

Convention Call

The 1962 official convention call of the California Labor Federation, AFL-CIO, was sent out to all affiliated organizations this Thursday by Thos. L. Pitts, secretary-treasurer of the state AFL-CIO.

The convention will meet in the Municipal Auditorium in Long Beach, starting at 10 a.m. Monday, August 20, 1962, and continue through the week until the business of the convention has been completed.

An estimated 2,000 delegates representing state AFL-CIO organizations throughout the state are expected to travel to Long Beach to attend the fourth state convention since the merger of AFL-CIO organizations in 1958. As of 1960, Federation conventions are held biennially.

In a convention call message, Pitts depicted the Long Beach convention as "a challenge to break new ground in coming to grips with problems that confront workers and the public at large" in a period of history marked by "unprecedented social and economic" change.

Delegates elected by affiliates to

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Ike-Nixon Administration Envoy Named in 'Windfall' Contract Probe

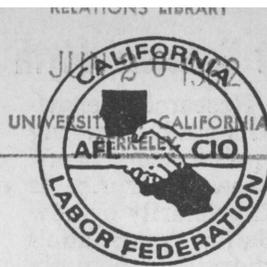
An inkling of a quarter-billion (that's BILLION) dollar stockpile scandal involving rigged contracts, wasteful spending, missing files and John Hay (Jock) Whitney, the Eisenhower-Nixon administration's Ambassador to the Court of St. James, has been revealed in a copyrighted story by the New York News Syndicate.

Whitney, publisher of the New York Herald Tribune and owner of a Sacramento TV station (KXTV) that stands convicted by the NLRB of unfair labor practices in a continuing, 20-months-old strike, will figure in an inquiry to be held later this month by U. S. Senate investigators on some vastly profitable nickel and cobalt stockpile contracts negotiated scarcely a month after Whitney's appointment as ambassador to England in February 1957.

At the time the so-called "windfall" contracts were made, the government already had more nickel and cobalt than it needed, according to the General Accounting Office, the News story said.

Whitney was chairman of the board of the Freeport Sulphur Co. In March, 1957, this company got a contract from the Office of Defense Mobilization to supply 271 million pounds of nickel and 23.6 million

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THOS. L. PITTS
Executive
Secretary-Treasurer

Weekly News Letter

Vol. 4—No. 21
June 15, 1962

Published by California Labor Federation, AFL-CIO



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Pitts Bares Nixon's Real Dilemma; Urges All Out Registration Drive

An urgent appeal to close ranks and mobilize the working man's vote to defeat "old duck and dodge Dick Nixon" has been made to labor organizations throughout the state by Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO.

On the basis of figures from Sacramento, there are more than 3,000,000 unregistered voters in the state, Pitts noted. The vast majority of these potential voters oppose being governed "by a man whose political philosophy was picked from the shriveled heads of 19th century laissez-faire crystal ball gazers," Pitts declared.

"Labor's job from now until the

September 13 registration deadline is to get out and sign them up," he said. "A rock bottom goal should be 800,000 in the next 90 days," he added.

Pointing out that Joseph C. Shell's faction swung 34 percent of the total GOP vote away from Nixon, the state's AFL-CIO COPE leader said:

"The old guard, ultra-conservative forces are on the move and, although they have no place to go but into old duck and dodge Dick Nixon's camp, everybody knows that they won't swing his way without a substantial commitment by him to their way of thinking.

"This sort of concession is duck soup for Nixon. He thinks their way already. The only thing that has him pulling his hair right now is how he can continue to try to foist a liberal image of himself off on the moderate wings of both parties. Right now he's trying out a new label of 'liberal-conservative' but anyone who knows his record knows it doesn't fit."

Governor Brown, when apprised of Nixon's new label, said, "Even Nixon can't walk both sides of the street for the next five months."

Pitts urged union locals throughout the state to check on a unit by unit basis to see that their membership is registered and to establish "get out the vote" teams in each unit.

"This is a crucial election, not only for the survival of representative government in Sacramento but for the progress and prosperity

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Nixon's NABET Reply Nearly 'Wriggles'

Richard M. Nixon, would-be Governor of California, finally responded to a charge of "union busting" policies leveled at him May 25 by Gene DeAlessi, representative of the National Association of Broadcast Employees and Technicians (NABET), but, according to DeAlessi, "the reply is so evasive it practically wriggles."

DeAlessi's charge referred to Nixon's use of KXTV, a Sacramento TV station which has been convicted by the NLRB of unfair labor practices in a still continuing 20-months-old strike involving NABET and the American Federation of Television and Radio Artists (AFTRA).

