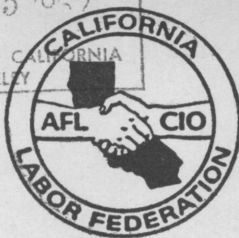


Right Wingers Form New Anti-Labor Front

MAY 15 1962

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THOS. L. PITTS
Executive
Secretary-Treasurer

Weekly News Letter

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Headed by old line right-winger Clarence Manion and a flock of John Birch Society leaders, a new anti-labor organization has set up shop, calling itself the Committee for Equal Anti-Trust Law Protection. Its aim is to bring unions under the anti-trust laws.

The full weight of the Manion Forum network of 245 radio outlets will be thrown into the campaign to sway public opinion for harsher anti-labor laws.

In a letter to businessmen signed by an odd assortment of John Birchers and former officials of the National Association of Manufacturers, Manion's front appealed for fund donations of up to \$500. The campaign was launched nationwide April 15, when Senator John McClelland (D. Ark.) appeared on Manion's radio hookup.

A letter announcing formation of the new anti-labor group said in discussing its campaign plans:

"... Press releases will be circulated across the country; tapes will be available upon request ... brochures will saturate the nation ... (we) will impel thousands to contact their representatives and Senators to urge passage of this legislation."

Among the letter signers were

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Consumer Counsel Clashes With Insurance Industry

Mrs. Helen E. Nelson, Governor Brown's Consumer Council, argued before the State Insurance Commissioner this week that standards should be set to protect the buyers of individual health insurance policies.

She received strong backing from a Federation representative who pressed the Insurance Commissioner for protective action at San Francisco hearings.

The Insurance Commissioner was charged by the 1961 legislature with responsibility for setting standards protecting purchasers of individual hospital, medical and surgical policies. Assembly Bill 571 (Cameron), signed into law by Governor Brown, required that individual disability policies carry a "brief description" of benefits or a schedule of coverage on the face page of the policies so that the policy holder can understand the principal provisions of the policy without wading through pages of legalistic details.

The Cameron Bill also requires that the Insurance Commissioner set standards for the protection of the buyer if

the Commissioner finds that the benefits are unreasonably low compared to the premiums paid.

At the San Francisco hearings this week, the Insurance Commissioner proposed regulations confined to the portion of the Cameron bill requiring a brief description of the policy. He advanced regulations which would have sanctioned a description such as the following: "This policy provides benefits for hospital, medical and surgical expenses in the amounts, for the periods, and to the extent herein limited and provided."

Mrs. Nelson, who felt that the legislature intended a more extensive requirement than this, blasted the proposed regulations as "shamefully inadequate and incomplete."

The Insurance Commissioner's failure

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Los Angeles Singled Out by AFL-CIO for Concentrated Organizing Effort

A new organizing plan, focused exclusively in its initial phases upon organizing three-fourths of Los Angeles' one million unorganized workers, was adopted early this week by the AFL-CIO Executive Council meeting in Washington, D.C.

The pilot organizing project, according to President George Meany, will be set up in the Los Angeles area on the basis of a working paper presented to the Council by its Committee on Organization headed by Vice President Walter R. Reuther.

Meany said the Committee did not ask for Council adoption of the organizing plan, but urged the pilot project keyed to getting a number of unions in various fields to take part in a joint, comprehensive organizing campaign under AFL-CIO

Director of Organization John W. Livingston.

National AFL-CIO will direct the overall campaign with the unions cooperating in the projects supplying funds and manpower. The objective will be 750,000 unorganized workers in manufacturing, wholesale and retail trade, government, food and beverages, hotels and soft goods industries.

Meany noted that the 750,000 Los Angeles workers who are already union members make that region one of the heaviest in the

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Reminder

COPE Primary Endorsement Pamphlets

COPE endorsement pamphlets for the June 5th primary election are in the process of being mailed out to affiliates for distribution to the membership.

Local organizations are urged to get their orders in to the State COPE office immediately if they have not already done so, using the form printed on page 3 for the convenience of affiliates.

Separate area pamphlets for San Diego and Orange counties have been added to original list of pamphlets available.

All pamphlets are free of charge. Mail completed order form to California Labor COPE, 995 Market Street, Room 810, San Francisco 3, California.

