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'GIVE LABOR WORK -- INSTEAD OF THE WORKS'. SENATOR HUMPHREY URGES

America needs an Administration "concerned about providing work for labor, instead of giving labor the works", Senator Hubert H. Humphrey declared today in an address at the Labor's League for Political Education Day at the annual convention of the Minnesota Federation of Labor Convention in Rochester.

Senator Humphrey warned that the Republican Administration was adopting an anti-labor policy through its administrative actions and appointive powers, as well as its legislative proposals.

"We in the Congress have been able to resist successfully amendments to our labor legislation threatening to kill the American labor movement, but anti-labor forces have struck back at you another way through dominating the National Labor Relations Board", Senator Humphrey declared.

"The Republicans, in the last year, have appointed enough of their men to the Labor Relations Board to completely change its policies -- and the Congress has had nothing to say about it", he declared.

Reviewing a series of NLRB rulings which he described as "completely adverse to fair labor-management relations", Senator Humphrey added:

"All of these rulings have cut down on the protection of organized labor; all offer, and even encourage, loopholes through which unscrupulous employers can go after labor unions. In the long run, they are a direct blow against organized labor, and thus against collective bargaining -- and against our American high-wage economy on which our prosperity is built.

"Add all of these Republican labor policies together and the pattern is apparent. It is a program of giving labor the works. We ought to get started on a program of providing work for labor", Senator Humphrey said.

Tracing the growth and development of sound labor-management relations in this country since the era of "12-hour days for paltry wages, and corporation-hired gangs of thugs to break strikes", Senator Humphrey said:

"Under Democratic Administration, the American labor movement came a long way from that era of repression.

"Unions play a respected role in their communities today. Not only have they brought their members greater material prosperity, but they have spread the ideal of economic justice throughout the nation.

"This is not to say that there have not been excesses and rotten spots in organized labor's growth to power.

"However, the unions have done an admirable job in weeding out racketeers and communist infiltrators, and setting their own house in order.

"The gains made under 20 years of Democratic leadership, which have given the American worker the highest standard of living in the world, must not now be thrown away to satisfy any corporation's greedy desire to exact more profits from unorganized and defenseless labor.

"We must preserve a strong and responsible labor movement, which will cooperate with foresighted management in achieving ever-higher goals of production and prosperity for America."

A.F.L. SPEECH NOTES

SENATOR HUBERT H. HUMPHREY

MONDAY, OCTOBER 4, 1954

ROCHESTER

The people of Minnesota are indeed fortunate. In our State the interdependence of the economy is very evident. Farmers and town and city workers - the twin bases of prosperity - live close together and have a real chance to understand one another's problems.

In many other States great urban and industrial bodies have been built up, cutting off those who work in the cities from those who farm the soil.

Despite its cities, Minnesota is still a State of small towns; of urban-rural cooperation. Small town people know what farm recession means, what unemployment of labor means. The small business, small town, independent economy is founded on both.

Both farmers and workers belong to great, nationwide organizations. The building of those organizations in this century has added much -- to the vitality of our free American political life, to understanding in American social life, and to prosperity in American economic life.

The twin concepts of collective bargaining for labor and parity for the farmer have been developed. The strength of our economy is founded on those concepts.

Farmers and workers should know - as we know in Minnesota - that these two bases go together. Farmers know that a high-wage economy, the product of collective bargaining by organized labor, means markets for farm produce and a condition of general prosperity. Labor should know that 15% of the American people are engaged in agriculture, and that in the past our most serious depressions have begun on the farms, with low farm prices.

I am not coming here to speak as a prophet of doom. I have tremendous faith in the American economy. But it will not run by itself -- it takes intelligent government policies to keep it expanding enough to keep pace with population expansion and with increases in our productive capacity.

This has not been a good year for the American economy. Unemployment has been at 5% of labor force or more all year. The farm parity ratio began the year at 92, dropped to 88 this summer, and returned to 89 last month.

