

Civil Rights AND Tax Cut Action Held Essential

Passage of both a tax cut and an effective civil rights bill are of "overriding importance" and their enactment this year is vital "to put the nation back on the road to economic health," the AFL-CIO executive council declared last week.

Civil rights legislation without a tax cut would prove a "hollow" victory, the council asserted, because "if no jobs are to be had, the Negro will have achieved only the equal opportunity to be unemployed, and if he has no income, he cannot spend it on public accommodations."

Rejecting the contention that one or the other of the two top-priority bills must be sidetracked for lack of time, the council said that there is ample opportunity for both measures to be considered and "to have them both on the statute books by New Year's Day."

"Neither Congress nor the nation can face the New Year with hope or pride unless this has been done," the council stated.

The council also urged Congress to extend the accelerated public works program through 1964 with a \$2 billion federal appropriation. Combined with an additional \$1 billion in state and local matching funds, the council said, this program would create hundreds of thousands of badly needed jobs.

A PERIL OF PROGRESS

Abuse of Automation May Channel Wealth Into Few Hands, Gruhn Warns

"The unprecedented powers" that automation seems to "promise for management," coupled with what appears to be a determination on the part of a substantial majority of those within the ranks of management to exploit them, confront the nation with a situation that could lead to a degree of concentration of wealth unequaled since just before the 1929 crash.

Big Job-Training Bill Ok'd in Senate

A five-year program to mount a long-range attack on unemployment through expansion of vocational education, aid to the defense education program and aid to so-called impacted areas was ap-

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Pitts Stresses Need for All Out Drive for Full Employment at IAPES Convention

Calling for total commitment of the nation—morally, economically and politically—to the task of restoring full employment, Thos. L. Pitts, state AFL-CIO leader, praised delegates to the state convention of the International Association of Personnel in Employment Security (IAPES) in Fresno last Friday as frontline troops in "America's foremost domestic struggle—the battle to combat unemployment," but he stressed the fact that complete utilization of both the public and private sectors of our economy will be necessary to do the job.

"Battles are not won by front line troops alone," Pitts pointed out.

"The lines of cooperation must cut across both the public and private sectors of our economy, and the weapons to be used must be the best that a modern democratic society can devise . . ."

Noting that the delegates, people from local offices of the Depart-

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Support Urged for Bill To Update Davis-Bacon Act

Support for a bill to modernize the Davis-Bacon Act by amending it to stipulate that fringe benefits be computed along with wages to determine local area prevailing wage rates to be paid on federally aided construction projects was urged by Thos. L. Pitts, State AFL-CIO leader, in a letter dispatched last week to California's congressional delegation.

The measure, HR 6041, is intended to eliminate the inequities that presently arise when the federal government contracts with unfair employers who do not provide their employees with fringe benefits comparable to those offered by fair employers in the same area.

Noting that the Davis-Bacon Act in 1931 established the principle that federal purchasing power in the construction industry should not be allowed to depress local standards by contracting with unfair employers, Pitts pointed out that in the course of the past 32 years "fringe benefits have assumed major importance in the industry and presently represent at least 25 to 35 cents per manhour worked."

Unless these benefits are included in determining local area prevailing wage rates, fair contractors are placed in "a steadily deteriorating competitive position," Pitts indicated.

He also pointed out that "these fringe benefits, largely in the form of collectively negotiated insurance programs, are important assets to our communities."

"They should be bolstered, not undercut, by federal contracting authority," Pitts declared in his appeal for support for the bill.

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Pitts Stresses Need for All Out Drive for Full Employment at IAPES Convention

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ment of Employment, come in daily contact with California's unemployed, Pitts said:

"Certainly, I don't have to tell you what it's like to confront these jobless workers—to test their vocational aptitudes, counsel them and try to place them in jobs or training programs—when you know in your heart that many of them, who have suffered long periods of unemployment because of the possession of skills marginal in character or no longer needed in our economy, may be beyond the reach of tools available to assist them. The frustrations are undoubtedly many, which too frequently may be overlooked by those who take your service and dedication for granted."

The theme of the convention, "The Manpower Team in Action," was "highly appropriate," Pitts said, because it indicated recognition that the "fundamental task requires the creation of enough jobs to go around."

"Stated simply, this means that unless the rate of economic growth is stepped up there isn't much that employment security personnel can do, even with the full cooperation of labor, management and other governmental agencies, to make a significant dent in the level of unemployment plaguing our state and nation," Pitts pointed out.

"Both Congress and our State Legislature must join the team by providing the additional tools necessary for an effective expansion of consumer demand to permit the achievement of full employment," he added.