AFL-CIO Renews Plea to Bolster Economy

The AFL-CIO Executive Council, meeting in Washington, D. C., on April 27th, renewed labor's demands for action to bolster the nation's sagging economy.

In a statement on the "Present State of the National Economy", the Council declared:

"It is now clear that the upturn from the recession of 1960-1961 has been less than expected last January. Actual developments have unfortunately borne out the AFL-CIO warnings during the past six months of weakness in the pick-up."

The Council backed up its plea for action with these facts:

"Total national production has risen at a pace that is nearly comparable with past upturns from recessions, but improvements in employment-unemployment have lagged far behind. More than a year after the recession low-point, unemployment is as high as it was during the recession-year 1954. There are currently considerable amounts of idle plants and machines.

"Total employment increased only 1.8 percent in the 13 months between the February 1961 low-point and March 1962. At the same points in time after the recessions of 1958, 1954 and 1949, total employment rose 3.5 per cent, 5.1 per cent and 4.3 per cent, respectively.

"The decline in unemployment has been the smallest of any of the post-war pick-ups from recessions. In the 13 months from February 1961 to March 1962, unemployment declined 21.2 per cent, despite the failure of the labor force to grow. In contrast, unemployment declined 30.4 per cent, 28.9 per cent and 46.2 per cent in similar periods of pick-up from the 1958, 1954 and 1949 recessions.

"In March, 13 months after the recession low-point, 5.5 per cent of the civilian labor force was still unemployed. Had the labor force grown at a reasonably normal pace, the unemployment rate would be over 6 per cent. The unemployment rates were down to 5.1 per cent, 4.1 per cent and 4.1 per cent at similar points in the pick-ups from the 1958, 1954 and 1949 recessions.

"The increase in production, accompanied by very slow improvements in employment and unemployment, is due to an unprecedented rise in productivity. The May issue of *Fortune* states that in the past 12 months private non-farm productivity shot up 7.5 per cent—faster than in the first year of any other postwar recovery."

"With productivity at high and rising levels, a reduction in unemployment takes considerably more affirmative and aggressive actions than at other points in time.

"While the economy rebounded in March from the winter lull, there is no evidence of a continuing and rapid rise of sales, production and employment

through the remainder of the year. The signs point, instead, to a slow-down in the pace of the unsatisfactory upturn.

"Housing starts are no greater than they were last fall, despite the March pick-up. New orders for hard goods, placed with manufacturers, have slipped. Steel orders are declining and production schedules are dropping from the recent rate of only about 80 per cent of productive capacity."

The Executive Council commended President Kennedy for having recognized the unsatisfactory nature of the upturn by urging Congress to adopt a \$600 million public works program to create jobs, but warned that there is need for even more immediate action to increase economic activities before the upturn slackens any further.

The Council advanced the following recommendations:

- In addition to the \$600 million public works program which should be authorized for immediate expenditure, Congress should adopt a standby program to step-up public works expenditures by an additional \$2 billion if unemployment remains over 5 per cent of the labor force during the next six months. A rise in public works expenditures would stimulate business investment in new plant and equipment, and consumer expenditures. This in turn would increase employment opportunities.

- A temporary reduction of individual income taxes — through a reduction of the withholding tax on wages and salaries—should be adopted as a further necessary boost to the economy.

- Reasonable increases in wages and salaries should be encouraged to provide the basis for growing markets, which are the decisive incentive for increasing business investment in new plants and machines.

- In order to maintain low interest rates on long-term loans to encourage home building, business investment and state and local government programs, the Federal Reserve Board should pursue policies to insure continued ease in the Money Market.

- Ceilings on interest rates paid by banks and savings and loan associations to their depositors must be imposed at lower levels. Until this is done, the high cost of securing savings will result in forcing the lending institutions to seek out loans that will earn enough to enable them to pay high interest rates on savings deposits. This is a vicious circle that can only result in chaos in the money market.

NEW AFL-CIO FILMS

Two new films dealing with international affairs have been added to the national AFL-CIO's film library. (An up-to-date catalog is available through the Department of Education in Washington, D.C.)

"**Mr. Europe and the Common Market**" provides background information for discussion on foreign trade. Produced by CBS-TV, this 50-minute film explains the changing patterns of trade which have developed since six European nations banded together to lower tariffs among themselves while keeping a common tariff toward all other countries—a United States of Europe. It provides an excellent base for the discussion of the need for new trade policies which will meet the challenge of the Common Market and protect the workers in our nation's import-export industry. AFL-CIO Publications "Why More Trade," "The Common Market" and "An Analysis of the Kennedy Trade Program" can be ordered with this film.

