



# INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

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## FOR RELEASE:

LABOR DAY EDITIONS -- MONDAY, SEPTEMBER 1, 1958

(Note to newsmen: The following is a transcript of a Labor Day address by UAW President Walter P. Reuther to be broadcast over the CBS Radio Network at 10:15 p.m. EDT, on Monday, September 1, 1958.) \* \* \* \* \*

On this Labor Day, 1958, millions of American workers join in common celebration and rededication. We honor the memory of those who pioneered in labor's early struggle. We celebrate our past achievements and we rededicate ourselves to the never-ending task of bringing to practical fulfillment man's ancient dream of a world of peace, freedom, justice and human brotherhood.

We live at a time of great change and great challenge but of equally great opportunity. Never before has the future been so pregnant with both the destructive threat of war and the bright promise of peace, for the same scientific and technical know-how that provides us with the H-bomb and the ballistic missile also provides us with automation, peaceful use of the atom, and the new tools of economic abundance. Working together with these new tools provides us with an unprecedented opportunity to extend the frontiers of human progress and to advance the cause of human betterment.

For centuries man has been struggling to divide up economic scarcity and the communists have built their dogma and their propaganda upon this fact. American labor rejects the communist concepts of the class struggle, for we believe that the new tools of economic abundance offer free labor and free management the challenging opportunity to cooperate within the framework of our free society in creating and sharing economic abundance. This is in truth the first time that man has achieved the capacity to control his physical environment and to satisfy his basic economic and material needs. Thus we are at a place in human history where we can begin to devote more time and greater resources to facilitate man's growth as a social, cultural and spiritual being and bring to fulfillment man's higher aspirations.

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The crisis in the world is essentially a moral crisis, for it confronts mankind with a choice of using the weapons of war and destruction or the tools of peace and abundance. Only as we fully understand the new dimensions of war and peace and act in the knowledge that man's capacity of total self-destruction has made peace an absolute condition of human survival can we hope to develop programs and policies adequate to the challenge.

The desire for a world of peace, freedom and justice is universal, but the human family faces the future with uncertainty, fearful that nuclear giants may behave like moral pigmies and that guided missiles may fall in the hands of misguided men. In this period, America, as the strongest of the free nations of the world, shares a tremendous responsibility for world leadership. To meet this responsibility, we need to reject the cynical and defeatist attitude that people and nations are capable of their highest achievements only when driven by the negative motivations of war and when spurred by common fears and common hatreds.

The free world must provide the kind of bold and realistic leadership that will tap the great spiritual reservoir of the human family and get people and nations working and marching together in the positive and rewarding tasks of peace inspired and motivated by their common hopes and common aspirations. The American labor movement, as a part of the free world labor movement, is engaged in this positive struggle. Throughout the free world 56 million organized workers are joined together in the family of the International Confederation of Free Trade Unions. These 56 million workers are in the front ranks of the practical day-to-day struggle against the forces of communist tyranny and all other forms of totalitarianism and systems of human slavery. The free world labor movement is effective because it acts in the knowledge that the struggle for peace and freedom is inseparably tied together with the struggle for economic and social justice. Wherever free labor is strong, the forces of communism and tyranny are weak. Free labor has understood that the propaganda of the democratic deed is the only effective answer to communist propaganda, to communist penetration and subversion. Communism offers the promise of economic security at the price of political and spiritual enslavement. Free labor believes that we can have both bread and freedom, and that within our system of freedom we can achieve economic betterment, individual growth and maximum human fulfillment.

We cannot, however, successfully meet the challenge in the world unless we first meet the challenge at home. The American economy is freedom's greatest material asset, and if fully mobilized, is equal to meeting our needs at home and our broader responsibilities in the world. It is a sad and tragic fact that we are losing the battle in the world for the hearts and minds of the millions of uncommitted people. We are losing not because the communist is superior. The tragedy is that we are losing because we are not trying. At a time when the American economy should be fully mobilized on the basis of full employment and full production creating the wealth needed to raise our living standards, to build more strongly our military defense and to contribute to the positive struggle against communism on the economic and social fronts, the American economy unfortunately is limping along in low gear with more than 5½ million workers unemployed and with a sizeable proportion of our productive capacity standing idle.

At a time when the Soviet Union is making every effort to increase its steel production, steel production in the United States dropped to 43 per cent of capacity. The American automobile industry has been operating at approximately 40 per cent of capacity and during the first half of 1958 the American economy operated at approximately \$50 billion below its potential output if our economy had achieved maximum growth and maximum utilization. This \$50 billion loss in gross national product has denied the American people higher living standards. More seriously, however, this \$50 billion loss in production and a continuation of this loss may represent our margin of survival in the world contest between the forces of freedom and the forces of communist tyranny.