Pinpointing such paradoxes in our economy as the fact that 15 per cent of our productive capacity is idle while 20 to 30 million families live in or near poverty, Pitts warned that "as the pace of technological advancement increases, the prospects are that this number will increase rather than decrease unless economic tools are developed to keep effective purchasing power abreast of our productive ability."

"None of us can afford any illusions about the implications of the new technology. It has been pointed out repeatedly that automation can, through rational economic planning by business, labor and government, usher the nation into a new era of abundance and security. On the other hand, permitted to proceed in a blind and uncontrolled manner, it could result in economic chaos surpassing the depressions of the 1930s," he declared.

Even the experts are beginning to recognize that automation is not "merely a logical extension of mechanization," Pitts said. Mechanization, he explained, had the effect of making workers more productive and therefore more valuable to industry. Automation and the more advanced process of cybernation (the

combination of automatic machines and the skill of machines), on the other hand, threaten to make workers superfluous and thus without value to industry.

The state AFL-CIO leader said that many farsighted business and industrial leaders are beginning to recognize the validity of a statement made a few weeks ago by the president of an international AFL-CIO union who said:

"It is pointless to plan automated factories capable of pouring out endless streams of goods without also planning an economy in which these goods can be distributed and consumed."

To drive home the reality of the peril to the economy posed by automation, Pitts quoted John I. Snyder, Jr., president of U. S. Industries, Inc., who testified before Congress recently that "the contention that automation will not eliminate many jobs was the most seductive of the myths" about automation.

"Personally I think," Snyder testified, "... that automation is a major factor in eliminating jobs in the United States at the rate of more than 40,000 a week. . . .

"We must also keep in mind that automation is not only displacing people directly but also indirectly through what are called 'silent firings' in reference to workers who would have been hired by jobs taken over by automation," Snyder added.

Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, pointed out that the "application of simple arithmetic will tell you that he (Snyder) was talking about the elimination of more than two million jobs a year."

Snyder's testimony also annihilated the myth that automation would automatically generate additional jobs.

"The hard truth," Snyder testified, "is that modern automated equipment requires very little maintenance. If it did, it would not pay to operate it; and if the equivalent of workers that were replaced by automation were required to build the machines and systems, there would be no point in automating."

In the course of his testimony Snyder also expressed the belief that a reduction in working hours will be necessary to cope with automation, Pitts said, noting that this was also the AFL-CIO viewpoint.

Asserting that the job placement programs that organized labor is seeking to develop for minority group members, the aged and others, "must amount to something more than a better distribution of unemployment and empty stomachs without discrimination because of race, creed, color, religion or age," Pitts stressed the fact that "only an expanding economy will make it possible for us to find some solutions

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Executive Council OK's 5c COPE Assessment for '64

A five-cent per member voluntary assessment to finance a massive registration and get-out-the-vote campaign for the 1964 elections has been approved by the AFL-CIO executive council.

George Meany, AFL-CIO president, said the drive will be concentrated in major industrial states. In the past two elections, he said, participation by trade unionists was at about the same level as other groups in the community. It should be higher, he declared.

The campaign will be a non-partisan activity and will be directed to all citizens on the basis that the widest possible participation in the elections is vital to American democracy, he explained.

L.A. Organizing Drive Gains Speed

The AFL-CIO pilot organizing drive in the Los Angeles area has rolled on under a full head of steam during the last two months with the doubling of the headquarters staff of field representatives and the filing of scores of petitions for NLRB elections to provide collective bargaining benefits for thousands of workers in non-union plants.

Bill Gilbert, Director of the drive, reported recently that 37 election petitions were filed during the month of August alone and that "the foundation that organizers have laid at many plants and business concerns is starting to pay off."

An institute for organizers consisting of four workshop sessions over a two-day period is scheduled this weekend, October 19-20, at the Statler-Hilton Hotel in downtown Los Angeles.

FEPC'S First District Office Opens in Fresno

The first district office of California's Fair Employment Practice Commission was opened in Fresno this week to serve a six-county area in the San Joaquin Valley extending from Merced County in the North to Kern in the South.

The office, located in the State Building at 2550 Mariposa Street, will be under the direction of Lester Lisker, according to FEP Commission chairman John Anson Ford. In operation, the office will receive, investigate and conciliate complaints of discrimination. It will also conduct a program of education and affirmative action to promote equal opportunities for all in the course of administering state laws prohibiting discrimination in employment and housing on account of race, religious creed, color, national origin, or ancestry.

Abuse of Automation Can Be a Peril to Progress, Gruhn Warns

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Speaking at The Mansion Inn in Sacramento, Gruhn also outlined organized labor's efforts to minimize the impact of automation and spelled out labor's reasons for urging a substantial tax cut concentrated in the lower income brackets without a reduction in federal spending.