"**The Peace Corps in Tanganyika**" is a 55-minute color film produced by NBC-TV. This is a good film to build understanding of the Peace Corps and aid to underdeveloped nations.

The charge for the use of the film on the European Common Market is \$7.50; and \$3.00 for the Peace Corps film. Bookings should be made through George Guernsey, Assistant Director AFL-CIO Department of Education, 815-16th St. N.W., Washington 6, D.C.

Consumer Counsel

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to even advance any regulation to protect consumers from rate gouging was questioned by the Federation's representative. In response, the Commissioner promised that he would hold a subsequent hearing on the question of regulations relating to the level of benefits and their reasonableness compared to the premium paid.

Findings by Assemblyman Cameron, contained in a report by him to the Assembly Interim Committee on Finance and Insurance, show that a number of health insurance policies were paying considerably less than 35 cents in benefits per dollar of premium collected.

Nevertheless, prior to the San Francisco hearings the Insurance Commissioner's office had indicated no interest in the portion of the Cameron bill concerned with excessive rates.

It is hoped that the forthcoming recommendations of the Insurance Commissioner on the matter of a reasonable amount of benefits will give due consideration to the intent of the legislature and the interests of the consumer.

Brown Hails Supreme Court Ruling Against Big Gas Merger

Governor Edmund G. Brown this week hailed the U.S. Supreme Court's decision postponing a natural gas industry merger as a potential saving of millions of dollars for California gas users.

On May 1 the court set aside a Federal Power Commission authorization for the El Paso Natural Gas Company to acquire and operate properties of the Pacific Northwest Pipeline Corporation.

In a 5-2 decision, the court upheld the position of Governor Brown and the California Public Utilities Commission that the FPC should not have permitted the merger pending an anti-trust suit being prosecuted in Salt Lake City against the El Paso company.

"I am overjoyed at the great victory of California in the Supreme Court," said Brown. "This could mean millions of dollars in savings in the gas rates of our state because we have at least postponed the merger of two companies which could monopolize the gas market in California."

"The result of such a merger would be higher gas rates everywhere in California."

Governor Brown declared "this was a case that only Mr. Bennett and I believed in."

William Bennett, chief counsel of the State Public Utilities Commission, with the encouragement of Governor Brown, carried on an almost singlehanded fight through a long series of court cases, and was finally successful in receiving the favorable decision from the U.S. Supreme Court.

Both Bennett and Governor Brown were especially disturbed by the fact that the State of California has no way of regulating the prices charged for natural gas by El Paso, although that company furnishes about three-fourths of the natural gas purchased in California through distribution by the Pacific Gas and Electric Company.

In pursuing the case against the big gas merger, it was contended that if the merger is dissolved, the state can then ask for reduced gas

rates and also claim a refund on the increased rates paid during the last several years. Bennett points out that rate increases totaling more than \$47 million have been imposed upon the consumers of California because El Paso has taken on a "losing partner" in merging with Pacific Northwest.

Brown Forms State Inter-Agency Committee on Skill Development

Governor Edmund G. Brown has announced the formation of an inter-agency committee to help employers and employees develop and carry out on-the-job training and re-training programs.

The inter-agency agreement among the Department of Industrial Relations, the Department of Employment and the Department of Education was signed recently by the respective department directors, John F. Henning, Irving Perluss and Dr. Roy E. Simpson.

(The Governor's action, however, is not to be confused with the state AFL-CIO's request that a state manpower development commission be established by executive order to effectively implement the federal manpower development and training act in California. See Newsletter dated April 27, 1962.)

Made under the provisions of 1961 re-training legislation (AB 2171), the inter-agency agreement calls for coordination and cooperation among the departments in providing employers and employees with effective services to set up re-training programs.

"The object of this agreement," the Governor said, "is to expand in scope and quality the services available in California to workers whose jobs are threatened by automation and to young workers entering the labor force."

"I am confident that these three departments working through their various programs, including the adult education program, will render a great service to the industry and workers of California in this cooperative venture," he said.

