

Nixon Opposes Aged Health Care Under Social Security

Richard M. Nixon swung his campaign for the Republican gubernatorial nomination through conservative Marin County last week to expound on his philosophy of government.

In the process, the Republican aspirant advanced his opposition to health care for the aged under Social Security as a prime example of "Washington intervention" in problem areas where he would abdicate responsibility to private enterprise, local and county government.

Embracing the American Medical Association's fear psychology, Nixon said:

"I oppose national compulsory health insurance because I realize that when we have it for everyone over 65, soon we have it for us all..."

As Vice President in 1959, it should be noted, Nixon embraced the Kerr-Mills bill which established a new category of aged health care for so-called "medical indigents," based on a "means" test under public assistance, and financed jointly by federal and state governments.

In San Rafael, where Nixon ad-

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THOS. L. PITTS
Executive
Secretary-Treasurer

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Spotlight on State COPE Pre-Primary Convention April 11

Secretary-Treasurer Thos. L. Pitts this week predicted a heavy turnout of delegates for the pre-primary endorsement convention of the California Labor Council on Political Education, slated for Wednesday, April 11, at the Del Webb TowneHouse in San Francisco.

As of this date, Pitts said, the advance processing of delegates' credentials indicates that this will be the largest endorsement convention in the history of state COPE and its predecessor organization.

"AFL-CIO organizations throughout the state," he added, "are responding to the challenge which election year 1962 poses for the full mobilization of labor's political resources."

Earlier, in an official convention call, the state COPE executive officer had warned:

"There can be no temporizing with apathy or indifference that

would deliver the workingman to the purveyors of deceit.

"The measure of effectiveness in political action which organized labor achieves this election year may well determine the fate of liberalism in California for the decade of the '60s."

As in 1958, when the labor movement rose to the threat of the compulsory "open shop," the convention proclamation declared, "the vitality of our movement is beckoned once again to battle against the forces of reaction which would subvert responsible, progressive government to personal ambition."

In addition to the gubernatorial race, convention endorsements for the June 5 primary will extend to the U.S. Senatorial race, the state constitutional offices of Lieutenant Governor, Attorney General, Controller, Treasurer, Secretary of State, Superintendent of Public Instruction, and State Board of Equalization; 38 seats in the House of Representatives in Congress; 80 State Assembly districts; and 20 of the 40 seats in the State Senate.

The 36-member Executive Council of California Labor COPE is scheduled to meet at the Del Webb TowneHouse on April 10 in a day-long session to make recommendations to the convention on the following day.

In the case of statewide offices, the Council will interview candidates seeking labor's endorsement prior to making its recommendations to the convention floor. A committee appointed by the Secretary-Treasurer and President of state COPE will sit with the Execu-

Federal Retraining Bill Signed Into Law

State Solons Expected to Get California Manpower Commission Proposal This Week

The federal Manpower Development and Training Act, signed into law recently by President Kennedy, will enter its planning phase with the expenditure of federal funds for this purpose commencing May 1, 1962.

On this date, if the California legislature acts quickly on Governor Brown's special session call to establish a California Manpower Utilization Commission, the state will be in a position to effectively put federal planning funds to work.

The Brown Manpower Commission proposal, strongly supported by organized labor and responsible employers, is expected to be introduced this week in Sacramento where the state legislature is meeting in special session concurrently with its regular budget session.

One of the main functions of the proposed manpower commission would be to conduct coordinated surveys in the various labor markets of the state to project basic skill requirements of industry in a meaningful manner sufficiently in advance of need, so that the devel-

opment of sound job training, retraining and skill development programs by labor, management and responsible government agencies may be undertaken.

It is recognized that the key to successful administration of the new federal act will be development of this kind of usable information.

Contingent upon legislative approval, there is just enough time to enact Governor Brown's manpower proposal and establish the commission so that it will be in a position to function by the time federal funds for the planning phase of the

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Federal Retraining Bill Signed Into Law

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new federal law becomes available on May 1.

Federal Law Provisions

The federal Manpower Development and Training Act, itself, is a compromise bill agreed upon in Senate-House conference committee several weeks ago. The act provides for the expenditure of \$435 million of federal funds over a period of three years to retrain those whose occupations are outmoded by technological developments and to generally upgrade the unskilled.

The enacted version provides less funds than the original Senate bill, which called for a \$655 million program over a period of four years. Roughly two-thirds will be spent on subsistence allowances.