Minnesota is a miniature of this situation -- except that low farm prices hurt worse in Minnesota, where 25% of Minnesotans are engaged in agriculture. Dairying is the backbone of Minnesota agriculture - and milk prices last month were at \$3.10 a hundredweight, the lowest in the Nation, way below the national average of \$3.88.

In the Twin Cities area, industrial employment in August was down 16,300 from July - a decline of almost 11%. Unemployment was over 5% of the labor force.

It's clear, then, that labor and farmers should be standing together, to promote the kind of prosperity which will be good for our total economy. And, in fact, that is just what they have been doing in Congress -- I know, because I have been engaged in that fight for prosperity.

-- RECORD OF THE ADMINISTRATION --

The most disheartening thing about the last Congress -- even more disheartening than the shortsighted tax policy which shortchanged farmers and workers, or the pulling the rug from under farm prices, or the failure to enact a real foreign trade program, a real housing program, a real program of unemployment compensation -- the most disheartening thing was this:

Congress was treated to a display of divisive politics of the kind that has not been played in this country since the vested financial and industrial interests ceased to have everything their way in politics at the end of the last century. The attempt was made in Congress to divide farmers from workers in the cities, and then to crack down on both groups separately.

What is really alarming --- this effort was made right in the middle of a period of economic downturn!

I am proud to say that both farm and labor organizations saw through this effort and resisted it. I am particularly proud to say that ^{the Senate} ~~my~~ Party in the Senate voted nearly unanimously against the two attempts to crack down on workers and farmers.

Crack
Down

I am especially proud of my own part in that resistance.

We found that Democratic Senators from all sections of the country - the South, where many of our great farm programs were developed; the East - where organized labor really got its start; the far West - which has always defended agriculture and our great conservation and public power programs which benefit both farmers and workers; as well as the mid-west --- Democratic Senators from all these areas worked together to resist this attempt to set our economy back to the 1920's and our society back to the nineteenth century.

Some of the proudest and happiest moments of my political career came in the last session of Congress, in working with ~~other~~ veteran Senators from all parts of the Nation to uphold the gains which labor and farmers have made in the past 27 years.

As you know, by a party-line Democratic vote, we succeeded in heading off the muddled administration attempt to further confuse and distort our labor relations program. What kind of a program did the administration have?

1. The administration proposed a strike-vote, to be taken after a strike was already in progress. A majority of those voting (not those eligible to vote) had to approve the strike -- otherwise the strike could have been broken. I wonder if there is anyone in the Republican Party who would like to run for office needing the votes of a majority of those eligible to vote?

2. The administration proposed to clearly allow state anti-union laws going far beyond the Taft-Hartley law ... laws of a type that the Supreme Court has often declared unconstitutional.
3. Nothing was to be done about the injunction provisions -- the chief union-busting provisions -- of the Taft-Hartley Law.
4. The administration suggested provisions blocking labor-management negotiations on any subject during the life of a contract. Now there is a way to check progress if I ever saw one.
5. Nothing at all constructive was to be done about the problem of non-communist affidavits. At that time, the administration had no answer to the problem of communism in labor unions -- it wasn't until August that they came up with one.
6. Nothing really constructive was done about the Taft-Hartley boycott provisions -- many boycotts would have remained outlawed, such as the refusal to handle goods produced during a strike, goods produced under sweatshop conditions, goods produced by runaway shops.

Democrats in the Senate were able to stop this bill. But here is something you may not know, The Republicans, in the

last year, have appointed enough of their men to the Labor Relations Board to completely change its policies -- and the Congress has had nothing to say about it.

Here is what the Labor Relations Board has been up to:

1. It has cut back its jurisdiction, sacrificing millions of employees in the process. Most of these employees are unorganized, badly ⁱⁿ need ^{of} unions. This is a subtle way of getting at the union movement.

The worst thing about this is that few States have the kind of labor legislation which will safeguard workers in the fields where NLRB has left them to their own devices.

2. Employers are now permitted to preach against unions on company property and company time. Unions are not permitted to reply, as they were under the old rule.
3. Union-sponsored partial strikes and slowdowns are now unfair labor practices. Previously such actions were merely denied protection of the Taft-Hartley Act.
4. The Board has now ruled it is legal for employers to try to defeat unions in NLRB elections by threatening to close down operations if the union wins.

