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# Sugar Wage Parley Wait

## Negotiators Meet Today, Strike Nears

### Perquisite Proposal Unanswered, Asserts Industry; Union Man Says Points Rejected

With a threatened sugar strike less than a week away, industry and International Longshoremen's Union representatives met Monday afternoon in collective bargaining negotiations, but made little progress when the ILWU failed to make any counter-proposal to the industry's previous offers, an industry spokesman said.

Negotiators were scheduled to meet again at 10 a.m. today, with the union representatives pressing for "continuous" discussion "until every possible avenue of compromise or agreement has been explored."

#### Open Discussion

Louis Goldblatt, international secretary-treasurer of the ILWU, urged that, in view of the far-reaching effects a strike would have on the community, future discussions should be opened to the press and the general public, and should be continued as long as there appears to be any hope of an accord being reached.

"Frankly," Mr. Goldblatt said after the meeting, "our experiences in trying to conduct negotiations so far have been somewhat discouraging. Of 25 points in our proposal, two were acceptable only with amendments, and 22 were rejected completely."

"The industry's most recent proposal to the union concerned the plan for conversion of perquisites to cash payments for all workers," Dwight C. Steele, industry spokesman, said. "The ILWU in Monday's meeting did not present any answer to the industry offer, nor did it make counter-proposals of

any kind on either the conversion plan or wages.

"Union representatives indicated that they were not going to continue their heretofore adamant stand on their original demands. If this is the case, and if the ILWU is prepared to bargain realistically and in good faith the industry is prepared to meet as often and as long as possible to secure agreement before Sept. 1," Mr. Steele said.

ILWU representatives stated that the industry is "well able" to pay the desired wage increases, and pointed to the fact the industry benefited greatly by a subsidy boost granted last year by the Commodity Credit Corporation, following the Puerto Rican sugar strike.

"If the industry can show that it simply cannot afford to pay what we want," Mr. Goldblatt said, "we'll be willing to make counter-proposals. So far, we've seen no proof that it can't afford to pay them and still make a good profit. Under the offer they've made, 20 to 25 per cent of our members would be taking an actual reduction in wages."

#### Increase For All

In reply to a union statement that the industry's offer of \$5,000,000 annually in wage increases would not benefit all employees, Mr. Steele pointed out that the industry from the outset has recognized that some individuals would not benefit all employees, present proposal.

"For this reason, and because the industry wishes to insure that no individual is treated unfairly the industry stated to the union at the time of the original wage proposal that it wished to leave open for the time being the question of a minimum increase for all employees," he declared. "This minimum increase will depend upon the final overall wage settlement and the industry will do its best to correct any inequities."

## Labor Demands On Hawaii Sugar Industry Create Apprehension

*Full 8/27/46*  
(From the Wall Street Journal—Pacific Coast Edition)

**ECONOMIC CLOUDS OVER HAWAII**—A dispatch to The Wall Street Journal last Thursday detailed the labor demands being made by CIO for 25,000 sugar workers in the Hawaiian Islands.

It is not too much to say that these demands, whether or not they result in a strike Sept. 1, represent the biggest problem which the economy of the Territory latterly has faced, and inevitably must condition long distance affairs of the islands profoundly, with repercussions on the Pacific coast where the business tie-up is close.

The reason is obvious. Sugar still is the island's major industry, representing with its ramifications perhaps 60 per cent of the livelihood of Hawaiian population. The costs of that industry are its own, but control of its market outlet and of its prices rests in Washington. It is, therefore, not the free agent in dealing with a threat which could advance its costs to a breaking point that it otherwise would be.

Demands today are for about a 30 per cent increase in basic wages, plus other conditions, including reduction from 48 to 40 hours in the work week. There also is a closed shop issue of troublesome nature.

While it seems more than possible that the whole Hawaiian sugar operation may be brought to an abrupt halt two weeks hence, the longrange rather than the short-range effects are what are giving thoughtful observers pause.

For this season, stoppage would come too late greatly to reduce 1946 output. But it would prevent necessary work on 1947

crops and beyond that raise the whole question of future operation upon a profitable basis.

Work stoppage in the Hawaiian cane fields and mills, if it comes, may well be watched not only for what it would do to 1947 yield and returns, but for returns over an indefinite period of years to come. Even if tie-up is avoided now, it apparently will be at a price that will call for revision of thinking about an industry which represents directly and collaterally probably \$175 million of capital assets.

Of the plantation companies, at least half a dozen have been regarded as marginal, and but for Commodity Credit Corp., support payments during the last three years of 3½-cent sugar, numerous plantations might well have been in serious trouble.

A real squeeze between fixed prices and sharp advance in labor costs could well take some companies out of production.

Time and again, in various contingencies of nature or politics, the industry has been able to save itself and may be able to do so again, but it hardly can be considered to have faced an economic problem of the breadth now confronted.