The State Inter-Agency Committee for Skill Development established by the agreement will be composed of one or more representatives from each of the signing departments and from the U. S. Department of Labor Bureau of Apprenticeship and Training.

CALIFORNIA LABOR COPE PRIMARY ENDORSEMENT PAMPHLET

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"Americans at Work" Films Presented by Education Department

The California Labor Federation, AFL-CIO, this Wednesday presented the State Department of Education 15 films in the "Americans at Work" series produced by the AFL-CIO. Secretary-Treasurer Thos. L. Pitts made the presentation to Ernest Kramer, chief of the Bureau of Industrial Education.

Pitts said the films were not made to "sell a union point of view" but rather to acquaint students and the general public with the jobs and workers that are often taken for granted.

"Aside from technical training," Pitts added, "any student considering taking up an occupation needs to know the circumstances under which his job will be performed. These films fill that need by taking its viewers into factories, stores and other locations and letting them see workers on the job."

A year ago the California Labor Federation gave a number of films in the series to the Department of Education.

Kramer accepted the films with the following statement:

"The making available of the AFL-CIO 'Americans at Work' film series is another instance of the fine tradition of interest in and support of public education that has been characteristic of the labor movement. California public schools will look forward to extensive use of these films in the inter-

est of making more of our youth aware of the opportunities for satisfying and productive employment in the many occupations represented in this film series."

In making this second presentation of films, Pitts pointed out that the entire series has been shown as a public service on more than 235 television stations across the nation, overseas through the Armed Services Network and has been translated into more than a score of languages by the United States Information Service as part of our country's promotion program for the American way of life.

In California the "Americans at Work" series is being carried on the following television stations:

Bakersfield	KBAK
Chico	KHSL
Eureka	KIEM
Redding	KVIP
Salinas	KSBW
San Francisco	KQED
San Jose	KNTV

Los Angeles Singled Out by AFL-CIO

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nation in terms of union population. Of the one million still unorganized, some 260,000 in that area are federal, state, and county government employees.

The pilot project is to be based on voluntary cooperation and participation of the unions involved in the various pinpointed industries. Under Livingston's direction, the first step will be to secure an agreement at the national level for the Los Angeles organizing drive.

If successful, the Los Angeles pilot project is expected to become the model for similar efforts throughout the country.

Factory Worker Hit Most, Survey of Jobless Shows

A preliminary report on the "Family Characteristics of the Long-Term Unemployed" — based on a survey made in May 1961 — has been issued by the Labor Department's Bureau of Employment Security.

According to the findings, nearly two-thirds of those studied are the sole support of their families, last worked in manufacturing and had been employed at either semi-skilled or unskilled jobs.

The BES survey was undertaken by the states in May 1961 and is based on claimants filing for benefits under the Temporary Unemployment Extended Compensation program. Applicants for TUEC benefits must exhaust state unemployment compensation before becoming eligible for an additional 13 weeks of federal compensation at the state level of payments.

Of the claimants studied by the BES, two-thirds had used up all of their state benefits prior to April 1961, when the TUEC program went into effect. Some of the claimants had exhausted state benefits as far back as July 1960.

The survey revealed that while two-thirds of the TUEC claimants were between 25 and 54 years of age, only one out of six were under 25 years old — compared to one out of three workers in the same age group still drawing state unemployment benefits.

The typical long-term jobless worker, as shown by the study, was 43 years of age, the primary or sole wage earner in his household, had exhausted state benefits before TUEC went into effect, was a former semi-skilled or unskilled manufacturing employee, and while a member of the labor force in the prior three years, had been jobless for at least six months.

Another important group of TUEC claimants represented the 14 percent — almost all men — who lived alone and whose median age was 51. Only 10 percent of the claimants were unmarried, secondary wage earners and most of these — 40 percent were under 25 years of age — were children living at home.

Analysis of the BES study indicates that the long-term jobless worker faces an almost impossible task. He is too old — by common business standards — for training, unskilled, and unneeded. As the primary support of his family, he is unable to earn economic security.

Right Wingers Form

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Fred Koch and A. G. Heinsohn Jr., national council members of the Birch Society, and Ernest G. Swigert, former NAM president.

Listed among endorsers are Robert Welch, Birch Society leader; J. Bracken Lee, former governor of Utah and arch-conservative; Charles Sligh and William Grede, former NAM presidents, and a battalion of other names with roots deep in the right wing movement.