5. Employees who have not participated in an illegal strike - who have either reported for work and been sick at home - may now be discharged, for not sufficiently dissociating themselves from the strike. Talk about guilt by association!
6. The Board recently ruled that there is no period in which a newly-certified union is exempt from raiding. A union's status can be challenged if its contract expires during the first year of certification. The old rule gave new unions a year's period to get going before their status could be challenged.

All these rulings have cut down on the protection of organized labor; all offer, and even encourage, loopholes through which unscrupulous employers can go after labor unions. In the long run, they are a direct blow against organized labor, and thus against collective bargaining and our American high-wage economy on which our prosperity is built.

These rulings have been made since a Republican majority was appointed to the NLRB.

In none of these cases did Congress have anything to say about the rulings which were made.

Add all of these Republican labor policies together and the pattern is apparent. It is a program of giving labor the works. We ought to get started on a program of providing work for labor.

Both farmers and workers should know that the Democrats in the Senate made the same fight on behalf of the farmer. The shame of it is that we didn't win. We did, however, force the administration to bring the bottom of its flexible scale up from 75% of parity to $82\frac{1}{2}\%$ of parity.

This is the numbers game the administration played with the farmer's future. This is the kind of fractionalism they played on the Minnesota economy.

Some Republican candidates for office are now saying -- though they said nothing when it counted -- that they can't go 100% of the way with the President's farm program. You just ask them -- how much of the way are they willing to go, 75% or $82\frac{1}{2}\%$? There's no percentage for farmers in that kind of talk, or for workers either, with 5% of labor unemployed.

You know very well that I am bitterly disappointed in the administration's farm program. I don't think $82\frac{1}{2}\%$ of parity is fair. I think parity itself is fair -- that's what the word 'parity' means. It's not enough to be $82\frac{1}{2}\%$ of fair. Fair is fair, as the saying goes. 90% is a bare minimum, and there should be adequate incentives for farmers to get 100%.

Remember -- collective bargaining for labor, parity for farmers. Those are the hallmarks of a fair society, a prosperous economy. They spell out the welfare of Minnesotans.

STATE OF THE ECONOMY

Economists tell us our national production should grow by about 4% a year if we are to provide full employment and a full economy. This is due to growing population, growing productive capacity.

Between now and 1975 it is estimated our population will increase by 45 million.

Our nation is undergoing a second industrial revolution which is bringing a tremendous increase in productive capacity.

Examples:

We now have a coal digging machine to drill, cut, blast, and load coal in a single operation, which will require only half as many men to work in the mines of this country. It is estimated that coal mining can be done 10 to 15% cheaper through this method.

We now have an electronic brain which computes one company's whole retirement program with one operator in one week. Normally it would take four people three months to do the job.

The WALL STREET JOURNAL reports that "in certain industries, such as petroleum refining and chemical processing, we may have automatic factories in only a few more years." "The average refinery which would

employ 800 people without instrumentation would employ 12 people were instrumentation utilized to the fullest extent now possible."

We now have an automatic radio assembly ready to produce a thousand radios a day with only 2 workers needed to run the assembly line.

A small manufacturer of aluminum cups now has a machine which needs only one part-time operator to do the work of 55 men with present machines.

Another small businessman is using a new machine to manufacture evaporating coils for air conditioning equipment. The machine makes the coils at the rate of 150 an hour with one man to run it. Previously it took four men to turn out 50 coils an hour.

All of these new developments in 'instrumentation' and productive capacity have been reported in the WALL STREET JOURNAL during the past year.

We are, then, faced with an unexpected boom in population, together with a revolution in our productive capacity. The minimum annual increase in output needed to maintain a full economy is 4% - tomorrow it may well be much more. When we fail to increase output we fall behind - we lose man-hours and dollars that are simply wasted; they can never be recaptured.

What has our economy been doing lately?