The personnel (or unemployment) problems that may result from a selfish exploitation of automation by management are staggering, he indicated, not only from the standpoint of the unprecedented powers it offers management in terms of collective bargaining relationships but also "from the standpoint of the already considerable abilities of the dominant corporations in various basic industries to administer prices for the benefit of stockholders and to the detriment of the consuming public generally."

Citing a survey by "Business Week" magazine earlier this year which, Gruhn said, provided "an alarming insight into what may be the prevailing management view as to the proper handling of this new revolutionary force in industry," Gruhn reported:

"This study revealed that 76 per cent of the corporate executives who were polled agreed with the statement that 'the company is entitled to all of the savings resulting from the introduction of labor-saving equipment.'"

"Such a view cannot be reconciled with historical fact; nor can it meet the present and future requirements of the economy," Gruhn declared.

"Looking at the matter historically, it is obvious that these technological improvements are to a large extent the products of recent tax-supported research, development and educational programs and, in a broader sense, are the offshoots of society's painfully accumulated heritage of scientific knowledge. Such private investment as may have been involved in the most recent marshaling of this heritage into new forms is trifling by comparison," Gruhn asserted.

The economic implications of the survey are alarming, Gruhn explained because they indicate that management itself seems inclined to "engage in suicidal folly" by clinging to a philosophy that would disable "vast segments of our labor force as meaningful consumers."

"A short-sighted and selfish exploitation of technological change will most assuredly reward us with chaos and ruin," Gruhn said. "The potential benefits of the alternative approach

are too numerous to mention here but they obviously include the opportunity for more education, higher general living standards, and the possibility of retiring on decent incomes at 60 or even 55 years of age," he added.

Automation's ultimate impact will be determined, he said, by the degree of intelligence and cooperation mustered to cope with it but, he observed, tools available for this job are "of a primitive nature at this juncture."

Organized labor has attempted to minimize the initial shocks of automation wherever possible in the course of contract negotiation efforts, Gruhn said.

For example, he said, some contracts require advance notice and consultation with the union concerning anticipated technological changes of a major nature, the reduction of the work force by attrition, the right to transfer to a new plant at the company's expense, retraining opportunities, employee adjustment services, wage rate retention, severance pay and early retirement.

But at best, he pointed out, such contract provisions have met with only limited success even for those workers already on the payroll.

"Needless to say, they do nothing toward meeting the problems of the unemployed or the millions of young people entering the labor force during the 1960's. For these reasons, a rapid acceleration of our efforts at fashioning a sound approach to the problem merits the greatest priority in attention from management and government as well as from labor," Gruhn declared.

Turning to the immediate national economic picture, Gruhn explained that the tax cut measure currently before Congress is of central importance to organized labor because it's directed at the economy's most urgent requirement—that of placing effective purchasing power in the hands of the low and middle income families..

There are powerful forces in Congress, however," Gruhn said, "who seek to reverse the emphasis by either a major redistribution of the proposed tax cut so as to favor the upper income brackets, or by coupling it with a reduction in federal expenditures."

But a cut-back in federal spending would have the effect "of reinstating the same economic doldrums that initially gave rise to the need for the tax cut itself, Gruhn said.

The proposal to redistribute the tax cut to favor the upper income brackets is geared to the "trickle-down" approach which has been disproved repeatedly, Gruhn said, "since an unusually large proportion of additional revenues to already wealthy individuals will inevitably wind up in the form of savings," Gruhn said.

"Last year you will recall, America's

corporations were the beneficiaries of a \$2.5 billion tax cut while individual taxpayers were completely left out in the cold," he added.

Organized labor's basic economic position, the AFL-CIO leader said, reduces itself to the following:

"When our rate of economic growth and effective purchasing power are lagging and prove incapable of providing jobs for our rapidly expanding labor force, the responsibility of government is either to pump more money directly into the economy through expanded spending, or preferably, to stimulate sales and employment by tax reductions for those most likely to spend rather than save such added income. . .

"To put the matter in another light, an economy foundering on the rocks of excess capacity and inadequate markets is not likely to be taken out of danger by a governmental policy calling for retrenchment or a hands-off attitude naively designed to 'balance the budget.'"

"An unwavering dedication to budget balancing, as practiced by the Eisenhower Administration in 1957, can boomerang completely if undertaken without heed to the condition of the economy." In 1957 this policy was "a major factor in the 1958 recession with the result that in 1959 we harvested a record \$13.1 billion peace time deficit in the government's cash operation," Gruhn pointed out.

Asserting that a major portion of the nation's citizens fall far short of the \$6,875 annual income found by the Heller Committee to represent commonly acceptable living standards for a workingman's four-person family in 1961, Gruhn expressed concern over the increasing concentration of economic wealth in the country.