In a wire sent directly to Nixon

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Nixon Nabet

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personally, DeAlessi had said in part:

"Unfair KXTV has been an AFL-CIO sanctioned strike for 20 months. Strongly urge you withdraw Nixon's advertising from this station. . . . Continued advertising on this station is confirmation that Richard M. Nixon condones the union busting policies of unfair KXTV."

Copies of DeAlessi's wire were sent to Nixon's campaign headquarters and to Richard Bower of Hixson and Jorgensen, one of the advertising firms handling Nixon's campaign:

On June 4, Nixon, through his director of public relations, Charles Farrington, belatedly replied with a letter, the text of which read as follows:

"Dear Mr. DeAlessi:

"Your wire of May 25 reached my desk after 5 o'clock on that date. However, I had been spending most of my time for several days at our agency and at the broadcasting company working on the Telethon for Tuesday, the 29th, and it was actually the 30th before I had a chance to get down to the paper work on my desk, and found your telegram.

"By this time, of course, it was too late to take any effective action on your wire since the schedule for these spots terminated at the close of broadcasting on Monday, May 28th.

"This letter is only by way of explanation and apology for not answering your wire earlier, and to assure you that we are all most appreciative of your thoughtfulness in calling this matter to our attention."

The letter was signed by Charles Farrington.

DeAlessi noted that the letter artfully avoided any apology for patronizing the unfair station and apologized only for being tardy in responding to his wire.

"Nixon may deny any knowledge of this communication," DeAlessi said, "but there are many ominous anti-labor undertones between the lines of this letter."

Representatives of NABET who monitored during the period said Farrington was also wrong on his dates. The last time that Nixon appeared on the station was 9:30 p.m. May 29th, they said.

'Profit Squeeze' Myth Unmasked by AFL-CIO

The AFL-CIO Research Department has released a study charging that the much publicized "profit squeeze" on business enterprise is a myth — created primarily by new methods of calculating depreciation — and that corporations actually have more surplus cash on hand than they are able to spend on new plant and equipment.

The study points out that the "key indicator" of a company's financial strength or weakness is not reported profits, but its "cash flow" — how much money remains with the corporation each year after paying all its costs and taxes. Cash flow is made up of reported profits after taxes, plus depreciation allowances.

In the early post-war years, the tax laws generally required "straight-line" depreciation, averaging the write-off over the normal life of plant or equipment, which might range from 10 to 40 years.

In 1950 after the outbreak of the Korean War, however, the tax laws were amended to permit five-year depreciation of defense-related plant and equipment. And in 1954, another revision permitted businesses to write off about two-thirds or three-fifths of all new facilities over one-half of their normal life.

Ike-Nixon

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pounds of cobalt through its subsidiary, the Cuban American Nickel Co. in Cuba, the news story reported.

The General Accounting Office found that the contract "was drawn up wholly to the advantage of the company, and that many important records concerning the negotiation were missing from the files," the story added.

During the Eisenhower-Nixon administration, Whitney served as vice chairman of the Public Commission on Personnel of the Department of State, and on the Commission on Foreign Economic Policy. He was also a member of the Business Policy and Advisory Committee of the U. S. Dept. of Commerce.

KXTV was purchased by the Great Western Broadcasting Corp., a subsidiary of the Corinthian Broadcasting Co., in May 1959. The latter is wholly owned by the Whitney Communications Corp., and all are owned in whole or in part by Whitney.

Under these faster write-offs, the AFL-CIO economists point out, businesses boosted their reported costs and cut their reported profits, but they paid less taxes than under the "straight-line system and their cash flow was substantially increased.

Whereas reported profits after taxes dropped from 5 per cent of total national production in 1953 to 4.5 per cent in 1961, cash flow rose from 8.2 per cent to 9.2 per cent over the same period, the study shows.

"Here, in the continuing and substantial rise of the cash flow to corporations, is the explanation for the fact that dividend payments to stockholders have risen at a considerably faster pace than wages and salaries," the study observes.

The disparity between reported profits and actual funds on hand will grow greater this year under expected new Treasury regulations lowering the "normal" life of plant and equipment for depreciation purposes, the AFL-CIO study predicts.

\$2.2 Billion Understatement

"In 1963, therefore, reported corporate costs of doing business may be about \$4.5 billion greater (as a result of the new regulations)," the study continues. "Reported profits after taxes may be understated by about \$2.2 billion . . . And the flow of spendable cash to corporations will be much greater . . ."