In the first quarter of 1953 our gross national product equaled \$363.9 billion. If we estimate the needed growth at 4.2%, then gross national product should have been \$379.0 billion for the first quarter, 1954. Instead, however, we fell \$21.2 billion below that. That \$21.2 billion represents our economic deficit - it is wasted time and money. And real recovery from this low figure is not yet in sight. Gross national product for the second quarter 1954 increased by only \$200,000,000. And, as the August MONTHLY LETTER of the National City Bank of New York says, "There is little in sight to bring about a sharp advance."

Broken down, this deficit in national production means this:

We needed \$9.2 billion more personal consumption expenditures.

We needed \$10.2 billion more private investment.

We needed \$1.8 billion more government purchases.

These figures are projections - or continuations - of the structure of our economy in 1953.

Since the rate of national production continued low in the second quarter of 1954, we still need to raise these figures. Our total production deficit at the end of the first half of this year, since there was only a negligible rise in production, is nearly \$27 billion. This is enough to substitute 3 million good homes for 3 million slums.

If gross national product maintains the level of the first half of 1954, we will find we have an economic deficit of \$37.2 billion at the end of 1955. This would mean 7 million unemployed.

Listed below are key figures on the state of the economy:

Industrial Production:

The index of total industrial production stood at 126 at the end of the first half of this year. It was 138 for June, 1953.

Steel production stood at 63% of capacity on September 11, 1954. It was at 92% capacity in September, 1953.

Coal production was down 214,000 tons on the first of September below the level a year ago.

The weekly average of automobile and truck production for August this year was 31,000 below that of a year ago.

The index of textile production was 106 in August, 1953; in August, 1954 it was 100.

The index of petroleum and coal products production was 132 in August, 1953; in August, 1954 it was 122.

The index of production of primary metals was 137 in August, 1953; in August, 1954 it was 106.

Sales:

Manufacturing sales for August, 1954 were about \$3 million

below a year before.

Retail sales were recovering - June, 1954 sales were just about at the June, 1953 level, after dip of 6 points in the index during the year.

Employment:

August, 1954 unemployment was 3,245,000 coming to 5.0% of the labor force totally unemployed. Total unemployment was running at 5 million. August, 1953 unemployment was 1,240,000, coming to 1.9% of the labor force totally unemployed. Unemployment for the three years prior to 1954 averaged 2.7.

Employment in our twin cities area at the end of the first half of this year has dropped 3.2% from a year ago. Unemployment for this month is estimated at 25,000 - about 4.5% of the labor force.

The annual rate of employees wages and salaries for the first half of 1954 is running \$2.6 billion below the 1953 level. That is \$2.6 billion less purchasing power.

FARM:

The ^{Sept}~~August~~ parity ratio was 89 -- the 1952 average was 100. Minnesota's parity ratio is now at 79. -

For the first half of this year, the nation's farm income was averaging 57 million dollars a month below the first half, 1953. This made a total first-half deficit of 341 million dollars.

Consumer Spending and Saving:

Consumer spending for first half 1954 is up \$3.1 billion over 1953. Consumers saved 8% of income during 1953; 8.6% in the first quarter 1954; 7.8% in second quarter 1954.

Profits:

Corporate profits after taxes came to \$18.3 billion for 1953; they were running at \$17.5 billion for the first half, 1954. Dividend payments were running \$200 million above 1953; undistributed profits at \$1 billion below 1953.

Bank Loans:

In July, 1954 bank loans were running about \$2 billion below the 1953 rate. Recent reports show bank loans are still on the same level - in a season when loans normally increase.

Construction:

Total new construction has continued high, and continued to climb. The first seven months of this year set a record - the total was 3% above the first seven months of 1953.

Gross Private Domestic Investment:

For the first half 1954 private investment was running nearly \$9 billion below the first half 1953.

RECESSION LEAVES BIG BUSINESS IN BETTER POSITION

The economic conditions of the past year have discriminated against small business; put big business in better position.

The semi-annual report of the Small Business Administration says small businesses have continued to lose out competitively to big business.

Federal Trade Commission figures on profits in manufacturing industries for the first quarter 1954 show that big business has weathered the recession better than small businesses. Profits after taxes of firms with assets under \$1,000,000 dropped an average of well over 50%. Profits of firms with assets over \$1,000,000 dropped by not over 40%.

