

WHY WE ARE ALLIES: The American Consumer
Movement and Operation PUSH

Rev. George E. Riddick

This nation's consumer movement is an acknowledgment that Free Enterprise is not free if it is not also at once accountable.

For we know now that it is not so much a matter that the, customer is always right,...that view may represent the folklore of American free enterprise, - the truth is by and large that the customer MUST ALWAYS FIGHT. Operation PUSH subscribes to this premise therefore we are glad to join you today.

As an organization, Operation PUSH will be two years old, Christmas of 1973. We describe ourselves as a Civil Economics organization that has as its primary focus working to bring economic viability to the black community - and to other nonwhite and poor groups in this nation.

History has been no small determinant in this situation. In 1954 the case of Brown v. the Board of Education brought to its zenith the battle against racial segregation as a legitimate form of organizing American body politic.

In the late 1950s the question of segregated patterns of service in inter-state transportation was joined as an issue once the Montgomery bus boycott protest had gotten underway. This brought to prominence the youthful and brilliant leader Dr. Martin Luther King. In 1964, demonstrations in Birmingham, Alabama led to the 1964 Civil Rights Act centering major provisions on Public Accommodations.

In 1965 these were followed by voter rights demonstrations in Selma, Alabama and accordingly, a Voter Rights Act was passed in the late spring of that year. A Federal open housing Act followed within weeks of the Voter Rights Bill.

Protective legislation was present and available to blacks. What we lacked was the economic resources to attack the problems plaguing us.

For example, Blacks who represent upward to 15% of the population (17-18% if one counts Blacks and other non whites) received approximately 6.7% of the nation's personal income. While the number of persons participating in middle class increased and their incomes increased (i.e. the number of persons with incomes of over \$10,000 increased from 22% in 1967 to 30% in 1971) - it was still well below the 54% that white could claim. Indeed black median family income was just 60% of white median family income by 1971.

Blacks claim 1/2 of 1% of the nations wealth. They claim 2% of its equity in Securities and the businesses owned by blacks claimed approximately 7/10ths of 1% of the sales receipts. A study by Black Business Digest disclosed that as late as 1972 the ratio of white to black business dollars was \$33 - \$35 to \$1.

As incredibly disproportionate grouping of blacks and nonwhites is imprisoned in poverty. Some 7.7 million - or nearly 32% languish as those in the "below the low income".

Yet there is nothing inherent in blackness which compels the bleakness of these statistics.

There is a 54 billion dollar market in the Black community; Since the days when it was merely a \$30 billion dollar market it has been substantial enough to earn the attention of the National Industrial Conference Board (now the Conference Board) For blacks are consumers. According to the study produced by The Conference Board black people consume:

39% of all rice; 22% of all condensed and evaporated milk;
22% of all wool blankets; 21% of all packaged meats;
20% of all electric fans; 15% of all jewelry and watches;
18.5% of all flour; 16% of all sugar colas; 15% of all corn and corn products; 17.5% of all sterling silver.

As an aggregate then, Black people represent in sales - more than the "margin of profit" of the critical consumer oriented industries in this nation. Thus the issue shifts at least somewhat from the amount of the resources possessed by blacks to how these resources can be deployed most strategically.

This is the need that has come to represent the basis of our organizing a body like PUSH (People United to Save Humanity). Our struggle, however, is not one to be waged in isolation of other protests against the frequently uncivilized character of our economy.

To date five agreements have been consummated with the following companies: Jos. Schlitz Brewing Company, General Foods Corp.; Avon Products Company; Miller Brewing Company and Quaker Oats Company. With most of those companies relationships have remained at a fairly high level.

We have been able to confirm in our reports areas of meaningful progress and there has been noticeable difference in the quality and quantity of transactions done with blacks and nonwhite communities.

At the same time there is the growing character of the corporate structure, what Galbraith once called the technostucture, itself that is at the very core of our problem. These problems we need to attack in common with the consumer interests of the nation. For the forces that foment them constitute a second government; one that brooks little interference and which makes no secret of its basic contempt of any accountability to the people of the nation.

The 500 largest industrial corporations (the Fortune 500) were reported to have accounted for 65% of the sales, and 75% of the profits and employment of the total in 1972-73. This same grouping has reduced its employment forces since 1968 by 500,000 workers; at least 136,960 in the year 1972 alone. This was while enjoying a 11% sales increase (the largest "year to year" increase since 1968

according to the explanation pages of the Fortune Directory.

The top fifty corporations among the Fortune 500 accounted for more than 47% of the total sales of the group. Their sales gain was 10.5% during the 72 year. Moreover, there are now 140 companies (yes, count them) with sales of over a billion dollars. Nearly all of the top 25 are economically larger than most nations of the world. Despite dire predictions of the years of profitless prosperity, and the contradictions in high sales and low profits in insurance companies - some 200 billion or more. 1970, 34 losers tallied in.

Bigness, to be sure, is a fact of life. But is this corporate leviathan really necessary - and how do we confront it as it grows increasingly oblivious to and remote from the people of the nation. Again the behavior of Lockheed and Penn Central suggests that some of these megagiants can function without any significant consumer sales input.

Now I am not suggesting that the bolstering of black businesses or the drive to make the black community's economy apriori signals a change in these circumstances. It does seem possible that such can be one of the contributing forces toward the development of an interdependent network of consumer forces, which can constitute an organized force to counter the monopoly super power of America's largest industries. Congress is finally stirring itself into action; action which might have been speedier and much more effective if our Representatives and Senators in Washington listened to the warnings of Wright Patman, Phillip Hart and William Proxmire. Had there been less effort to bury House and Senate Judiciary Subcommittee Reports which in substance told the story before the newspapers broke it there may have been less shock and more substantive action on these problems.

What the Women United for Action knew was that in 1972 the nation's consumers spent over \$120 billion dollars for food. U.S. Justice Department Representatives and U.S.D.A. people have variously estimated the cost of price fixing and other monopoly arrangements that skyrocket the food bill at between \$25 billion and \$90 billion (according to Hearings before the Subcommittee on Monopolies and Commercial Law of the Committee On the Judiciary: House of Representatives.).

Our common alliance is crucial to our common survival as interests in this society. Being good people with silent voices means becoming good suckers for others to exploit. Lest we consider as ancient and passe the era of the Great Malefactors of wealth...lest we are to delude ourselves with the rhetoric of the free market, whether articulated by Friedman or Schultz. I'm certain that its apparent to you that the issues are beyond the muckraking exposes of Ida Tarbell and Lincoln Steffans. We are now addressing ourselves to the very character of the nation's economy...and, in the light of Watergate, the authority structure of its government.

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But there are other reasons for the development of an active joint venture between ourselves. It is quite simply that we need the expertise of ACCI and its affiliates. Your research is vitally needed along with your lobbying expertise. Our strategies at certain critical points needs to be meshed and combined; direct action campaigns on local and national levels should be engineered.

We are each others most logical allies. Cleaning the streets and allies of America's economy means that we must be each other's most inseperable protagonists on the issue of consumer rights.

A civil economy is present when proportional claims of all to equity are reflected in the systems of production, distribution and where the governments are committed to defend and protect the rights of the consumer as the paramount constituent entitled to its services.

Our assett base must be the people whom we serve; organizing them to speak out against injustices in whatever form they take. Our profit and loss statements are to be measured in terms of the type of future we leave to those who receive our legacy. It is only in this way that we too can claim King's dream as our own.