



California AFL-CIO News

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Executive Secretary-Treasurer
THOS. L. PITTS

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Negotiations Resuming In News Strikes

A thaw appeared to be developing this week in the two newspaper strike-lockouts that have shut down the Hearst-owned San Francisco Examiner and the independent San Francisco Chronicle for two weeks and sharply reduced the circulation of Hearst's Los Angeles Herald-Examiner for more than a month.

Although publishers of the two San Francisco papers who share a joint printing plant under a still questionable merger agreement effected in 1965 rejected an appeal earlier this week by the striking San Francisco Mailers' Union to replace their "second string" negotiators and meet directly with union leaders, an agreement was later reached to resume negotiations next Tuesday, Jan. 23.

Representatives of the International Typographical Union, with which the Mailers are affiliated, (Continued on Page 2)

Adverse Effect Rate Hearing Set in S.F. Jan. 31

A hearing on the wage rates agribusiness interests must offer domestic farm workers before being eligible to request foreign workers under Public Law 414 will be held by the U.S. Labor Department in San Francisco on Wednesday, January 31.

The hearing, to be conducted by a Labor Department hearing examiner starting at 10 a.m. in Room 13450 of the Federal Office Building at 450 Golden Gate Avenue, will be directed toward establishing a fair "adverse effect" wage rate. The present rate, set last year, is only \$1.60 although a number of farm union wage contracts

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Reject U.C. Fee Hike or Air Secret Report, Pitts Urges

The State AFL-CIO has called on the University of California Board of Regents either to reject any increase in student fees or to disclose the contents of a secret report prepared by a special Regents Committee to the public and hold public hearings on it before taking any final action.

Charging that "the claim put forth by some in the interests of partisan political advantage that this great state is suddenly incapable of financing a tuition-free university system . . . is simply a fraud," Thos. L.

Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, sent a letter to Board of Regents' Chairman Theodore R. Meyer Monday saying that any other action by the Board of Regents at its meeting in Berkeley this Thursday and Friday could "only be interpreted as an abject abdication of the Board of Regents' responsibilities to the public."

In support of his view that it is basically deceptive to pretend that the state cannot

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Labor Asks Reagan To Alter Tax Views

Any property tax relief legislation should apply only to homeowners and renters—"those who need it most"—because any across the board property tax relief legislation would unduly benefit the business community, the State AFL-CIO said this week in a letter to Governor Reagan

setting forth the labor organization's views on the state's tax problems.

The letter, sent to the Governor by Thos. L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, before Reagan disclosed this week that he was abandoning his earlier proposal to extend the state sales tax to food items, also pointed out that the Governor's

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State's School Policies Rapped

Governor Reagan's educational policies were denounced last week by Milton L. Schwartz, Vice President of the State Board of Education and a Republican himself.

"The greatest destructive

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Unions Urged To Take Part In COPE Parley

All local unions and other Federation affiliates are urged to plan now to send the strongest delegation possible to the 1968 National COPE area conference to be held at the Jack Tarr Hotel in San Francisco on Sunday, March 10.

The day-long conference, the fifth in a series of 13 area conferences scheduled by National COPE to help launch organized labor's 1968 political campaign,

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Unionists Map Election Plans

Scores of key union officials from throughout the state met at the El Dorado Hotel in Sacramento Wednesday to map general plans for the 1968 primary and general election campaign.

They also reviewed changes in country COPE jurisdictions resulting from the reapportionment of California's 38 congressional districts late last year and heard a progress report on the implementation of data processing equipment in labor's voter registration and education efforts.

Guess Who's Giving Gov. Reagan Advice on How to Levy Taxes

Although Governor Reagan retreated this week from his brief espousal last week of extending the state sales tax to food items, he and his task force committee on taxation are still apparently intent on aban-

doning the progressive ability-to-pay principle of the state income tax.

This appears to be the only reasonable conclusion to draw from his statement in his state

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Negotiations Resuming in L.A., S.F. News Strikes

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filiated, are expected to sit in on these negotiations.

In Los Angeles negotiation sessions between the Hearst management and the striking Los Angeles Newspaper Guild and Machinists were held Tuesday and Wednesday, recessed yesterday and were scheduled to resume today. This is the longest continuous series of negotiation sessions held there since the strike began December 15.