It is estimated that the act will provide training for 1,015,000 persons during its three years of operation at a rate of 160,000 the first year, 285,000 the second, and 570,000 in the third year.

The new law has the following provisions:

1. To be eligible, the person must have had three years of employment experience. Trainees must be the head of a household and priority will go to the unemployed. Participants will be selected through testing by the United States Employment Service. A key requirement is that the person cannot be expected to enjoy "appropriate full-time employment without training." Neither membership nor non-membership in a union will be a requirement for eligibility.

2. The nature of the training will vary quite widely, being dependent upon the means and resources of the locality. No course of less than two weeks' duration will be approved unless such a course provides immediate employment opportunities in the locality. The maximum duration of subsistence benefits must be "consistent" with the occupation for which the person is being trained, but not to exceed 52 weeks. A modest transportation allowance will be given to those undergoing training away from home due to the unavailability of facilities in their local areas. In general, training will be done primarily through existing state

agencies, but in the event that they are not adequate, private training institutions will be utilized. Trainees who are chronically absent or who are not doing well in the course will be removed from the program and will be barred from re-entry for a year. "On the job training" is provided for. In such cases, the subsistence allowance will be reduced by the amount of pay received from the job on which the person is training.

3. The cost of financing the program will be borne by the federal government during the first two years of its operation. But during the third year of its operation the states must provide an equal amount of money. Any state failing to match the federal funds will lose its grant and the money will be reallocated among the other states.

4. The subsistence allowance will be roughly equal to the unemployment insurance benefits which the respective states allow.

In the implementation of the new law, it is anticipated that numerous problems will develop concerning the operation of the federal program in relation to those currently operating under state law, such as the payment of retraining benefits under unemployment insurance. Governor Brown's proposed manpower utilization commission could serve as the proper agency to accomplish the necessary coordination in California.

'California Tax Fact and Fiction'

Certain reactionary groups have been alleging that the taxes which support California's outstanding programs in education and social services are creating a "bad climate" for business and are driving enterprise out of the state.

It is clear to most Californians that this is merely another attempt by selfish, short-sighted groups to shift their taxes onto other segments of society.

The baldness of this "big lie" technique becomes apparent when we examine the advance that an index of stock market prices of 40 California firms, carefully selected by a highly respected investment firm to reflect the overall economy of California, has made during the

Spotlight On State COPE

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tive Council during the interviewing process, and will make its separate recommendations for consideration of the executive body.

In the case of district endorsements for Congress, the state Assembly and Senate, the interviewing of candidates is being conducted by local COPE organizations of central labor bodies, which, in turn, will submit their recommendations to the Executive Council of state COPE. The Executive Council may reject a local recommendation only by a two-thirds vote when making its recommendation to the convention.

It is anticipated that the state COPE Executive Council session on April 10 will run into a night session in order to complete its interviews and recommendations.

In San Francisco, Pitts said, all candidates filing for statewide office will be invited to appear before the Executive Council and the interviewing committee formed to assist it.

Local political action bodies will be completing their interview of candidates for district office during the period between the closing filing dates at the end of March and prior to the Executive Council session on April 10.

No endorsements in either statewide or district offices are official without action of the convention delegates by a 60 per cent majority.

past year.

The 40 California stocks made an advance in price which was more than double the advance of the nationwide Dow-Jones industrial stock average over the year 1961. The California index rose from 101.90 to 142.03 — a gain of 39.5 percent. The Dow-Jones average for the same period rose from 615.89 to 729.40 — a gain of 18.4 percent.

In 1960, the California average gained 1.9 percent, whereas the Dow-Jones average lost 9.3 percent.

It is hard to reconcile the fact that California firms are among the best investments with the fiction that California taxes are ruining business.

Nixon Opposes Health Care

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dressed a luncheon gathering of the California Federation of Republican Women, the GOP contender for Governor chose not to explain why a health care program financed under Social Security would be any more compulsory than the Kerr-Mills public assistance approach financed through general taxes at the federal-state and local level.

Instead, Nixon was content to use the AMA's "compulsory" characterization of the Anderson-King bill before Congress to enhance his argument that free enterprise and state and local government could do the job.

Recently, the U. S. Department of Health, Education and Welfare issued a report on the operation of the Kerr-Mills bill, which severely challenges Nixon's contention. The HEW report indicates that, as of December, 1961, only 72,159 persons were receiving benefits under the Kerr-Mills "medical indigent" program.

