

**Testimony of Lindsay McLaughlin, Legislative Director**

**International Longshore and Warehouse Union**



**Before the  
Senate Committee on Agriculture  
Oversight Hearing on Sugar Policy  
July 26, 2000**

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Good morning, Chairman Lugar, Senator Harkin and members of the Senate Agriculture Committee. For the past nine years, it has been my honor to be a part of the International Longshore and Warehouse Union (the ILWU) – a union with a proud history of promoting social and economic justice for all workers. The ILWU is the largest private sector labor union in the state of Hawaii representing longshore workers, hotel workers, general trades, and agriculture workers. All of these workers are consolidated into one local union, ILWU Local 142.

Mr. Chairman, ILWU members at the three remaining sugar operations asked me to present the attached petition supporting a viable United States sugar policy to members of this Committee. These are hardworking, decent citizens who live in constant fear that their livelihoods will be stripped from them. They have seen other sugar operations close down in Hawaii due to depressed sugar prices. In their own words, “Communities where sugar once thrived are now desolate places of despair.” I ask that you consider this petition in the months and years ahead as you debate the future of United States sugar policy.

The story of the Hawaii sugar workers is one of 100 years of struggle for economic justice, racial unity, and the survival of their jobs and way of life. In the first half of the 20<sup>th</sup> century, workers from Japan, China, the Philippines, and Portugal were recruited by the sugar plantation owners in droves. The work on the plantations was hard, the days were long, the conditions were bad, and the wages were miserable. As one group got established and began to demand their rights to a better life, the next ethnic group was

brought to Hawaii. The workers organized along racial lines and these divisions weakened the workers in their confrontations with employers.

During the organizing drives of the 1930's and 1940's, the ILWU preached its philosophy that racial unity was necessary for workers to succeed in winning a decent quality of life on the islands. Unity among the workers paid off in 1946. The sugar companies recruited 6000 Filipinos as strikebreakers that year in anticipation of a strike. The union responded by sending its own Filipino workers on board the ships that were bringing the strikebreakers to Hawaii. The union signed up every one of the Filipino passengers as ILWU members before they got to Hawaii. Former ILWU International Representative George Martin recalled, "They got there a couple of weeks before the strike. We opened up soup kitchens and fed them. Not one of them scabbed on us, and we won that first statewide strike. Strikes before that in Hawaii were not successful because they were racial strikes."

During the 1950's, the sugar workers made great gains in their struggle for economic justice. The ILWU established an industry-wide medical program, sick leave, and paid vacations and holidays – all unique in the agriculture industry. The ILWU also won the first pension plan ever negotiated for agricultural workers in the United States and established the 40 hour week for the first time ever in agriculture.

The story of the sugar workers in Hawaii in the last few decades has been one of attempting to survive. The union and the workers have cooperated with the employers to

combat chronic low prices for raw sugar with productivity gains. Periodically throughout the last 20 years, the union members have agreed to accept little or no wage increases and flexibility of work rules – all in the name of keeping the Hawaiian sugar industry from bankruptcy.

Despite these joint labor/management efforts to keep the Hawaiian industry alive, we have seen the shutdown of 7 sugar companies in the last 9 years and the loss of 3,000 sugar jobs. The President of ILWU Local 142 from the Big Island of Hawaii lamented the death of sugar on his island before the House Agriculture Committee on April 21, 1995. He said, “Last year, in my home on the Big Island of Hawaii, Hamakua Sugar Company and Hilo Coast Processing Company shut down because of low, declining sugar prices. The shutdown has caused devastation in my community the likes of which I have never seen in my lifetime. Even the devastation caused by Hurricane Iniki could not rival what I have witnessed. Close to 1,200 workers lost their jobs. These jobs are not easily replaced and most of the displaced workers have not found other employment, and their unemployment benefits either have been or are soon to be exhausted. They are finding themselves in desperate situations, resulting in more stress in the home, increased substance abuse and crime, more incidents of domestic violence.”

Recently, 100 workers out of 450 at AMFAC sugar plantation of the island of Kauai were furloughed while the company assesses the future of its sugar operations in Hawaii.

These employees are drawing unemployment insurance while they wait for a phone call that may never come to go back to work. The state of Hawaii’s Department of

Agriculture estimated that the cost of losing the sugar industry on the island of Kauai would be enormous ranging from \$4.7 million to \$8.8 million for the first year alone. The direct and indirect impact of losing the sugar industry on Kauai would cause the unemployment rate on the island to skyrocket from 6.7% to 9%, then higher as indirect job losses occur. Local 142 Vice-President Bobby Girald said, "All I see in the local newspaper in the employment section is part-time, part-time, part-time. That's not good enough to take care of a family."

Hawaii has fewer economic options than many other states – it has major geographic disadvantages and limited natural resources. Though intensive efforts have been made to diversify the state's agriculture, there are still no crops that could provide as much income or as many jobs as sugar.

In 1993, the ILWU sent a delegation of rank and file union members to the island of Negros in the Philippines to see first hand the working conditions on the plantations. The delegation reported that the conditions were very bad. All of the cane was cut by hand and hauled by oxcart. The workers work long hours for little pay and begin work at a very young age. Things had not changed much since the previous ILWU delegation to Negros in 1962. I do not have any information to suggest that working conditions have changed dramatically since 1993.

Our union believes that gutting the sugar program in the United States could worsen labor conditions in the Philippines and other developing countries. We would expect a bidding

war to precipitate among developing countries to keep pace with the heavily subsidized European sugar for a piece of the American market. Labor conditions always suffer in that kind of cutthroat economic atmosphere.

Some advocates for consumers have suggested that the sugar program hurts consumers. They are absolutely wrong. Sugar prices are at a 20-year low, yet the price for confectionery items, cereal, and baked goods have gone up! When the old Sugar Act expired in 1974, domestic prices for sugar declined in some years but skyrocketed in others to over 40 cents a pound in 1980. A sugar program helps cushion American consumers from these skyrocketing prices. American consumers today spend less money on sugar than do consumers in most industrialized countries.

Earlier this year, the Administration took a necessary action to purchase sugar from the domestic market to stabilize the price of sugar. We supported this action and were hoping that USDA would make a more substantial purchase. Administration action was necessary to avoid forfeitures. In our case, we were convinced that if the Administration did nothing, all of the sugar operations on Kauai would close down.

Mr. Chairman, the ILWU is not the only union that has supported a viable United States sugar program. In the past, I have worked with the Machinists Union, the Grain Millers, the Distillery workers, and the Food and Allied Service Trades Department, AFL-CIO. They recognize that there are hundreds of thousands of good paying jobs that would be destroyed if the Federal Government terminated a viable sugar program.

Powerful interest groups would like to write the last chapter to the story of the United States sugar worker. However, our workers are not yet ready to accept the complete demise of the sugar industry in Hawaii. Congress should strengthen – not weaken or eliminate – this program when Congress reauthorizes general farm programs. Our sugar workers have struggled so much to win a decent standard of living for their families. We ask for your help in providing a brighter, stable future for the 2,000 sugar workers in the state of Hawaii and those sugar workers all over this country.

Attachment