

The original documents are located in Box D22, folder “American Association of Industrial Management, Boston, MA, October 31, 1967” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT 6:30 P.M. TUESDAY--
October 31, 1967

Excerpts from a Speech by Rep. Gerald R. Ford, House Republican Leader, before the American Association of Industrial Management, to be delivered at 7 p.m. Tuesday, Oct. 31, at the Sheraton-Boston Hotel, Boston, Mass.

This will be the worst strike year in recent American history.

It may mark the crest of a wave of labor strife that has shown a spectacular rise since 1963--the year Lyndon B. Johnson became President. Then again, 1968 may even top this year.

In any case, the situation shows no signs of improving. And 1968 will be marked by potentially explosive contract negotiations between Big Steel and the United Steelworkers.

The sharply worsened climate in labor-management relations is underscored by the comparative figures for the years 1963 through 1966 and the record for the first eight months of 1967.

In 1963 we had 3,362 work stoppages, with 941,000 workers involved and 16,100,000 man-days lost; in 1964, 3,655 stoppages, 1,640,000 workers involved, and 22,900,000 man-days lost; in 1965, 3,963 stoppages, 1,550,000 employees involved, and 23,300,000 man-days lost; in 1966, 4,405 stoppages, 1,960,000 workers involved, and 25,400,000 man-^{days} ~~hours~~ lost.

Through August of this year there had been 3,195 stoppages, with 2,080,000 workers involved and 22,000,000 man-^{days} ~~hours~~ lost. But this does not include the 150,000-man United Automobile Workers strike against Ford Motor Co. and the continuing copper strike. Therefore the indications are unmistakable that 1967 man-^{day} ~~hour~~ losses will far exceed those of 1966 and previous years.

There is a clearly defined trend in recent years toward a steadily worsening situation in terms of labor strife. And there has to be a reason.

I am not a labor-management relations specialist, nor am I an economist. But I think it is significant that during the Eisenhower Administration, industrial output per man hour substantially exceeded compensation per man hour.

(more)



During the time of the two Democratic administrations beginning in 1961, compensation per man hour has come to exceed output per man hour. This certainly leads to severe economic dislocation and inflation.

When output falls behind compensation, we have a condition which contributes to the classic kind of inflation in which too much money chases too few goods.

Currently the unions are seeking to catch up with the price increases of 1966. This contributes to cost-push inflation. Since the present Administration overstimulated the economy through excessive federal spending last year, it seems clear that the Administration must assume the major share of the blame for the entire cycle of 1966-67 inflation and the inflationary wage settlements now being negotiated.

Nobody is arguing about the right to strike. This is basic. But certainly we should seek to avoid strikes whenever possible. After all, a strike hurts everyone involved. The worker loses wages; the employer, his profits and possibly some of his before-strike customers; the supplier, his sales to the employer; the retailer, loss in retail sales to strikers with sharply diminished income.

We are most concerned, of course, with the national emergency strike. Refusal by the White House and Democratic Congresses to seek improvement in the handling of national emergency strike situations is one of the great sins of legislative omission in this decade.

You all know the story. You know that in his annual message to Congress on Jan. 27, 1966, President Johnson said: "I intend to ask the Congress to consider measures that, without improperly invading State and local authority, will enable us to deal effectively with strikes that may cause irreparable damage to the national interest."

That was the promise. What has happened? Nothing.

Is it any wonder that labor strife is on the rise in America when the Administration initially does little to cope with inflation and then seeks to pile a tax increase on top of price increases?

And is it any wonder that labor strife mounts when the President of the United States reneges on a solemn pledge to the American people to seek ways to improve the handling of national emergency strikes?

These are questions for the American people to ponder as the number of work stoppages in this country continues to rise.

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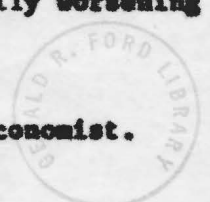
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A comparison of the eight years of the Eisenhower Administration with the first six years under Democratic administrations beginning in January 1961 reveals 3,727 work stoppages during the past half dozen years, almost as many as the 3,889 during the eight Eisenhower years.

There is a clearly defined trend in recent years toward a steadily worsening situation in terms of labor strike. And there has to be a reason.

I am not a labor-management relations specialist, nor am I an economist.



But I think it is significant that during the Eisenhower Administration, industrial output per man hour substantially exceeded compensation per man hour. During the time of the two Democratic administrations beginning in 1961, compensation per man hour has come to exceed output per man hour. This certainly leads to severe economic dislocation and inflation.

When output falls behind compensation, we have a condition which contributes to the classic kind of inflation in which too much money chases too few goods.

Currently the unions are seeking to catch up with the price increases of 1966. This contributes to cost-push inflation. Since the present Administration overstimulated the economy through excessive federal spending last year, it seems clear that the Administration must assume the major share of the blame for the entire cycle of 1966-67 inflation and the inflationary wage settlements now being negotiated.

It is interesting to note that a Detroit News writer who coordinated his paper's coverage of the Ford-UAW contract negotiations reports that the Administration views the Ford settlement as "clearly inflationary." He goes on to say that "privately" the President's economists "are expressing dismay with both UAW President Walter P. Reuther and Henry Ford II." He adds that "in a period when inflation is such a national menace, they feel that the settlement was not a responsible one."

Observe the fact that the White House has said nothing publicly about the Ford settlement being inflationary. Is this because they are afraid of angering Henry Ford II? I personally think they are more concerned about Walter Reuther's feelings. They might show a little concern for the consumer, too, because I feel sure that automobile prices are going to go up substantially by the time Reuther is through with the auto industry this year.

Nobody is arguing about the right to strike. This is basic. But certainly we should seek to avoid strikes whenever possible. After all, a strike hurts everyone involved. The worker loses wages; the employer, his profits and possibly some of his before-strike customers; the supplier, his sales to the employer; the retailer, loss in retail sales to strikers with sharply diminished income.



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