

The Outlook for Labor

[San Francisco, 1960]

[International Longshoremen's and Warehousemen's Union (Ind.)

Introduction

THE PRESENT OUTLOOK for the labor movement is probably rougher than it has been for many years.

On the one hand the problems to be resolved are more complicated and more difficult to handle than any in the past. On the other hand, the labor movement finds itself today less equipped to take on the tasks and to meet the responsibilities which are ahead. For example, the unions appear to be strong, wealthy and efficient, yet they are at one of the lowest points in prestige and influence—the enactment of the Kennedy-Landrum-Griffin law is simply one of many signs of this fact. The economy is booming, many domestic and international problems are falling into place, yet the labor movement is lost somewhere in the shuffle without an independent position or an independent point of view.

One of the major reasons explaining the loss of authority and leadership by the labor movement has been the efforts of the present leadership to become respectable, to be accepted by the employers and the politicians as junior partners in the American way of life. But respectability means trimming your sails and taking the easy way. It means eliminating the rough edges and the rough talk and concentrating on increasing the size of your own slice of pie.

We can't blind ourselves to the changes going on in the rest of the labor movement, or in the ILWU either. For even within our own union there is a real danger of becoming ingrown and narrow-minded, of concentrating on our own most immediate needs and in this way losing sight of anything beyond the day to day problems on the job. Of course the wages, hours and conditions make up the benefits by which we measure the ILWU or any other union, and no one would suggest that they be ignored. But to say this is not to agree that our union can carry out its responsibilities by narrowing our scope and our interests.

The fact is that we can't even deliver on the task

of protecting the job security of the members and advancing their interests unless we recognize how many forces and influences outside our direct dealings with our employers affect our future welfare. State and national political trends, the economic situation, the state of the rest of the labor movement, technological changes, international relations—each and all of these set the framework in which the ILWU must operate these days. To ignore these forces, to operate as though in a vacuum, is to court disaster.

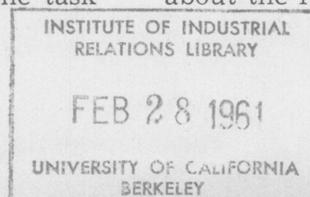
We must operate in this world. We must operate from a viewpoint that goes beyond our own most immediate interests. When you come right down to it, labor is in the doghouse these days because so many Americans who used to look to labor for leadership and for support in their own battles now see the unions as just another selfish group out to get "theirs".

Someone has said that the decade of the fifties is summed up by the selfish, greedy statement "I'm all right Jack, — you!" There's much truth to this charge, especially when applied to so much that goes on in the labor movement.

"What's in it for me?" or "What's the union done for me lately?" are both pretty crude remarks. Yet don't we hear them around the union more and more frequently these days?

We can't ever forget that no union which is worth its salt can ever promise anything more than a chance to understand what the alternatives are, to decide which path to follow and then to fight, united with our fellow union members.

In the sections which follow we've tried to lay out some of the facts of life as we see them—and some of the problems. We don't have the answers or the conclusions. But sometimes just asking the right questions helps to start the right kind of thinking and brings about the right kind of policy and action.



Organizing and Union Growth

NATIONAL organizational activity is practically at a standstill. The lack of a policy to meet the inroads of automation has slowed up union growth. National union membership has begun to decline for the first time in a generation. There is a drop of 400,000 for early 1959 compared to late 1957. Unions most heavily hit by automation, such as steel, auto, coal mining and electronics, have suffered the most serious losses.

In 1953 the Auto Workers had 1.5 million members; today they are down to 900,000. The Steelworkers have gone from 1.3 million to 900,000 and the Electrical Workers from 400,000 to 300,000. The Mine Workers once had over 700,000 members; today the union counts only 218,000 on its rolls. The cold fact is that a hard-hitting organizing campaign is required these days just to keep union membership from declining. New organization and new members are needed to balance the losses from labor-displacing machinery.

The difficulties in organizing are growing greater all the time. The number of blue collar workers employed in basic production industries is beginning to decline. A growing proportion of workers are in secondary-type jobs—white collar jobs, government and service. These people are much harder to organize than workers engaged in basic industry.

This change in the composition of the work force is the result of the rapidly rising productivity of basic industry. The benefits of this rising productivity have not been shared proportionately by the manual workers. The greatest share has gone into profits and into “non-essential” expenditures such as advertising, promotion, packaging, etc.

THE ECONOMIC PICTURE

The long-run economic picture for the United States presents some real problems:

(a) Foreign areas open to U.S. investment and control are rapidly being narrowed by more and more countries moving from colonial to independent status. West Germany and Japan at the same time are undercutting us in many foreign markets. Inevitably the Soviet Union and China will be extending trade with underdeveloped areas, exporting manufactured goods in return for raw materials and food.