In the same year (1961), the Commerce Department "found half of the nation's families had incomes before taxes of \$5,720 or less," Gruhn said, and "a full 12 per cent of all families—about 6.8 million in all—had incomes under \$2,000 . . ."

In contrast, he said, in 1949, the top one percent of our population held 20.8 percent of the nation's personal wealth. But last year a study indicated that a full 28 percent of the nation's wealth is now owned by the top one percent of the population.

Warning that the nation seems to be headed again for "the fool's paradise situation of 1929 when slightly over 38 percent of personal income was deposited in such few hands," Gruhn declared:

"It is imbalances such as these which serve as one of the underlying sources of our deep concern over where the economy is going at the domestic level."

All Out Drive Urged To Help Jobless

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to our structural unemployment problems.

But even if our economic growth rate were substantially expanded, Pitts said the present orientation of both our vocational and on-the-job training programs need adjustment.

"My premise is a simple value judgment that our goal of orientation should be toward maximizing employment opportunities throughout the working life of the individual; not mere placement on a job upon completion of formal schooling or other training programs," Pitts explained.

Specifically, Pitts said he felt that too much "fragmentation of skills" is taking place at both the training and employment end of the job training problem; that the susceptibility to displacement by technological change of those who have only fragmented skills is thereby maximized; and that there appears to be a failure to determine clearly from the efficiency standpoint which skills are taught best in the classroom and which are best left to on-the-job training.

"One of my major concerns . . . is the real danger that the pressures of our time will push the vocational education curriculum, institutional and on-the-job training toward greater fragmentation without adequate attention to the unemployment problems that will be created in the future, even for those who upon completion of their limited training can be placed in jobs—that is, jobs requiring only fragmented skills.

"Apart from the threat that this may pose to on-the-job training, as in the apprenticeship training programs, we would be condemning a whole new generation of youngsters to the kind of structural hardships that stem from the advancing pace of technology, and that are being felt more and more in our sluggish economy," Pitts warned.

Organized labor's answer to the problem of increasing fragmentation of skills, Pitts explained, is that train-

ing programs should be designed to develop "clusters of skills in individuals that form the basis for further development of specifically employable skills through on-the-job training programs—programs which themselves are geared toward achieving the flexibility that is necessary for still further adaptation of skills as technology continues to change."

But, he pointed out, for this to be accomplished, "industry itself must be willing to share with the public the knowledge it alone possesses concerning the fundamental skills which technology will demand as a prerequisite to adaptation and employment."

"Present training programs are only 'skimming the cream' of the unemployed," Pitts said, indicating that what he meant by that was that only those among the unemployed who already had at least some rudimentary employable skills were taking part in the retraining programs.

The more critical group, so-called "functional illiterates," present a greater challenge, he said, because, in the long run, the rehabilitation of the functional illiterates would result in significant savings to society.

Proposed work relief programs for jobless persons whose unemployment is largely due to functional illiteracy will contribute little if anything to the ultimate economic rehabilitation of such workers, and are liable, ultimately to flood the labor market with unskilled workers.

Indicating that he feared that such county work relief programs would tend to exploit functional illiterates without any constructive recompense, Pitts concluded.

"It is to be hoped that the manpower team in action will be able to preclude such exploitation and bring focus on the rehabilitation function, even if the cost initially to the public may be higher. Obviously, in the long run, the cost would be less if rehabilitation could be accomplished."

Big Job-Training Bill OK'd in Senate

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proved this week by the Senate by a vote of 80 to 4.

The three-phase program includes authorized expenditures of \$1.2 billion. It was scheduled for a compromise conference with the House which had approved a much smaller program in August.

An attempt by Senator Barry Goldwater (Rep. Arizona) to eliminate two-thirds of the program by slashing the authorizations by \$805 million was rejected by a vote of 52 to 23.

The vocational education program would authorize new programs to be financed through grants for research and the financing of pilot and demonstration projects and the establishment of area residential schools near urban centers that have substantial dropouts and unemployed.

The vocational education phase of the program would authorize appropriations starting at \$108 million for the current fiscal year with that sum to rise progressively to \$243 million for the fiscal year ending June 30, 1967.

The measure also authorizes a three year extension of both the National Defense Education Act and a program to provide aid projects for impacted areas. The term impacted areas deals with the problems arising from the overtaxation of educational facilities resulting from the location of governmental installations such as army camps in or near local communities. This program, which provides about \$300 million annually in funds to local school districts, would be continued.

The defense education phase of the program would be expanded by increasing student loan authorizations from the present \$90 million to \$125 million that is presently fully appropriated for this year to \$135 million for fiscal 1965, \$145 million for fiscal 1966, and \$150 million for fiscal 1967.

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