Inasmuch as 53 per cent of all persons aged 65 and over, not in institutions, have incomes of less than \$1,000 (the median income being \$2,530 for two-person families with an aged head), it is evident that only a small percentage of those finding it possible to pay their medical bills are benefiting from the Nixon-supported approach.

The HEW report also notes that benefits are highly uneven in their distribution among the 18 states which had programs in operation as of the study period. Eligibility varies so much from state to state that only eight persons were reported as beneficiaries in Louisiana, 25 in New Hampshire, and 27 in Utah.

Wide variations in benefits were also found among other states. In New York, the average payment per beneficiary was \$285.71, as against \$15.60 in Kentucky. Ironically, states like Arkansas and Oklahoma, the home states of the two authors of the present law, were among the lowest in expenditures for Kerr-Mills programs.

Even in a wealthy state like California, Governor Edmund G. Brown has told Congress, an adequate public assistance program can be financed under Kerr-Mills only if the Congress enacts the Anderson-King bill. Brown, unlike Nixon, is a strong supporter of the Social Security

Labor Supports Trade Bill With Proper Safeguards

AFL-CIO President George Meany, testifying before the House Ways and Means Committee on March 19, pledged the support of labor for the President's tariff-cutting bill.

Meany insisted, however, that it is time to "cast aside the innocent illusion that foreign trade, properly arranged, helps everybody and hurts nobody."

In pointing out the utter necessity of aid for those sectors of business and labor which would be adversely affected by a grant of tariff-cutting power to the Administration, Meany said, "We would not support trade liberalization without additional safeguards."

The AFL-CIO President outlined the safeguards which he considers to be absolutely necessary. In general, they go beyond the program

rity approach to health care for the aged with dignity.

Last year, when Brown flew to Washington to testify in support of the Anderson-King bill, he reviewed California legislation enacted in 1961 to implement the Kerr-Mills bill.

The Governor said:

"We would have liked to have established a broader and more comprehensive program, one that would have covered short-term hospital care, related surgical expenses, and offered help with paying regular office physician's care and drugs. But, with our state's exploding population, and in recognition of the other heavy demands on both state and local governments for services in areas such as education, highways, water, for example, our fiscal ability simply does not permit it."

The state's Kerr-Mills program covers hospitalization only after 30 days.

Governor Brown's plea to Congress in support of the Anderson-King bill was to "place the Kerr-Mills bill in its proper perspective, as a supplementary program to help those persons whose health needs cannot be met through a combination of social and private health care."

The Governor drove home the point that a truly adequate public assistance program under Kerr-Mills could be established in California for those remaining outside the Social Security system only if the Anderson-King bill is enacted.

In his campaign for re-election, Governor Brown has charged Nixon with being unfamiliar with California's problems.

offered by the Administration. Meany's proposals were:

1. Workers displaced by imports would undergo retraining at a rate of pay equal to their average wage in the past. This would consist of a combination of part-time earnings and retraining allowances and exceeds the Administration's proposal of a maximum of 75 percent wage replacement.

2. Permission for a displaced worker to retire at age 55 at an allowance rate equal to the social security payment which he would have become entitled to at age 65. This Meany proposal is considerably more realistic than the Administration proposal to give an extra 13 weeks of displacement allowance to persons over 60 whose jobs are eliminated by imports.

3. Loans to business, impacted by import trade, equal to 100 percent of the sum necessary to diversify or realign the business. This is more generous than the Administration proposal of 90 percent loans. In addition, Meany pushed for a lower minimum interest rate to ease the cost of borrowing by business.

Meany declared that we "will gain far more than we lose" by cutting tariffs, but indicated that "imports do bring about the collapse of certain business enterprises." He voiced labor's concern that adequate recognition be given to the need for facilitating the transition with a well developed program.

Further information regarding labor's position on the foreign trade issue is contained in three pamphlets prepared by the AFL-CIO research department. They include:

1. **Analysis of the Kennedy Trade Program** — highlights the major points in the Administration's bill (H.R. 9900). It analyzes the main provisions designed to accomplish the two goals considered inseparable by AFL-CIO — expanding trade and safeguarding Americans against import injury.

2. **Why More Trade?** — prepared primarily for those who do not have any overall background on the issue. Without detailed technical data, it sketches briefly the five major reasons international trade is so important to Americans.

3. **The Common Market and the U. S.** — a reprint from *The Federationist* dealing with the new economic and political challenge developing in Western Europe — the common market. The history, achievements, goals and implications of this new economic force are set forth.