(b) Adjustment to disarmament, to whatever extent

it occurs, will put a strain on the American economy. Expanded world trade, especially a big aid program along lend-lease lines, would go a long way toward providing an economic substitute for arms spending.

(c) Unemployment is already at a seriously high level at home and will grow as automation develops. The level of unemployment has been getting higher after each recession, and now in the third year of recovery is currently running over 5 percent of the labor force.

ROLE OF THE GOVERNMENT

The federal government under Taft-Hartley and Kennedy-Landrum-Griffin has stepped further into the picture on the employers' side. The NLRB has increased authority to intervene in, to stop, or to limit strike, picketing and other union actions. The perspective is for further interference by government in the affairs of unions. One of the results will be to divert unions' energy and resources from collective bargaining to filing reports, answering charges by disgruntled union members, and fighting off law suits.

Meanwhile, the McClellan Committee is preparing to perpetuate itself as a policing body for the new Kennedy-Landrum-Griffin law. Tying hoodlum and gangster influences into the union movement, this Senate committee hopes to continue the harassment of the unions while further convincing the American people that the word “union” and “gangster” are synonymous.

ATTITUDE OF AFL-CIO

The desire for respectability has led the leaders of the AFL-CIO into aiding and abetting the demand for such anti-labor legislation as the K-L-G law. During the last session of Congress the AFL-CIO legislative representatives spent more time on promoting “Labor reform” legislation than on economic issues. They made deals hoping that the K-L-G axe would be swung first at the Teamsters and secondly at the other independent unions which had refused to toe the AFL-CIO line.

Under the pressure to conform, most unions have tended to become pressure groups pushing for their own limited interests and blind to the combined needs of all the people. Such unions are increasingly isolated from their former and still potential allies: liberals, minority groups, the pensioners and older citizens, the

smaller farmers and the small businessmen who are squeezed by Big Business. As a result, the unions have been sitting ducks for the charge of "labor monopolies"; and they are being held responsible for inflation, for the plight of the farmers, and for driving independent businesses to the wall.

The president of the AFL-CIO has gone out of his way to antagonize the Negro people in his attacks against A. Philip Randolph of the Pullman Porters and Congressman Adam Clayton Powell, scheduled to be the head of the House Labor Committee.

The labor movement is beset by inter-union rivalries and jurisdictional warfare. Expulsions to "purify" the federation are a part of a desperate search for respectability. Each such concession to the enemies of labor has only stimulated the demand for unions to fall further into line.

Internationally, the AFL-CIO representatives abroad are putting the label of the American labor movement on the most reactionary governments and the most reactionary of the trade unions in the world. AFL-CIO is one of the few bodies left still following the foreign policy of John Foster Dulles.

COLLECTIVE BARGAINING

There are serious weaknesses on the immediate bargaining front:

(a) Very few unions have sought to secure protection against automation. Most employers are free, without constraint by union rules, to introduce labor-displacing methods and new equipment.

(b) So-called non-inflationary demands are being proposed by some unions, with the assumption that labor's share is adequate and negotiations should aim only at not falling behind.

(c) The movement for welfare and pension plans has been allowed to blunt demands for adequate legislative protections for such things as higher social security benefits and national health insurance.

(d) The use of strikebreakers and imported scabs to operate behind picket lines, as demonstrated in the Wilson meat packing, the Portland newspaper, and the Standard Oil of Indiana strikes.

Yet events of the past year make it clear that despite the employer offensive, or perhaps because of it, the rank and file is willing to fight. The Steelworkers were out for 116 days and many Mine-Mill members for

nearly twice that time. Meeting the serious difficulties which the labor movement faces is not a problem of developing militancy so much as a problem of direction, leadership and dedication to the interests of the rank and file.

COLLECTIVE BARGAINING REVIEW OF 1959

1959 was a year of recovery from the recession of 1958. Economic conditions improved except for the temporary effects of the steel strike. Wage increases in 1959 averaged no higher than in 1958 and were considerably below the level of 1957. Seventeen percent of the workers got 11 cents or more. A million men, mostly in railroad unions, received 3 cents while 850,000—mostly in steel—collected one cent.

Thus wage increases failed to reflect the improved economic situation, while corporate profits jumped to a new high. Before taxes, the total of corporate profits for 1959 was \$48 billion compared with \$37.1 billion in 1958; a rise of almost 30 percent. Wages went up 10 percent through increased employment and overtime more than through increased wage rates. The rise in profits reflects a rapid increase in productivity caused by heavy investment in new plants, equipment, automation and labor-saving methods. Wage increases fell behind productivity as shown by the big jump in profits.