Meanwhile there were these developments in the disputes that directly affect more than 5,000 trade unionists in 20 local unions and involve issues vital to the economic security of all California workers:

- Union leaders involved in the Los Angeles strike-lockout issued a nationwide boycott plea to 700 AFL-CIO Central Labor Councils against the nine-paper, 14-magazine Hearst Empire which has been estimated to be worth more than half a billion dollars. They urged all union members to cancel their subscriptions to all

Hearst publications. In addition to its newspapers, the Hearst Corporation publishes such magazines as Cosmopolitan, Good Housekeeping, Popular Mechanics, Motor Boating, Motor, and Sports Afield. It also owns Avon Books, one of the largest paperback firms in the nation.

- San Francisco union leaders urged California congressmen and senators to use their "good offices" to bring San Francisco's two newspaper publishers to the bargaining table and called for a reopening of the Justice Department probe into charges that anti-trust laws were violated with the merger of the San Francisco Chronicle and Examiner printing operation.

- More than 2,000 trade unionists uncorked the biggest labor demonstration in a generation on the West Coast with a two-mile march from the Los Angeles Herald-Examiner to the Los Angeles City Hall to protest Hearst's use of some 200 imported strikebreakers. Marchers shouted demands for a local anti-strikebreaker ordinance to outlaw the use of professional strikebreakers. They were also protesting publisher George Hearst's insistence that these scabs, many of whom are bedded down inside the Hearst plant, receive super-seniority over veteran employees now on strike in any contract subsequently negotiated. Pay check stubs indicate that a number of the transient strikebreakers are being paid a base weekly wage of \$208.25 but getting as much as \$890 a week for attempting to undercut the wages and working conditions of veteran workers and long time county residents and taxpayers.

Yet Hearst has refused to match raises negotiated by the Los Angeles Guild at the much smaller Long Beach Press Telegram before the Herald-Examiner strike began that call for a top scale of \$208 for the journeyman reporters in a 30-month contract. Top scale at the Herald-Examiner was \$174 when the strike began and Hearst has only offered a \$13 increase over the next 24 months.

At one point in the Los Angeles march, which included representatives of 60 AFL-CIO international unions and the

Los Angeles County Labor Federation, demonstrators surged up the City Hall steps demanding an appearance by Los Angeles Mayor Sam Yorty but Yorty failed to appear.

In his request for direct involvement of San Francisco publishers, San Francisco Mailers Union President Doug Smith said:

"We urgently request your personal participation in negotiations to restore newspapers to a news-hungry public.

"A year's attempt to negotiate with your subordinates has produced nothing but this disastrous experience of a newspaper blackout. . . . We are ready to return to the negotiating table at any time of the day or night," he said.

But Phil Knox of the Publisher's Association rejected that request saying:

"It would be improper for the publishers of the San Francisco newspapers to agree . . . since the members of your union who handle these newspapers are employed by the San Francisco Newspaper Printing Company."

Knox's reply, a union strike bulletin subsequently pointed out, boils down to the view that:

"If you get sour milk, take it up with the cow, not the dairy owner."

Or:

"It's the puppet, not the puppeteer who's responsible for the show."

Convention Votes Needed To Nominate

California is eligible to have an 86-member delegation at the Republican National Convention in Miami Beach next August 5. Of the total of 1,333 authorized delegates, 667 votes will be necessary to select the GOP presidential nominee.

On the Democratic side, California will have 172 votes at the Democratic National Convention scheduled to open August 26 at Chicago's National Amphitheater. Of the total of 2,622 votes authorized, 1,312 will be necessary for nomination.

AFL-CIO Sets Up Task Force To Aid Copper Strike

Formation of a special public relations task force has been announced by the AFL-CIO to reinforce and coordinate the efforts of the Steelworkers and 21 other AFL-CIO unions to increase public support for the copper strike, now six months old.

The new group was formed at a meeting of public relations directors of the unions involved, called by Albert J. Zack, director of the AFL-CIO Dept. of Public Relations, and Raymond W. Pasnick, Steelworkers' public relations director, in AFL-CIO headquarters.