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While we must be strong on the military front to meet the challenge of communist aggression, we need to keep in mind the fact that the struggle in the world is for the hearts and minds of men and that this struggle will be won on the economic and social fronts, not on the battle fronts. This accounts for the increasing emphasis which the Soviet Union is placing on its programs of economic penetration and political subversion. In this struggle for the hearts and minds of men, America will be judged not by its economic wealth or its productive potential. We will be judged by the sense of social and moral responsibility by which we commit our material resources and our productive potential to basic human needs and practical human fulfillment. This is the practical everyday task to which the American labor movement is dedicated. This is the task of equating economic resources with social morality, of matching scientific, technical and production know-how with comparable human, social and moral know-why. This is the job of translating technical progress into human progress, human happiness and human dignity. America is equal to this practical task and we can demonstrate beyond question the superiority of our system of freedom over the system of communist tyranny.

We have made great progress in America, but human progress is a relative, not an absolute, value. We must measure our progress by the potential of the tools with which we must work. Measured by this standard, we have not made the progress that the tools of economic abundance make possible, and there remains much unfinished work on the agenda of American democracy.

As a nation, we need to work out a list of national priorities. We need to sharpen our vision and we need to rededicate ourselves to the basic human and democratic values that we believe in, and we need to put first things first. We need to overcome the serious deficit in education, which is denying millions of our children their rightful opportunity to maximum growth. The American labor movement can be proud that it was among those who pioneered for free public education. American labor shares the belief that every child made in the image of God is entitled to an educational opportunity that will facilitate the maximum intellectual, cultural and spiritual growth. We need to wipe out our slums and build decent, wholesome neighborhoods. We need to provide more adequate medical care available to all groups. We need to improve social security so that our aged citizens can live out their lives with a fuller measure of security and dignity. We need to provide all of our citizens, without regard to race, creed or color, equal opportunity in every phase of our national life. We need to develop more fully our natural resources so that continued neglect will not put in jeopardy the welfare of future generations.

To the men of little faith and little vision who would sell America short by questioning our capacity to do these things, American labor replies: Let us put America back to work. Let the idle hands be put to work on idle machines. Let us realize the billions and billions of potential production which are going to waste. If we will mobilize the American economy on a full employment-full production basis, we can do all of these things at home and, at the same time, more adequately meet our responsibilities in the world.

The American economy is in trouble because we have not learned to manage economic abundance by learning to share it. We are in trouble not because we lack the productive know-how or the resources to create economic abundance. We are in trouble because we have not developed a comparable distribution know-how to match our productive know-how. Our task is to cooperate in creating and sharing abundance on a basis that will achieve a dynamic expanding balance between the factors of greater production and greater purchasing power. This requires working out a proper balance between competing equities of workers, farmers, stockholders and consumers.



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Collective bargaining is an essential democratic tool in achieving this balance. American labor is committed to the sound proposition that higher wages, better working conditions and shorter hours must be based upon the greater productivity of our developing technology within the framework of an expanding economy operating at maximum potential. Both free labor and free management must clearly recognize that they have more in common than they have in conflict and that neither can make lasting progress excepting as they both cooperate in making progress with the whole community and the whole nation. Unfortunately, too often big business groups have rejected labor's efforts to share more fully in the fruits of our developing technology and industry has refused to explore new approaches advanced by labor in an effort to find a more rational means of working out the competing equities between workers, stockholders and consumers.

A practical case in point are the negotiations between the three major automotive corporations and the UAW. The UAW has stated repeatedly that we do not want any wage increase that will result in higher prices and that we are prepared to arbitrate this matter. During the 23 weeks of fruitless negotiations, the automotive industry has rejected this and other constructive proposals advanced by the Union because the corporations were unwilling to test their position before a court of impartial judgment. They prefer, instead, to continue to carry on the big business propaganda campaign of trying to place the responsibility for inflation and higher prices upon the shoulders of America's wage earners.

It is important that the people of America know the truth so that they can differentiate between fact and fiction. The president of one of the largest corporations in the automotive industry retired as of this morning. Before his retirement he had criticized the demands of the UAW and of the workers in his corporation as being extravagant and unreasonable. Here are a few of the facts. This retiring president received in excess of \$3-1/4 million in salary and bonuses during the past five years. This is more than 135 times what the average General Motors worker received during this same five-year period.

