CHAPTER 3

LABOR UNIONS

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"Have labor unions outlived their usefulness in Hawai'i?"

The answer to this question is no, but with one important qualification: some of Hawai'i's unions have become part of the establishment they used to counterbalance. These unions have lost the "fire in the belly" that got them started, and to that degree they now stand in the way of progress.

Background. For many people, contemporary images of unions go back to the bitter struggles that came to a head in 1946 when Hawai'i endured its first industry-wide strike. Five large companies (the Big Five) had controlled the sugar and pineapple laborers up until 1944, but between 1944 and 1947 the International Longshoremen's and Warehousemen's Union (ILWU) successfully organized those workers and the waterfront as well. The result was that Hawai'i quickly went from one of the lowest to one of the highest agricultural wage levels in the world.

Others remember the sugar strike of 1958. It lasted four months. Says one sugar industry executive, "Both sides of the table were shocked by the enormity of the '58 strike and I think both were resolved never to let such a thing happen again." What labor and management in Hawai'i learned was that sometimes it's better to share the wealth with each other and pass along any additional costs to the consumers.

The idea of unions in Hawai'i is symbolized for some by the recent struggle between rival factions of labor for control of film industry crews. There were whispers that this jurisdictional conflict culminated in arson and, ever since, Hollywood has been wary of Hawai'i. Some see this episode as a microcosm of all that's wrong with our unions; others see it as one unsubstantiated incident not indicative of anything.

Early struggles for reform. The more extreme views of unions overlook the courageous early struggles of organized labor. It was through these efforts that unions became an integral part of the American idea of reform and progress.

On the mainland, the United Auto Workers in Detroit had to physically defend themselves against violent attacks until General

Motors and Ford finally came to an agreement with them in the 1930s. Harry Bridges, the leader of longshoremen on the West Coast, forced so many reforms that he was branded a Communist by the House Committee on Un-American Activities.

The early union people in Hawai'i, determined to break the stranglehold of the Big Five, suffered similar hardships. As former ILWU union activist Ah Quon McElrath points out, it was a case of the "unions versus colonialism." McElrath also notes that the plantation workers in Hawai'i after World War II were fighting for "real wages—not wages that went for food at the company stores."

Union leaders often experienced personal attacks of one sort or another. Teamster and Hotel Worker president Arthur Rutledge was nearly deported during the 1950s on the charge of entering the United States illegally while still a child. Jack Hall, the leader of the Hawai'i ILWU, was convicted of Communist conspiracy under the Smith Act, but never served time because that act was struck down by the U.S. Supreme Court.

The struggle in Hawai'i was a struggle of working men and women against the establishment. The unions were the champions of the poor and the powerless. Their efforts were long and hard, but eventually they succeeded in providing dignity and financial reward to their members.

Recent developments. Union strength in America has declined in recent years. Unions have become less important and therefore less powerful as labor-intensive manufacturing has declined and service industries have grown.

The unions have also lost the advantage of good economic times. It used to be that management would meet almost any union demand to avoid interrupting the flow of commerce. Wage increases could be passed along as price increases. But those days of sharing the wealth and sticking it to consumers are gone, both on the mainland and in Hawai'i.

Some unions—in labor's version of the wisdom of Saint Theresa that the only thing worse than unanswered prayers is answered prayers—have learned that it is possible to demand and get too much. The Big Three automobile companies met so many union demands during the boom years of the 1950s and 1960s that they soon found themselves with commitments that were almost impossible to meet and still be competitive. Similarly, sugar and pineapple growers in Hawai'i, though they are the most productive in the world, have found it difficult to compete globally with companies whose workers earn in a day what Hawai'i's union members earn in an hour.

As a result of these global economic factors, the "hard work" industries of America have suffered and union strength has ebbed. Membership on the mainland is now only 16 percent of the workforce. And many of those unions that are surviving have had to abandon a strategy of confrontation and instead work *with* management to create a high-performance, globally competitive workplace.

Different in Hawai'i. The specter of the unions' waning power on the mainland combined with the continued decline of Hawai'i's agricultural workforce has led many here to conclude that organized labor in Hawai'i has outlived its usefulness and is on the verge of decline. Yet the union's part of our total workforce has not declined and remains at about 30 percent, nearly twice that of the mainland. This is partly because Hawai'i had relatively few manufacturing jobs in the first place.

The disparity in union strength between the mainland and Hawai'i is also influenced by the continuing importance of unions to our huge tourist industry and the growth of governmental unions—Hawai'i Government Employees Association, Hawai'i State Teachers Association, University of Hawai'i Professional Assembly, and United Public Workers—during a period of governmental workforce expansion.

In the tourist industry, Hawai'i's hotel worker and other tourist-related unions continue to represent the interests of workers, some of whom are relatively unskilled, who would otherwise be powerless. In that regard, these unions continue to make a substantial and relevant contribution to fairness and progress. In government, however, union organizations seem to have succumbed to the natural tendency of any bureaucracy toward survival and self-aggrandizement. This is the portion of the labor movement that often seems to oppose change and reform.