In recent years, rising cash flow has exceeded the total capital expenditures of corporations (other than banks and insurance companies), the economists observe. For the past three years alone, such corporations had \$4.1 billion more than they needed for new plant and equipment, the analysis shows.

"The accumulation of these vast corporate funds . . . underscores the falsity of the 'profit squeeze' myth," the study declares.

All this, it notes, came about during a period of slow economic growth and recession; if sales and production continue to rise, the cash flow will "soar upward."

"The facts indicate no evidence at all of a general 'squeeze' on American corporations," the study concludes. "They reveal, instead, a generally prosperous condition—so prosperous as to make one wonder why business leaders try to perpetuate the myth of a 'squeeze.'"

Special Session For Bonds

A possible legislative fight was in the offing today following Governor Edmund G. Brown's call to the state's legislators Wednesday to convene in an emergency session June 26 to consider a bond issue for higher education to be submitted to the voters in November in the wake of the defeat of Proposition 3 in the primary.

Some legislative leaders said they may try to split any new bond proposal into two issues, one for school and college construction and the other for state construction.

Governor Brown noted that he opposed such a split but that the final decision would be up to the lawmakers.

The Governor issued the call for the special session after more than a week of study saying:

"The consensus is that if the purposes of the bond issue are clearly spelled out, Californians will vote to extend this state's tradition of tuition-free higher education and higher opportunity for all qualified young people."

The State Finance Department estimated that without bond funds more than 14,000 qualified students would be turned away from State colleges in the fall of 1965 and that the University of California would be forced to reject another 7,000.

Proposition 3, which had proposed a total bond issue of \$270 million, included some \$216 million for construction at the University of California and at state and junior colleges. Some \$20 million was specifically earmarked to help local school districts finance sorely needed junior college facilities.

Ralph Richardson, COPE-endorsed candidate for State Superintendent of Schools and president of the Los Angeles City Board of Education, and State Controller Alan Cranston, who is running for reelection with COPE's backing, were among hundreds of state leaders who urged the governor to call the special session.

State Senator Hugh M. Burns, author of Proposition 4, the proposed \$100 million bond issue to provide low rent housing for the elderly which was also defeated in the primary due to Nixon's hatchet work, said there will be no effort to return that measure to the ballot.

But State Park Commission President Joseph Houghteling is urging the state administration to revive

Governor Brown To Speak at Planning Conferences In Beverly Hills and San Francisco

Governor Edmund G. Brown's conference on planning for California growth will be convened June 21 in Beverly Hills and June 22 in San Francisco under sponsorship of the Governor's Advisory Commission on Housing Problems and the State Office of Planning.

Attendance of about 1,000 housing experts, planners, architects, builders, educators and interested citizens are expected. The governor said he would address both meetings.

The governor said that "with California growing at the rate of 600,000 persons a year and the state to become first in population before the end of this year, we must accelerate planning at all levels of government."

"The Advisory Commission on Housing, created by the Legislature

Pitts Bares

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of the state as a whole," Pitts declared.

Looking at the election results, he noted that while the Republicans mustered 69 percent of their registered voters to the polls the Democrats barely turned out 51 percent of theirs.

"If this sort of foot-dragging occurs in the general election in November, the ultra-conservatives may even think about throwing out the child labor laws," Pitts said.

On the brighter side of the primary results was the 444,500 vote plurality that Governor Brown scored over Nixon, Pitts said.

"This signifies a resounding vote of confidence in Governor Brown's program and Administration," Pitts opined, "and is the more significant because only one out of two registered Democrats voted.

"But the task immediately ahead," Pitts emphasized, "is to register the 800,000 unregistered voters between now and September 13 to put us in a position to meet the challenge of the ultra-conservatives at the polls in November, not only in the statewide and congressional races but in the legislature as well."

Proposition 5, the \$150 million park and recreation bond issue that lost in the primary by a much narrower margin than Proposition 3.

in 1961, will play an important role in setting up guidelines for planning in housing and other areas. This conference is the first step toward implementation of that plan," he said.

Albin J. Gruhn, state president of the AFL-CIO, will be among those taking part in the conference.

The afternoon sessions of the conference in both cities are scheduled to form two panels, "Challenge of the Sixties—Housing" and "Challenge of the Sixties — Planning."

Subjects to be discussed at the Beverly Hills meeting include: "Economic Aspects of Urban Growth," "The Impact of the Metropolitan on Resource Development," "Organization for Regional and Metropolitan Growth," "The Planner's Role in Urban Development," and the "Development Policy and Private Enterprise."