The members of the UAW do not begrudge this retiring president one red cent. We believe corporation executives should be adequately compensated but we do challenge his position of accusing the workers of being unreasonable. This same retiring corporation president will receive, upon retirement, a pension in excess of \$5,500 a month for the balance of his life and yet he charges the workers with being extravagant when they are trying to raise their monthly pension benefits above the present level of approximately \$60. He accuses them of being unreasonable and responsible for inflation when they seek to improve their supplementary unemployment benefits. When they seek protection against loss of their jobs when plants become obsolete or when they try to get a wage formula that more accurately reflects the increase in productivity made possible by automation.

Auto workers and their families face pressing and compelling problems which need consideration and solution now. The corporations propose to sweep these serious human problems under the rug. This, the workers and their union are unwilling to do and we insist that sound and sensible solutions be found now through good faith collective bargaining.

Industrial stability in a totalitarian society is possible in the absence of justice but in a free society, sound labor management relations must be based upon elementary, economic and social justice.

Higher prices and the continuing increase in the cost of living are not the result of workers getting too large a share of the nation's economic pie. They are the result of irresponsible and selfish pricing policies of a few giant corporations who exercise

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monopoly control of vital sectors of the American economy and are able to set aside the economic laws of supply and demand. The steel industry, while operating well below 50% of its capacity, continues to raise the price of steel. Since the war, the steel industry has raised its prices 23 times, and for each dollar of higher wages paid its workers, they have raised the price of steel on the average of \$3. This despite the fact that in 1957 profit per ton of steel was more than five times as great as in 1939. The three giants in the automotive industry have, since the war, established their prices not to yield a fair return on investment alone. Prices have been set unreasonably high in order to yield both a fair return and at the same time a major portion of the more than 8 billion dollar expansion program at the expense of the American consumer.

These are the economic facts and free labor and free management have a joint responsibility to sit at the bargaining table and to bargain in good faith in an effort to arrive at decisions based upon economic facts and not economic power. Only thus can collective bargaining be raised above a struggle between competing economic pressure groups, and only thus can collective bargaining make its constructive contribution to the well-being of the whole of our society.

In this hour of economic trouble at home and challenge in the world, we cannot continue to drift in the hope that time will cure the problems of recession, unemployment and inflation. Common sense has taught us that economic problems will respond only to intelligent economic action. We should call upon the President of the United States to recognize this simple truth and to urge him to convene at the earliest possible date a national conference of representatives of government, management, labor and other economic groups for the purpose of discussing effective and realistic programs and policies and areas of joint cooperation to get America back to work, to put a stop to continuing inflation and increases in the cost of living, and to insure the achievement of a dynamic expanding, full-employment full-production economy. Free labor and free management were called together by free government to meet the challenge of war. The challenge of peace is no less imperative. We achieved full employment and full production and total economic mobilization making the weapons of war and destruction. We must demonstrate comparable courage and good sense in bringing to fulfillment the bright promise of peace.

On this Labor Day, 1958, there is great need for those of us in the American labor movement to reaffirm our faith in the ideals of human service and human brotherhood. Unfortunately, these ideals of the early founders of the American labor movement have been forgotten and ignored by a few mis-leaders of labor who have betrayed their sacred trusts. Let us resolve that during the coming year we shall build more strongly the bond of friendship and solidarity between the decent elements of the American labor movement so as to more effectively deal with those who would use their positions of responsibility for selfish and immoral purposes.

The leadership of the AFL-CIO, reflecting the sentiments of the millions of rank and file members, is determined not to compromise with the forces of either crime, corruption or communism. We regret that effort to enact corrective legislation, as embodied in the Kennedy-Ives Bill, was defeated by an unholy alliance of big business, as represented by the National Association of Manufacturers, reactionary, anti-labor politicians and a few corrupt labor leaders. It is both tragic and hypocritical that certain obviously anti-labor politicians, who have loudly condemned labor, joined forces with corrupt labor leaders to defeat corrective labor legislation. Such politicians, with the transparent anti-labor bias, appear to be more interested in politically exploiting the problem of corruption than in correcting it.

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Despite this disappointment, the American labor movement will continue to carry on the task of cleaning from its ranks those who have violated the high ethical and moral standards which must be the standards of conduct in any organization devoted to human service.

On the occasion of Labor Day, 1958, we greet our fellow Americans in other walks of life and we extend to them the hand of friendship and pledge to work with men and women of goodwill everywhere in the task of making peace, freedom and justice secure in our world by making them universal.

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