Living costs went up nearly two percent during the year. This increase would have been greater except for a drop in food prices which reflects the steadily deteriorating economic position of the farmer. The slow rise in living costs during the last several years, which has permitted most workers to make some gain in real wages, has been at least in part due to the worsened position of the farmers; more and more of the food dollar goes to the food processors and retailers.

The reason for the poor bargaining results in the past year lies in the general lack of militancy of the labor movement, the poor public position in which the labor movement finds itself, and the new attitude of toughness on the part of many big employers.

Many industries, because of over-capacity, can produce in nine months all they can sell in twelve. A three month strike is a profitable way to dispose of inventories and to assure higher profits during the other nine months.

The steel strike proves that 1959 was not a triumphal year for labor. The industry threat to working rules was defeated but the economic gains are not impressive. For the lower-rated workers the 30-month settlement

The Outlook for Labor

amounted actually to about 26 cents including fringes. The rank and file of the union deserves all the credit for a militant strike which beat back the industry's big push for more speedup and less job protection. Nevertheless, the economic gains were below average. The settlement provides no wage increase until December 1, 1960 and consequently no retroactivity for the injunction period. Nothing was done to protect the workers from the effects of automation.

OUTLOOK FOR 1960

Major showdowns are likely to be postponed until after the elections. With rising "prosperity" the employers can afford wage concessions, and while they'll naturally seek to keep them as small as possible, they'll probably try to avoid getting into lengthy strikes. The decision of the railroads to arbitrate their wage case with the Locomotive Engineers supports this conclusion.

The Administration may defer any general crackdown under the Kennedy-Landrum-Griffin law. It will turn up enough dirt to prove to the public how necessary and desirable the law is, but it will postpone any large scale attack, using the threat of the law as a club over any unions tempted to step out of line. A majority of the cases instituted have been directed against the Teamsters, and have been against other independent unions as well. The Administration will seek to avoid an anti-labor label.

Developments in Mechanization and Automation

LAST YEAR two million organized workers were either on strike or engaged in tense negotiations over disputes arising from the introduction of new methods and new machines. These conflicts over "automation" so-called, or over demands upon the unions to change existing work rules or work practices, all boil down to the same thing: how new labor-displacing machines are being introduced and what unions are demanding to minimize the impact of such machines upon the workers.

Last year's strike in steel and the East Coast longshoremen's strike were both partly the result of differences over how to handle the major technological changes going on in these industries. The widespread newspaper campaign now being conducted by the railroads against "featherbedding" in that industry adds up to a similar dispute. The Portland newspaper strike and the Wilson meat packing strike are other examples.

Why has this issue suddenly come to the fore in collective bargaining? Because American industry's

For the next year economic conditions will justify sizeable wage increases. Living costs are likely to rise faster than in 1959. The big rise in productivity will continue. Profits will be large.

While the large unions in negotiations this year (Machinists, UAW, IUE, and Railroad Brotherhoods) may not squeeze out everything justified by the favorable economic conditions, it is probable that the Teamsters and the construction unions will continue to make gains considerably in excess of the general pattern. Their settlements have consistently exceeded those in manufacturing industries.

After the election things will probably toughen up. Big employers are getting set to take advantage of the lack of militancy in the labor movement and of the favorable climate engendered by the McClellan Committee and the KLG law. A new recession is likely by 1961, and they're anxious to get set for it by keeping labor costs at a minimum and by keeping a free hand to automate. For anything beyond November, therefore, the prospect is for a rough go for any union seeking to do a real job for its members.

While the prospects for peace internationally appear to be improving, the prospects at home—once the election lull is over—are for a series of struggles, the stake being not only the living standards of the workers but possibly the life of their unions as well.

enormous investment in new and more advanced plants and equipment since World War II is now beginning to bear fruit. We are witnessing the efforts by management to force changes in manning scales, in pace of work, and in job conditions, in order to get the maximum out of the new methods of production.

THE ILWU APPROACH TO MECHANIZATION

The ILWU membership is familiar with the new ILWU-PMA program on mechanization. The main features are as follows:

(a) The members of the registered work force—longshoremen and clerks—are guaranteed a share out of the savings resulting from the introduction of new machines. The down payment on this (\$1,500,000) will go into a mechanization fund for the sole benefit of the men. This fund will be put on a continuing basis after the June 1960 negotiations.

(b) The employers are free to introduce new mechanized methods of cargo handling, and the union agrees

to negotiate—and arbitrate if necessary—appropriate changes in the work rules on these jobs. Work rules on conventional methods of cargo handling are frozen for the time being unless changed by mutual consent.