Besides Zack and Pasnick, members are Marie Downey, Intl. Brotherhood of Electrical Workers; Baker Morten, Intl. Union of Electrical Workers, Henry Santiestevan, director of the AFL-CIO Industrial Union Dept.'s information center; Saul Miller, director of the AFL-CIO Dept. of Publications, and Kenneth Fiester, secretary-treasurer of the Intl. Labor Press Association, AFL-CIO, which comprises the nation's major trade union publications.

Zack described the new undertaking as another step in implementing all-out AFL-CIO support for the strike pledged by the federation's convention last month.

"The Steelworkers and the other unions have been doing a sound and very effective job to the very limits of their resources," he said. "Yet the fact remains that this is the longest large strike that has failed to win widespread public attention outside the affected areas.

"We are convinced that if public interest can be aroused in the issues, there will be an overwhelming wave of public support for the 60,000 strikers which will force the industry—one of the richest in the nation, and a major beneficiary of direct and indirect federal subsidies—to bargain realistically with the unions and negotiate contracts that will give these long-exploited workers a fair measure of economic equity."

Adverse Effect Rate Hearing Set in S.F. Jan. 31

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already call for a minimum hourly wage of \$2.

To be meaningful the adverse effect rate must be set sufficiently high to attract domestic workers.

Public Law 414 permits importation of foreign workers only if the wages and job opportunities of domestic workers will not be "adversely affected."

U.S. Secretary of Labor W. Willard Wirtz has indicated that he would like to find ways of setting these wage rates by formula to eliminate the necessity of holding hearings each year.

Following the San Francisco hearing and one to be held two days earlier in Washington, D.C. on Monday, January 29 the Labor Department will establish its adverse effect wage rates on a state by state basis.

Labor Calls on Reagan To Alter His Tax Views

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position in favor of repeal of the business inventory tax would result in shifting a tax burden of up to \$325 million to other taxpayers while giving windfall gains to certain firms.

In addition, it urged Reagan to reverse his stand in opposition to pay-as-you-go withholding of state income taxes.

Effect Explained

In concurring with the Governor's view that "the property tax is inelastic and highly regressive," Pitts pointed out that owner-occupied single family residences represent only about 30 percent of the local property tax base and that when other residential properties such as apartments are considered, over 50 percent of the local property tax base represents business, industrial, public utility and farm properties.

Since this means that over half of any across-the-board property tax relief would not benefit the hard-pressed homeowner, Pitts urged the Governor to support property tax relief that is restricted solely to owner-occupied single family residences and to renters.

How To Do It

This could be done by a constitutional amendment allowing residential property to be assessed at a lower rate than commercial property or by instituting some type of partial property tax exemption to benefit only the owner-occupied single family dwelling.

In urging the Governor to shift his position on the withholding tax issue, Pitts said:

"Today many million of dollars escape collection each year because our state lacks a withholding system. It is indefensible to ask for any tax increase until this obvious tax loophole has been plugged as it has been in practically every state that has a personal income tax."

To drive home the present "severely regressive" nature of California's current overall state and local tax structure, the Federation pointed out that:

- Sixteen percent of the income of California families earning under \$4,000 a year went to state and local taxes

compared to only 10.5 percent for families earning \$10,000 to \$15,000 a year.

"Thus," Pitts said, "the crying need is to cut back such regressive levies as sales and property taxes while placing greater emphasis on the progressive personal income tax."

While crediting the task force committee that proposed the

tax on food to the Governor with "good intentions," Pitts said that it is "understating the obvious to note that the group is not a representative cross section of the citizens of this state." The six-member committee was composed almost solely of big businessmen.

Such a tax on food would "have a disastrous effect on

low and moderate income wage earners," Pitts observed.

"When other taxes are imposed on various items there is always the possibility of deferring or avoiding purchases. To date, however, no substitute has been found for food," he added.

Loans From Poor?

(Curiously, in discussing the application of a tax on food last week, the Governor said that such a tax might involve giving lower income taxpayers a tax rebate for the food sales they paid at the end of the year. Such a rebate, of course, would have boiled down to the fact the state would have been requiring lower income taxpayers, in effect, to give the state for a year or more interest-free use of money they desperately need for themselves. Moreover, much of it would undoubtedly remain in the state's coffers because of the failure of many taxpayers to file for rebates.)

