.6 per cent as of May 1963.

In other words, 28 to 33 times more man-days have been lost through chronic unemployment than through strikes in any given year.

Nor do these peddlers of strike-fright inform us of the increase of the gross national product from \$482 billion in 1959 to \$553 billion in 1962. They do not tell us that output per man-hour of labor in non-agricultural work has increased from 104.8 units in 1960 to 112.1 units in 1962, using the 1957-59 period as parity of 100 units.

Furthermore, they fan the fever of fright by withholding the fact that we have an unused plant capacity of 15 per cent. That is the amount of available industrial power which is simply not used.

In view of such incontrovertible facts, I submit that the problem is not one of an excess of strikes. It is one of balancing the supply and demand of our economic resources, especially human resources. This is our most important problem. We simply cannot afford such a high level of unused manpower as represented in unemployment statistics, and we cannot tolerate less than complete utilization of our industrial potential as seen in our 15 per cent unused plant capacity.

Lest my statements be misinterpreted, let me assure you that I am not in the least condoning frequent and impulsive resort to strikes as the ultimate weapon of labor dissatisfaction. A fair assessment must be made of the possible detrimental effects to non-participants in a strike situation.

Frequently, for example, both labor and industry participants in a strike situation have financial resources built up through the fat years for such eventualities. Strike benefit programs of one kind or another for labor and strike insurance programs of varied types for industry have tided over many a direct combatant manning either side of the barricade.

But the consuming public is often the victim. They have nothing in reserve to cushion the shock of a head-on labor-industry clash. Such victims can fall easy prey to malicious propaganda.

There is a current case which pointedly illustrates how stereotypes are formed and what can be done about them.

As a result of the disturbances in Philadelphia concerning certain employment practices, labor unions are being typed in some quarters as having no concern for civil rights. I think that any objective person will have to admit that certain of our unions, like certain of our commercial enterprises, have not always disregarded the color line. However, the same brush should not be used to tar all labor unions.

Most of the union movement have come of age in the matter of respect for civil rights. But that maturity is in danger of being impaired by the actions of a few and by the ramifications of that action among the people at large.

In the America of today, unions cannot afford the circulation of an image pock-marked by the pits of racial exclusion and inclusion. But please be assured that every effort will be made to cultivate that stereotype unless you speak out with the collective voice of conscience decrying such practices and demanding that the house of labor be cleansed.

The problem, of course, is not only peculiar with labor but cuts across all groups and all regions. But you in labor have a distinctive interest because you are committed to the cause of social and economic justice which you have so widely, and justly, publicized.

Forget this commitment, and you will automatically give license to all those who are only too eager and willing to tarnish the image of labor.

From what I have said, there appears to be no better antidote for the spread of the malady of anti-laboritis than a healthy dose of facts and figures. This is the most effective prescription which can be administered by anyone interested in the health and well-being of our country.

Those of you in the Retail Clerks International Association are in an especially favorable position to counter the effects of such misinformation. In your almost daily contacts with the public, you can seek to dispell the image which has been wrongfully created. You can do this simply by studying facts and figures which are readily available through organizations such as the Department of Labor and your own research departments.

I need not tell you of the consequences that may derive from a neglect of this essential responsibility. When public tolerance of any institution decreases either through valid appraisal of facts or through clever distortion of them, then a situation is created which eventually leads to restrictive legislation. I am certain that you can rise to the occasion, as you have done in the past, to man the ramparts of labor.