(c) The 1958 work force, less normal attrition, will be maintained. Thus, as a result of the union's bargaining strength and the unique kind of job control exercised through the hiring hall, the ILWU was able to negotiate an agreement on mechanization which guarantees no layoffs while sharing with the men the benefits of the savings from mechanization.

OTHER UNIONS

Few national unions have negotiated any kind of agreement on mechanization in recent times. The Steel settlement and the meat packing contract with Armour and Company are among the few results of recent negotiations on this issue. They deserve comment if only to sharpen up the difference between the ILWU approach and that of other unions.

(a) Under the steel contract existing before the recent strike, the employers had the right to change the manning scale or other conditions on any job which was altered as the result of capital investment or new equipment. The union had long ago conceded this right. And there was no mechanization fund and no protection whatsoever for the workers concerned.

The issue of work rules in the recent strike had nothing to do with mechanization. It dealt only with what the employers called "obsolete" work rules or work practices which they wanted to eliminate. The employers claimed that elimination would make the industry more efficient. But these rules were not related to mechanization. They were much like the work rules on conventional methods of cargo handling which the ILWU froze in the recent negotiations.

The work rule issue was the key to the Steelworkers solidarity, and by threatening to strike after the Taft-Hartley injunction expired they won an agreement which under these rules will be jointly reviewed and studied but cannot be changed without mutual consent.

(b) The Armour contract aroused national publicity because it provided that the company would tax itself up to \$500,000, that union and management would make a joint study of the impact of mechanization, and that the fund would be used to help retrain displaced workers, etc.

Neither agreement concedes that the workers have a

right to share in the benefits of new methods and neither agreement makes any guarantees about job security, layoffs, etc.

The national AFL-CIO has still to take on the problem of mechanization in a straight forward manner. Their approach is summed up in this excerpt from a recent report:

"Management has a positive responsibility to soften the blow of new technology on its workers... measures needed to aid affected workers should be considered as properly part of the cost of the introduction of new machinery."

Thus, at best, the AFL-CIO is out to "soften the blow" on the workers displaced by the machines. But this kind of approach really concedes most if not all the benefits to management, and ends up fighting for severance pay, training programs, etc. Job security and benefiting from technical change as such are not even mentioned.

GENERAL OUTLOOK

Labor displacement as the result of mechanization and automation will certainly proceed at an accelerated pace in the next decade. America's productive capacity will continue to grow while the manpower needs to produce will decline. Both workers now employed and young people now entering the labor force will find job opportunities and the general outlook less and less favorable.

Of course, the technological revolution now underway is much too sweeping and too all-embracing to be handled by collective bargaining between union and management. At best, even a program like that of ILWU can only cope with some of the problems and win partial relief for some of the workers. However, the broader social and economic implications of technological change go far beyond anything that can be resolved by labor-management negotiations.

The truth is that the economic arrangements of our society do not include machinery to deal with technical changes smoothly and without creating unemployment. Only an expanding, growing economy which provides a balance between increasing productive capacity and the demand for goods—at a level high enough to maintain full employment—will do the job that has to be done. Labor and its allies must fight for this kind of a growing, expanding economy.

Where Does Labor Go on Political Action?

In the 1958 elections more labor-supported candidates for public office were elected than at any time since the New Deal. Congressmen and senators, state governors and state legislators, came into office with labor's support and on platforms which pledged to uphold the aims of the labor movement.

In California, where the people had a chance to show their thinking in a referendum on "Right to Work" legislation, the anti-labor drive was stopped in its tracks.

You would think, in the light of these facts, that 1959 would have been a year of substantial labor gain and achievement. But, as we know, just the opposite took place. Today the labor movement finds itself the target of anti-labor legislation, of witch hunting Congressional committees, and of newspaper headlines and editorials. What went wrong?

BACKGROUND

1. Can the present two party system produce any choice but a "lesser evil" choice?

(a) Under Roosevelt's leadership the Democratic Party seemed to give Americans a clean-cut choice. What were the circumstances which made this possible? Do they exist today?

(b) John L. Lewis believed that by 1940 Labor had lost its independence and that, in fact, Roosevelt was running the labor movement. Was his appraisal correct?

(c) If Lewis was right, what were the consequences of labor's dependence on, first, Roosevelt and, later, the Democratic Party? (Consider the Truman Doctrine, the Cold War, Taft-Hartley, the Korean War, the Kennedy-Landrum-Griffin Law). Would a switch in 1940 to the Republicans have been better?