The really big firms did especially well. General Motors, the world's largest manufacturer, reported record profits for the first half of the year 1954 -- profits after taxes of \$425,250,383. Note that the automobile industry has been operating at about 75% of capacity for most of this year.

The real demonstration of what economic conditions have meant comparatively to small and big business is the fact that this has been the biggest year for corporation mergers in 30 years. Stanley Barnes, head of Anti-Trust in the Justice Department, announced last week he was 'seriously concerned' about it. The Republican FTC has said nothing and done nothing so far.

Here are the chief mergers of the year:

Automobiles: Three big mergers: Studebaker and Packard; Kaizer-Frazer and Willys; Nash and Hudson.

Steel: Bethlehem and Youngstown Sheet and Tube have submitted a merger plan to Anti-Trust. These two firms have a combined share of the market of 19.3%. (U.S. Steel has 31% of the steel market.)

Note: The steel industry has been at about 70% of capacity for most of this year; automobile industry at 75% of capacity.

Banking: The Chemical Bank and Trust Company and the Corn Exchange Bank and Trust Company are planning a merger. These are two large New York City banks.

Textiles: Burlington Mills recently bought out Pacific Mills, along with several other smaller competitors.

Shipping: American President Lines have merged with the American Mail Line.

Chemicals: Olin Industries have merged with Mathieson Chemical Corporation.

Sylvia Porter reports in a recent column that the recent tax law has aided this development, by giving large corporations enough money to buy up competitors. She continues: "Also spurring the consolidations is the feeling that while Washington is 'seriously concerned' about the trend, it will not frown on a merger because of the bigness factor alone." Mpls. Tribune 9/8/54.

GOALS FOR THE ECONOMY

The growth potential of our economy is now tremendous,

due to population increases, increases in productivity, and the heavy capital investment which we have experienced since World War II.

Here is what could well happen by 1960:

Our national output could grow from annual rate of \$364 billion to a rate of \$500 billion.

Personal consumption expenditures should grow from \$228 billion in 1953 to \$330 billion in 1960.

Private investment in our economy should grow from \$55 billion to \$75 billion.

Farm income could go from \$32 billion to \$42 billion.

Compensation of workers - annual payrolls - should go from \$205 billion to almost \$300 billion.

The average standard of living could be raised by 35%.

We could bring all American families up to a minimum of a \$4000 a year standard of living and still this would absorb less than half the increase, if we attain a \$500 billion economy by 1960.

If we are to achieve these goals, we must continue to maintain at least a 4% rate of growth in our economy. We cannot allow recessions to develop.

It is possible, of course, to stabilize the economy at a higher rate of unemployment and a lower rate of growth. It is possible for an administration to ignore pockets of unemployment

which represent 5% of the labor force, and still claim that our economy is as prosperous as it has been in the past.

This is not the point, however. The point is, our economy must be at least 4% more prosperous every year. And the fact is that we are not making the progress we should.

From July to August of this year, unemployment declined only 101,000. Taking into consideration seasonal factors, the decline should have been at least three times as great. So actually, unemployment is getting worse instead of better.

There were a lot of things the 83rd Congress and the administration could have done for the economy. Instead, much was left undone, and what was done, was aimed at a 19th Century economy -- not the American economy as we know it today.

There is much to be done in the 84th Congress if Americans are to achieve the standard of living and the standard of security they are capable of.

This is what we must do:

Enact an equitable tax bill, which places its emphasis on consumers.

Enact a farm program which will raise and sustain farm income.

Enact a foreign trade program which will stimulate American exports and maintain our economic security in the cold war.

Enact an unemployment compensation law which will provide our economy with a means of snapping back from unemployment right away.

Enact a real housing program, which will build 2,000,000 units a year and maintain the construction industry.

Raise the minimum wage to at least \$1.00 an hour, and thus stimulate consumption.

Get going on some other badly needed facilities for our economy - roads, schools, hospitals, airports - which will both stimulate the economy and give it the basic tools it needs.



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