Symbiotic relationship. The government unions have become part of the Democratic party's grip on Hawai'i: the two enjoy a symbiotic relationship in maintaining the status quo. Unlike private businesses, which are limited in their ability to pass higher costs on to others, the government in Hawai'i has been willing and able to raise taxes to meet union demands for higher wages and better benefits in exchange for political support. The government unions prosper, the politicians get reelected, and it's all paid for by the taxpayers.

The leadership of the Hawai'i State Teachers Association (HSTA) provides a perfect example. This group has successfully opposed any meaningful attempt to evaluate the performance of its members despite community-wide concerns about teacher competence. Former HSTA president John Radcliffe once boasted, "No HSTA member was ever fired on my watch." In that spirit, the HSTA became one of the harshest critics of the findings of the lieutenant governor's Task Force on Educational Governance and has opposed local hiring and firing and lump-sum budgeting because these educational changes would invite schools to evaluate their teachers. Meanwhile, the HSTA is one

"GIVE 'ER THE CHECK ..."

of the largest political contributors in the state. Even the principals of our public schools belong to a union and are given tenure not only as teachers but as administrators. They thus have little incentive to change anything, let alone to evaluate teachers.

Another government union, the University of Hawai'i Professional Assembly (UHPA), is the largest financial contributor to political campaigns in the state. The UHPA also spent almost $40,000 in 1992 just to promote itself on television during the legislative session.

The Hawai'i Government Employees Association (HGEA), once a progressive force that worked hard for the 1970 collective bargaining reforms, now seems to have as its primary mission the protection of a bloated public payroll of 50,000 employees. The HGEA has only the vaguest inkling of the trend on the mainland toward downsizing and "reinventing government."

The HGEA is also well known for providing legions of volunteers to political campaigns. During the 1993 session of the 17th Legislature—while budgets were being cut for programs for public school students, the mentally ill, and the poor—the HGEA was being assured that its members would receive a pay increase.

The conventional wisdom about organized labor—that it is in decline and is being forced by global competitive pressures to work more closely with management to improve productivity—certainly doesn't apply to Hawai'i's government unions. These unions have become part of the establishment and an extension of the Democratic party. They now use their clout not so much for reform but to protect a comfortable and contented status quo. It is this portion of the labor movement, the portion without "fire in its belly," that has outlived its usefulness and now stands in the way of the streamlining of government that is so sorely needed in these difficult budgetary times.


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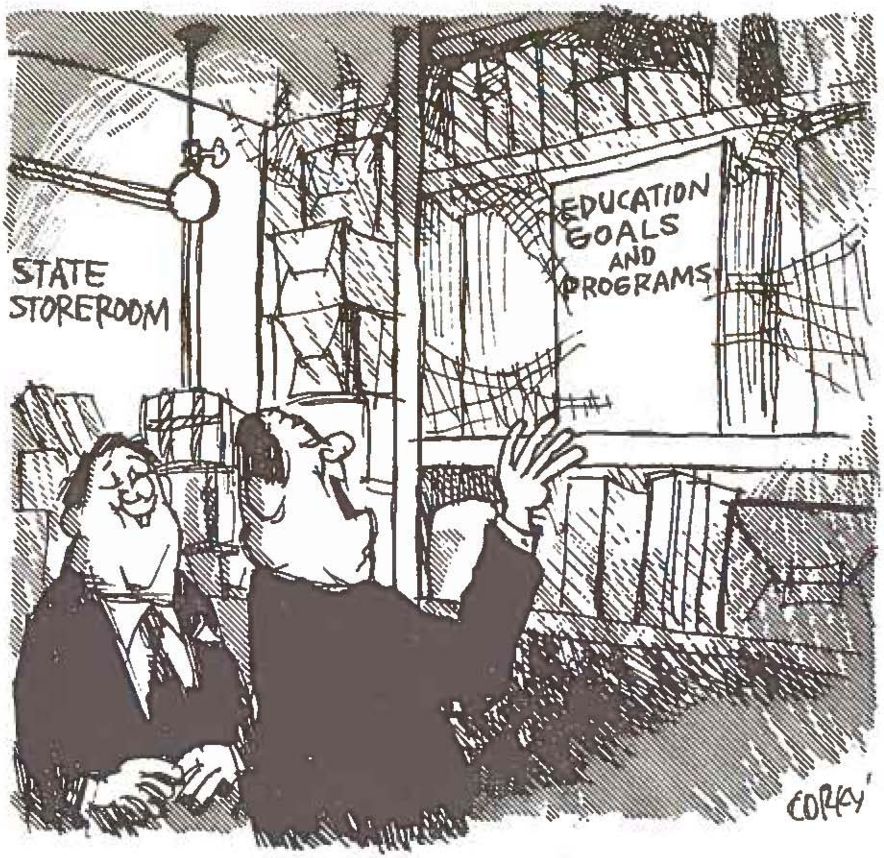
STATUS QUO



"SUMMER'S OVER ALREADY?— WELL, TIME TO BRING THIS OUT AGAIN..."