(d) Is it true that labor's defeats, setbacks in the fight for Negro rights, and development of militaristic and war programs, have come primarily when the Democratic Party was in power? Or are both parties equally guilty of selling out on these issues?

(e) A study of the Congressional Quarterly of the last session of Congress shows that issues favored by labor were defeated by a coalition of Republicans and Southern Democrats. In the House, the coalition won 91 percent of the votes, and in the Senate 65 percent. Is it realistic to suppose that this alliance can be broken or beaten during the current session? Can it be defeated

if the Democrats win the Presidency? If so, with which candidates?

2. Is there an alternative to the "lesser evil" choice?

(a) A Labor's Non-Partisan League structure?

(b) A Labor-based Third Party such as recommended by the California Machinists' political arm, representing 130,000 Machinists?

(c) A system of coalitions with individual unions and councils, as well as community groups, who will in varying degree maintain their independence of the two parties in Congressional and legislative campaigns and endeavor to focus attention on issues?

(d) With the above point (c) reward our friends and punish our enemies?

3. Would you take any Democratic candidate in preference to Nixon?

RESPONSIBILITY IN GOVERNMENT

1. Is it true that a great many Americans believe that the bulk of our politicians are liars, cheats, grafters and double crossers? Should we combat such trends of cynicism among ILWU members?

2. Will the government be more responsive to the needs of the people if the executive and legislative branches are controlled by one party?

3. If any known Democrat aspirant for the Presidency wins, won't he seek advice on labor matters from Meany, Reuther, Carey, et al? With Kennedy-Landrum-Griffin on the books, will not this advice probably result in another effort to torpedo ILWU and other independents?

4. The Republicans normally attack labor without partiality in the interest of increasing profit rates. But Meany is now trying to "harmonize" with management through the good offices of Nixon and Secretary of Labor Mitchell. Is this an election year maneuver by the Republican Party or is respectable Labor about to be given partnership status with Big Business for services rendered?

5. Can we make our Congressmen more responsible by singling out for defeat those in marginal districts who voted for the K-L-G bill? Is it true that in today's cynical political climate we can compel more political responsibility by making an example of a few traitors than by electing some more "good" candidates?

WHAT CAN ILWU DO?

1. Can we move our members on a generally negative political program, such as rewarding your friends and punishing enemies, if we explain the issues? Can we get agreement with friends and allies on the necessity of starting to move toward responsibility in government?

2. It is often said that ILWU talks and acts as though it had two million members. Is it possible, then, that ILWU can best play its political role by continuing to be an example of courage and integrity (particularly in reference to K-L-G) and by building alliances with other unions, with the academic and minority communities, with senior citizens, with peace advocates, and with embattled citizens everywhere?

3. Can ILWU maintain its traditional political independence and at the same time ask its members to participate in such grass roots movements as the California Democratic Club movement? How can we coordinate such activities?

4. The Teamsters are planning "grass roots" political activity, as are sections of the Machinists, Carpenters, and other unions and various councils. Can we coordinate our activities with these organizations on the basis of a minimum program, without giving up more advanced positions and retaining our own identity?

5. ILWU has considerable standing with the Negro community, with our senior citizens, with many other unions, because of our militant and principled stand on issues. How can we form effective coalitions and alliances with such groups so as to increase our effectiveness in the campaign ahead?

6. Should we "sit out" the Presidential contest and concentrate on Congressional and State Legislative races? If we sit out the Presidential campaign, can we be effective in 1960 in the contests at lower levels?

7. If it appears inevitable that reaction will win in 1960 no matter who is elected President, will our political activities have been wasted? Will labor not have to suffer more and heavier blows before there is an awakening in the ranks below?

8. If we are to participate in these elections, what if any specific materials should the International Union prepare?

SOME CONCLUSIONS

The outlook is not a bright one. But when has it ever been for the working people? The only time when the prospects for moving ahead look good is when the rank and file is on the move, and by their own militancy and action the members bring about new gains and new benefits.

This still remains the key. In the years since World War II and the prosperity of the Cold War, many unions made gains the easy way riding the crest. This wave is ebbing, and unions which have forgotten how to fight will have to re-learn the lesson or suffer the consequences.

Unity, understanding and solidarity are the foundation stones of union strength and union gains, whether in collective bargaining or in political action. Coupled with a **unified** movement must be the determination to maintain an independent movement. Unity and independence—with these two conditions the labor movement can successfully begin to meet its responsibilities to the American working people and the American nation.

The alternative is to face a future of shrinking size and declining influence, of accommodating the union movement to the standards and objectives of business, the press, the politicians and Madison Avenue. The benefits from this route will come only to a handful of top labor officials—the rank and file will get the crumbs and left-overs.