Single copies of these publications are available free from the AFL-CIO in Washington, D. C.

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Kennedy Offers Program To Protect Buyers

President John F. Kennedy, in a special message to Congress, has advanced a far-reaching program to protect the consumer interests of the American public.

In keeping with his campaign promise to become a "lobbyist" on behalf of consumer interests, Kennedy's special message set forth the following recommendations aimed at effectively safeguarding and informing the consumer as well as insuring competitive prices at the market place:

1. Establishment of a White House Consumer Advisory Council. Such a Council would advise the Administration on how to help consumers and would attempt to furnish the public with consumer research material. This is a slight shift from the original plan which consisted of a Consumers' Counsel to advise the President. Under this proposal, post offices would set up displays of publications useful to the consumer.

2. Increase the Food and Drug Administration's authority over the marketing of drugs and cosmetics. Kennedy proposes that the FDA be given the power to pass on the efficacy as well as the safety of new drugs before they are marketed. The current law covers only the safety of drugs, although the FDA does test the efficacy of life-saving drugs. The FDA would be empowered to remove a drug from the market if "substantial doubt" arises over its efficacy and safety. Manufacturers would be required to report "adverse reactions" to the drug directly to the FDA. At the present time, the FDA can do nothing about the efficacy of drugs and can remove drugs as unsafe only in the event that it can prove "beyond reasonable doubt" that a drug is unsafe.

In addition, the FDA would be authorized to make manufacturing regulations covering drugs in order to insure the purity, safety and po-

tency of the drugs. The distribution and sale of sleeping pills and stimulants would come under stricter controls for the purpose of halting illegal distribution. The FDA would be given power to establish generic names for drugs to enable consumers to avail themselves of lower drug prices.

It appears that these Kennedy proposals may be incorporated into the Kefauver bill in the event that measure moves through the bottleneck of the Senate Judiciary Committee. Otherwise, they will probably be introduced in the form of a new bill.

The President also supports the substance of the Dingell bill which would give the Federal Trade Commission authority to require that drug ads directed at doctors disclose not only the ingredients but the efficacy and adverse effects of drugs. In speaking of the portion of his proposal dealing with the safety of cosmetics, the President said, "Thousands of women have suffered burns and other injuries to the eyes, skin, and hair by untested and inadequately tested beauty aids."

3. Give the Federal Communications Commission the authority to require that manufacturers of TV sets equip them to receive all channels. Sets are currently equipped to receive only the 12 standard VHF stations. This proposal would require that all sets shipped in interstate commerce would have to be equipped to receive all 70 UHF channels as well as the 12 standard stations. Congress has been holding hearings on this matter.

4. Enlarge the Department of Agriculture's meat inspection powers. This would broaden the Meat Inspection Act to cover the 20 percent of all meats now slaughtered which escape federal inspection.

5. Enact a "truth-in-lending" bill under which consumers would be given clear statements of the cost

of installment buying. The President would have the FTC police such regulations as requiring the disclosure of the dollar amounts of interest paid on installment purchases. Senator Douglas (D., Ill.) is the sponsor of a "truth-in-lending" bill pending in the Senate.

6. Cooperation with the Hart Committee in surveying the field of deceptive food packaging and to insure "more specific disclosure of quantity and ingredients."

7. Make changes in patent and trademark rights. It is proposed to give the FTC the power to seek cancellation of trademarks that have become the common descriptive name of products. Private companies already have the right to sue for cancellation of trademarks.

8. Confer authority in the federal government to require that companies inform the government in advance of merger plans which would reduce competition. It is also proposed to give to the FTC the power to issue cease and desist orders to halt unfair practices during a trial of charges. Another proposal is to require companies settling disputes over patent rights to make the terms of the agreement available to the public.

9. Reorganize certain aspects of the regulatory agencies. A bill is pending to enable the FTC and the Securities and Exchange Commission to delegate more decision-making authority to their staffs. It is also proposed to give the FTC funds to publish comparative figures on the cost of natural gas in various parts of the country.

It is hoped that Congress will give serious consideration to these long overdue proposals to protect the consuming public.

Kennedy's proposals have broad support in the AFL-CIO and among consumer groups such as the Association of California Consumers. In many of these areas, also, Governor Brown's Consumer Counsel in California, Helen Nelson, has been pressing for similar action both at the federal and state level.