Taking issue with Reagan's comment in his state of the state address that "papa and mama" are forced "to spend their midnight hours doing bookkeeping," Pitts said that while this "may sound convincing to some, the weight of evidence suggests the (inventory) tax is basically fair and equitable."

Inventory Tax Issues

Its abolition would be undesirable, he said, because it would:

- Shift as much as \$325 million to other tax sources, including already hard-pressed homeowners.

- Partially relieve businesses from paying their fair share of the costs of the benefits they receive from local government, and,

- Provide a limited number of firms with 'undeserved 'windfall' profits."

Despite widespread notions to the contrary, Pitts added, "statistical evidence supporting the charge that the business inventory tax hurts the state's 'business climate' is woefully lacking. As an alternative, we urge you to support assessment of business inventories in proportion to their average value throughout the year."

Guess Who's Giving Gov. Reagan Advice on How to Levy Taxes

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of the state address last week that "local or state taxes should not be used to redistribute the earnings of the citizenry" and that "the state's concern should be to see that each citizen pays the same percentage of his income in state and local taxes after payment of his federal taxes."

While the Governor has yet to disclose the specifics of his tax reform recommendation, his state of the state comments suggest that he and his advisors have in mind some sort of proportionate tax plan that would hit middle and lower income groups the hardest.

In view of this, maybe it's time union members and the public at large took a look at who is giving the Governor advice on tax reform.

In naming the six members of his Citizens' Advisory Tax Structure Task Force last year, Reagan bypassed all of the tax experts in the Senate and Assembly and turned, instead, almost exclusively to the big business community.

Committee members are:

R. Gwin Folis, retired board chairman and chief executive officer of Standard Oil of California.

Allan K. Browne, who as senior vice-president of the Bank of America is the executive officer of the bank's Investment Securities Commission. This commission is responsible for extensive purchases of state and municipal bonds. Incidentally, Bank of America is the largest purchaser of bonds issued by the state of California.

Dudley E. Browne is the principal financial officer of Lockheed Aircraft Corporation, a company that holds many aerospace contracts with the federal government. He is also president of the California Taxpayers Association which is actively involved in pushing the business point of view on tax issues in the legislative halls in Sacramento.

Gordon Paul Smith, now State Finance Director, was formerly an executive with Booz, Allen and Hamilton, one of the biggest management consulting firms in the nation. He is the only member of the task force in government service.

Lee Kaiser, who also serves as chairman of a committee soliciting private funds to build a new executive mansion, is a retired corporation official who has served as treasurer of the Republican State Central Committee. He is also a member of Reagan's so-called "kitchen cabinet," a small group of very wealthy men who advise the Governor on an unofficial basis.

Dr. Robert A. Dockson is the only committee member not directly out of big business but even he, presumably, is big business oriented. He is dean of the Graduate School of Business Administration and professor of Business Economics at the University of Southern California.

The absence of any experts on public finance or representatives of consumer, labor and local government interests suggests that Reagan is satisfied that big business knows best, doesn't it?

But are you?

Reject U.C. Fee Hike or Air Secret Report, Pitts Urges

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afford to maintain a tuition-free university system, Pitts said:

"This is evident merely in the fact that between 1965 and 1966 personal income in California rose nine percent to a total of \$65 billion and in the fact that although California is one of the wealthiest states in the nation, it ranked 12th among the 13 western states in the percentage of its per capita income spent on its university and state colleges."

Recent studies, Pitts said, disclosed that more than 75 percent of the students presently attending the University come from families with incomes of more than \$14,000 and less than 25 percent from families with incomes less than \$10,000. Studies also indicate that any significant increase in fees will greatly discourage otherwise competent students from applying for University admission, he explained.

In addition, studies indicate that the higher administrative costs of a more aggressive effort to recruit students from

State's School Policies Rapped

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force in 50 years in education in this state is the present administration. This administration lacks the conscience and concern for public higher education.

