

Committee bulletin. One prominent leader explained the reason for the bulletin's effect on him and his fellow labor officials. "Only the Teamsters have taken an actual independent political stand in the last two decades."

The same point is evident among leaders outside the labor movement. The responses from a leading Republican National Committee official and from the president of a Philadelphia bank were identical: "Now LaRouche is in the ball game!"

A spokesman for the Teamster LaRouche committee in Detroit, reviewing the first week's work, said that the committee will publish bulletin #2 on May 25. He announced that the press run would be extended to 100,000 to cover greater intensity of distribution in the East and Midwest, and expansion to the West coast.

Fitzsimmons: 'we need candidates ...with workable solutions'

Following, with minor deletions, is the text of the speech by International Brotherhood of Teamsters President Frank E. Fitzsimmons on May 15 to the Financial Analysts Federation in San Francisco.

I think I had best begin with a confession. I certainly did not come before you today as an expert. I came because I determined that there is no better group to seek out to find out what is happening to the economy of this country....

I believe today we are a nation asking questions, seeking solutions to economic quandaries which defy old and reliable economic theories. I am certain in my own mind that if Adam Smith were alive today, he would throw up his hands and drop out.

It is that kind of an environment in which we live, but I want you to know that we in the Teamsters—although we might throw up our hands occasionally—never intend to drop out.

More than two million American workers and their families depend upon us. We appreciate their needs, and I think our approach to our recently completed negotiations with the trucking industry are a clear indication of that appreciation.

As you know, the Carter Administration announced its inflation program with its wage-price standards Oct. 24, 1978. We met with the trucking industry for the first time in negotiations Dec. 14, 1978.

I want you to know these negotiations were a soul

searching time for me. Inflation was running in double digit figures and, we were asked to hold our total wage-benefit package to 7 percent. Not just the cost of wage increases, but the cost of maintaining benefits as well. That alone was mindboggling. But then the government threw in a hooker.

On April 1, 1979, our members had 58 cents coming under a cost of living increase negotiated three years before. Government inflation fighters—including one illustrious government official who will speak to you this evening—told us that the 58 cents was to be included in the 7 percent in any new agreement as new money.

The trucking industry was told that any cost incurred over the 7 percent wage standard could not be recovered in rate increases from the Interstate Commerce Commission.

And as the string came off the bundle, and we got a good look at the contents, we found that the government was saying that if the settlement exceeded its wage standards, the government would accelerate its efforts to deregulate the trucking industry.

Those are some of the conditions under which we went to the bargaining table in a country which prides itself on its system of free collective bargaining. I can tell you that one gets a little nervous sitting at the bargaining table with a gun at his head, and it is no secret that for a while, some employers were shaking so hard they needed a realignment job on their knees, but that was understandable.

Did one go along with an ill-conceived plan to control inflation.... Or did one lead from a gut reaction that our members were striving to survive in an economic jungle and deserved more than that promised by soothsayers and those reading tea leaves in the economic cup of life.

I finally concluded that our members deserved much more than that.

So, I took my negotiating committee to the bargaining table determined to obtain what our members need to remain competitive in the economic mainstream of American life.

And for a moment, as a side note, I want to emphasize that we in the Teamsters Union are as patriotic as anyone else. We have proved that in war and in peace. And I say to you that if and when someone comes up with a plan of equity in which the sacrifices are shared in a like manner, you can count the Teamsters in at the front of the marching order.

Be that as it may be, when it was all over and we reached a tentative settlement, a very funny thing happened. Suddenly, the terms we reached were—according to the lead economist speaker—within the guidelines.

...I know what is in this contract, and I can tell you it is the best damned contract we ever negotiated with the trucking industry. It will serve the needs of our

members and that was the union's obligation....

It was said early in our negotiations by one illustrious government official that if we broke the wage standard it would be an aggression against the American people. One thing I have found—that a politician's rhetoric is bad medicine at the bargaining table, especially when he does his bargaining in press releases instead of at the table.

So we ignored that, and we have concluded that our settlement was an aggression against economic folly, and I will deal with that shortly.

Now, in addition to our Master Freight negotiations, we have some other big contracts to negotiate this year. We have presently the National Automobile Transporters national agreement and we have the Teamster agreements with United Parcel Service. All of these agreements are pattern-setters for other Teamster negotiations.

In the car haul and UPS negotiations, our approach is the same as it was in freight. To get what our membership needs to stay afloat.

And what about the state of the voluntary wage and price guidelines? So far they have not made a dent in stemming the tide of inflation. Price rises in food, energy and housing have skyrocketed. And while the guidelines were initially proposed "to halt an inflation psychology," who can deny the current reality of a 13 percent inflation rate?...

As I said at the beginning, the state of today's economy and the real problems of inflation are mind boggling.

There is no parallel situation in recent history. Take for example President Kennedy's January, 1962 wage guideline of 3.2 percent, imposed at a time when inflation was running at only 0.7 percent. Oh! for the good old days, which were not really so long ago.

And look at the situation that existed more recently with the Nixon pay board, of which I was a member—staying on even after all the other labor members bowed out. Those wage guidelines were set at 5.5 percent, excluding fringe benefits, while inflation was still in the 4 percent range.

In my opinion, this Administration's goal of 7.4 percent inflation in 1979 is like holding on to the impossible dream, and I for one long ago gave up believing in the tooth fairy.

I believe we will be doing well just to hold our own.

Now there has been a lot of talk about a possible recession later this year. I am not an economist, nor do I own a crystal ball, but I dare say that even after the cyclic recovery of a recession, we still will have to cope with a pretty hefty inflation rate in the next three years.

And of course the bottom line of the American

economic system is and always will be—consumer spending.

And whether or not prices will continue to rise and speculative buying remains high, the betting is that consumers will fast be fed up with constant high prices.

And let me remind you that in all our negotiations, we are representing a total of some 10 million people who are Teamster members and their families.

Teamsters are consumers, wage earners, taxpayers, homeowners, and too, they are voters.

In short they are Mr. and Mrs. America, and they are very much affected by today's badly managed national economy.

As you know, we are not alone in our stand. Douglas Fraser, President of the United Auto Workers who sits down with Ford, G.M., and Chrysler this year, has called the Carter inflation standards self-destructing and has told the Administration to stay the hell out of his negotiations.

Peter Bommarito of the United Rubber Workers has been much more blunt.

So, I think that we can say that the year 1979 was the year in which the White House tried to abrogate the free collective bargaining process, and it will also be known as the year that unions stood their ground against such an intrusion.

I think this is important both to you, many of whom are deeply involved in the management end, and to me, deeply involved in the labor end. I maintain that collective bargaining is an equal partner in the free enterprise system.

You and I have an obligation to make the free enterprise system work—and for one simple reason—the alternatives are frightening and unacceptable. To do this, we have to be leery of politicians holding out easy solutions. There are no easy solutions.

Seriously, we must get a grip on our economic problems, and 1980 will be an opportunity to do so. We must have candidates who will address our badly managed economy, huge federal deficits, a workable energy policy, candidates with workable solutions to the imbalance of trade and the consequent loss of American jobs.

We need candidates ready to bite the bullet of hard facts, and I for one will be looking for a man or woman ready to do so regardless of the political consequences.

Perhaps if we achieve that, you who are financial analysts will have a more pleasant task and can be innovative for the good of America instead of just holding our ground.

Thank you.