At San Francisco, the conferees will delve into "The Metropolitan Landscape," "Organization for Regional Survival," "Economic Aspects of State Growth," "The Planner's Role in California's Growth," and "Development Requirements for State and Region."

Brown Backs June Apprenticeship Month

"California's Apprenticeship Program builds for the future," Governor Edmund G. Brown declared today in announcing his support of June as "Apprenticeship Month."

Apprenticeship provides critically needed trained craftsmen for the State's expanding industries and affords thousands of young California job-seekers opportunities for careers of skill, the Governor pointed out.

This creative program, which has contributed mightily to the industrial growth of the State, is a tribute to the California Apprenticeship Council and to the 650 joint apprenticeship committees composed of labor and management representatives working harmoniously together with assistance from the State and Federal governments and the local schools, Brown said.

Apprenticeship Month is sponsored by the California Apprenticeship Council and the California Con-

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Convention Call

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represent their organizations at the convention, Pitts pointed out, "are charged with responsibilities that call for the exercise of leadership in the great democratic tradition of the American labor movement."

The state AFL-CIO executive officer summed up the current economic crisis as follows:

"Our economy stands on the threshold of abundance, begging for the exercise of leadership to employ our storehouse of scientific and technical knowledge for the betterment of conditions of life and labor.

"The vast unmet needs of America's ten million underprivileged families... the persistence of high levels of hard core unemployment... the decay of whole areas which were once examples of American enterprise... the spread of blight in many of our metropolitan areas and cities... the huge backlog of unmet social needs in the fields of housing, education, health and welfare... these are among the great issues today that confront dedicated leadership both inside and outside of government."

Pitts cited the history of organized labor as evidence of its leadership credentials:

"From its beginnings, the American labor movement has been tested in crisis after crisis. Its commitment to the dignity of the individual and the exercise of social responsibility in the functioning of the nation's economy and government has provided the base for the great reform movements of the past which have contributed so immensely to the dynamic character of American society. Our survival and growth as one of the great economic and social forces in American life testifies to the enduring strength and dedication of those millions of men and women who make up our organizations."

"Breaking new ground," Pitts

concluded, is the primary business of the state AFL-CIO movement at the 1962 convention. "We must bring added and improved benefits to the working people of California through the exercise of social responsibility that has brought recognition to the labor movement as one of America's great institutions of freedom."

Delegates and voting strength at the convention will be determined on the basis of two delegates for the first 500 members or less of an affiliated local organization: one delegate for the succeeding 250 members; and one delegate for each succeeding 500 members, not to exceed 10 delegates from any one local union.

Each delegate is permitted to vote only an equal percentage of the membership of the local union he represents. The Federation constitution prohibits proxies, except that in a roll call or per capita vote, one delegate, upon prior written approval of all co-delegates of the local union, may vote for the entire delegation.

Affiliated central labor bodies and similar councils are entitled to two delegates, each having one vote.

All delegates must be members in good standing of the organization issuing their credentials, and no delegate may represent more than one organization, with these exceptions.

1. A delegate from a central labor body or other council may also represent the affiliated local union of which he is a member in good standing, if he has credentials from the local, and

2. A delegate may represent up to three affiliated local unions that are affiliates of the same national or international union, and which have a combined per capita vote of not more than 1,200, if the delegate is a member in good standing in at least one of the locals from which he has received credentials.

Resolutions submitted to the con-

Pamphlet Aims To End Bias In Hiring Elderly

An informational pamphlet, "California Employers and the Older Worker," has been prepared by the California State Employment Service to explain the legal issues and recourses available to workers who encounter discrimination in employment due to their age.

The pamphlet, which also outlines the State Employment Service's policies and discusses the procedure to be followed in filing a complaint against an employer, is designated DE 3580 and may be ordered in any quantity from local offices of the State Department of Employment.

vention must be in the hands of the secretary-treasurer, in triplicate, not later than August 6, except for resolutions acted upon and approved by regularly constituted and affiliated statewide organizations at conferences held during the period August 5-19. Such conference resolutions must be filed not later than 9:00 p. m. Sunday, August 19, the day prior to the opening of the convention.

A number of statewide conferences of craft and industrial groups are scheduled to be held in Long Beach on the weekend prior to the opening of the convention.

The Hotel Lafayette in Long Beach has been designated as the 1962 convention headquarters.

Brown Backs Apprentices

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ference on Apprenticeship in cooperation with the California State Departments of Industrial Relations, Employment and Education, and the U. S. Department of Labor, Bureau of Apprenticeship and Training along with labor-management committees and local schools.

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