Labor costs even before the 15 per cent advance last year were well above those of other sugar-producing areas, notably Cuba, Puerto Rico and undoubtedly the Philippines, when the industry there shall have been rehabilitated.

While, because of intensive scientific work on cane varieties, production per acre is larger than in competitive sugar-growing areas, that advantage already has been cancelled in costs.

## HSPA Says 40-Hour Work Week Will Seriously Hamper Hawaii In World Sugar Competition

Speaking as a group, the board of trustees of the Hawaiian Sugar Planters' association declared Saturday that the sugar industry of Hawaii could not afford a 40 hour work week in addition to the offer already made for an increase in wages.

The trustees said the reduced work week would constitute another disadvantage in Hawaii's competition with other sugar producing areas.

"This was the first statement made by the trustees as a group since the collective bargaining for new ILWU contracts with the plantations was started in mid-July."

The complete statement follows: "In addition to its demands for drastic wage increases and a union shop, the International Longshoremen's & Warehousemen's union has demanded a 40 hour work week. On Hawaii's sugar plantations this would mean that overtime pay

would begin after 40 hours instead of after 48 hours.

"Our accountants estimate that on the basis of total union demands and the industry's continuing need for a 48 hour week, this would add some \$8,000,000 to the annual sugar payroll. The industry can not afford such a burden on top of what it has already offered."

"In making this demand the union has declared that 40 hours is the national work week. This of course is not the case as regards agriculture."

"The United States department of agriculture still holds to a 48 hour week. Some sugar producing areas are operating on 54 and 56 hour work weeks."

"A 40 hour week would be one more serious disadvantage under which Hawaii would have to labor in her competition with other producers."

"We consider this demand highly unreasonable and impossible of acceptance."

#### Pamphlet Issued

A pamphlet issued Monday by the industry, and distributed by mail to about 90,000 people, outlined the industry's stand in the current dispute. The pamphlet stated the threatened strike would result only in "everyone losing," and that granting of all the union's demands would result in "slow but certain death for the Hawaii sugar industry as it exists today."

On the conversion of perquisites (housing, fuel and medical care) to cash payments, Mr. Steele said, the industry had earlier given the union a guaranty that all costs to employees will average less than \$31.20 a month. This is the minimum monthly straight time amount to be paid each employee on the basis of the industry's conversion to cash proposal. Additional payments on overtime and piecework would increase this minimum.

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# Union Reply

## HILO TRIBUNE-HERALD

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### TODAY'S MEDITATION

*Individuality is the salt of common life... You may have to live in a crowd, but you do not have to live like it, nor subsist on its food.—Henry Van Dyke.*

### DANGER AHEAD

The Big Island, producing 40 per cent of the territory's sugar, stands to suffer disastrously if the threatened strike of plantation workers becomes a reality next Monday.

Sugar has been and still is the industrial mainstay of the island, and while the sugar business will feel the direct impact if the strike is carried out, the businesses and livelihoods of everybody on the Big Island will indirectly be affected. Even though the dispute is directly between the CIO International Longshoremen's and Warehousemen's Union and the Hawaiian Sugar Planters Association, the public will inevitably be deeply involved because of the mere proportions of the sugar industry.

While any settlement of the issues involved must be between the HSPA and the ILWU, and the public can only sit by and hope that such a settlement can be effected before there is damage to the economic structure of the island, public opinion is a potent force indeed, with irreparable loss of prestige and influence as the price of unreasonableness and arrogance, whether it be on the part of labor or on the part of management. The disputants in the current argument could do well to keep this in mind.

We don't intend to discuss the issues in the current dispute. But this paper has pointed out before that the islands have suffered in the past and still are suffering grievously from some of the great trade and industrial monopolies.

Any monopoly, unless under strictest government surveillance and operated as a monopoly solely because of benefit to the public, is a potentially evil thing. It doesn't make any difference in whose hands the monopoly happens to be. And what is the closed shop but a monopoly on jobs—on a man's most vital birthright, the right to earn a living?

Union defense of the closed shop, on the other hand, is based on a certain justice. All labor, union and non-union, enjoys the benefits of better wages and working conditions won by the unions. The unions argue, with validity, that if the worker is going to have the benefits secured by the union he should belong to and support the union.

The closed shop insures this—but it still is a monopoly and like any other monopoly can be subject to abuse. When there is abuse of a monopoly the public pays through the nose for not having been alert to the inherent dangers.

These are things to think about, although we repeat

that this is not a discussion of issues involved in the current dispute.

Labor and management are well aware of the grave consequences to this island of a shattering and bitter strike.

It behooves the public to be aware of this danger also and to bring every influence possible to bear toward a settlement which will ward off a paralyzing work stoppage.

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