"Public education in this state will be lost if we do not reverse this disregard for people and their programs. During the last year public education in this state has moved backward at a dizzying pace," Schwartz declared.

Following Schwartz' blast at a State Board of Education meeting in Sacramento last Friday, another board member, Bishop Gerald Kennedy, also a Republican, commented:

"I agree with Mr. Schwartz. Some of those things needed to be said."

lower income and disadvantaged families in the face of higher fees raised serious questions as to its economic feasibility, he added.

Noting that for a full century—since 1868—the California State Constitution has stipulated so far as the University of California is concerned that: "Admission and tuition shall be free to all residents of the state," Pitts said:

"The Board of Regents is presently confronted with a challenge that threatens its political integrity: Preserve the greatness of a tuition-free University that has contributed immensely to the economic, social and cultural development of the state of California or compromise it by making it into an even more exclusive preserve of the rich."

Pitts said he understood that the proposed increase in student fees would raise about \$15 million. But, he observed, it has been estimated that a similar sum could be raised merely by charging agricultural and industrial interests reasonable sums for the research and development work presently provided for them by the University free.

Pitts asked the Board to explain why they have shelved

any immediate consideration of the imposition of fees on agricultural and industrial interests.

The Federation's letter also noted that while it is "undoubtedly true that the state's revenue mechanisms need a substantial overhauling," it is not the function of the Board of Regents "to attempt to contribute to a solution of the state's revenue problems. Such an area is and always has properly been the function of our executive and legislative branches of government," it observed.

In conclusion, Pitts said:

"I urge you and each member of the Board of Regents to reject the committee's call for additional student fees or, at the very least, to delay any action on it pending disclosure to the public in detail of the committee's findings and recommendations.

"I further urge the Board to call public hearings to give all interested parties an opportunity to present their views on this critical matter.

"Any other course can only be interpreted as an abject abdication of the Board of Regents' responsibilities to the public it was appointed or elected to serve."

Meatcutters Union Fights for Better Poultry Inspection Laws

Americans annually buy and eat a billion pounds of poultry products which have been poorly inspected or not inspected at all, a union spokesman charged.

The strong standards of the federal poultry inspection law must be extended to all the poultry products sold for American tables, said Arnold Mayer, legislative representative for the Meat Cutters. Such a measure, he said, will be high on organized labor's legislative agenda this year.

"We have not heard of a single state program that is as effective as the federal inspection

program," Mayer declared, pointing out that "only five states even claim to have . . . mandatory poultry inspection."

He said that last year's successful drive by unions, consumer groups and others for stronger safeguards of cleanliness and wholesomeness on intrastate production of red meat helped alert more of the public to consumer problems. "Congress is much more receptive to consumer legislation now than in the past," he said, and expressed the hope that those factors will help produce meaningful legislation on poultry products.

Unions Urged To Take Part In COPE Parley

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will be geared to the threat posed to unions if conservatives score any significant victories in the general election next November.

Key political issues and campaign problems will be discussed by congressmen and senators from each of the states represented. The San Francisco conference will be open to union representatives from California, Nevada, Hawaii and Arizona.

There is no limit on the number of delegates a local union or other organization may send. Delegates may attend and register at the conference even if advance credentials have not been returned to the National COPE office.

Credentials for the conference may be obtained directly from National COPE headquarters at 815 Sixteenth Street, N.W., Washington, D.C. 20006. They provide an advance reservation card for hotel accommodations at special rates.

Finance Reports Due By March 31

The Labor-Management Reporting and Disclosure Act (Landrum-Griffin law) requires many unions to file annual financial reports with the U.S. Labor Department within 90 days after the end of their fiscal year.

March 31 is the deadline for unions whose fiscal year ended December 31, 1967.

Robert H. Holland, area director for Northern California and Nevada for the Department's Office of Labor-Management and Welfare-Pension Reports, said his staff is available to assist unions in filling out their reports. He may be reached at 450 Golden Gate Avenue, Room 9403, San Francisco, California 94102. Phone: 556-2030.

In South California assistance may be obtained from John B. Flanagan, area director, in Room 7731, Federal Building, 300 North Los Angeles St., Los Angeles 90012, phone 668-4975.