



California AFL-CIO News

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Executive Secretary-Treasurer

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Labor at the Legislature

From The Capitol Office
Of The Executive Secretary

The Senate Agriculture Committee has before it on May 15 Senate Bill 1119, dealing with agricultural workers. This is bad legislation and is opposed by Labor. SB 1119 would establish the notorious "right to work" principle in the field of farm labor relations. The committee hearing testimony on the bill is chaired by Senator Fred Marler, Jr. (R-Redding.) Other members are: Senators Howard Way (R-Exeter); Anthony Bielensohn (D-Los Angeles); Gordon Cologne, (R-Indio); William Coombs, (R-Rialto); Robert Lagomarsino, (R-Ventura); James Mills (D-San Diego); H. L. Richardson, (R-Arcadia); Albert Rodda, (D-Sacramento). This is an insidious bill and its effects should be pointed out to the committee members by its opponents, urging it be defeated by the committee.

* * *

The California Labor Federation again took its stand in firm opposition to the so-called "Liberty Amendment" to the Federal Constitution. This reactionary proposal was embodied in the State Legislature this year by SJR 1, authored by Senator John Schmitz (R-Tustin). The resolution came before the Senate Revenue and Taxation Committee last week, which heard the arguments and killed it. The proposal calls for a constitutional convention to prevent the federal government from engaging in competitive business enterprise and to abolish the federal income tax.

* * *

Another attempt to clamp tighter employer controls over agricultural labor relations is

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BULLETIN

Assembly Unit Kills Measure To Ban 'Professional' Pickets

The Assembly Labor Relations Committee on Wednesday killed AB 1021, a bill which would virtually have eliminated the right to picket in Cali-

fornia by outlawing "professional" pickets. It would also have imposed felony type penalties for violation.

The same committee gave favorable action to two Federation sponsored bills. AB 250 by Assemblyman Eugene Chappie (R-Cool) on safety inspections was sent to Ways & Means for further consideration. AB 837 by Assemblyman John Miller (D-Oakland) giving greater depth to the state FEPC laws was given a "do pass" by the committee.

The Federation position on this legislation was underscored by the leadership of Executive Secretary Thos. L. Pitts at the committee session.

Consumer Aid Bill, AB 273, Moves Ahead

After exhaustive hearings, the Assembly Health & Welfare Committee this week gave a "do pass" recommendation to the Federation's AB 273 and sent it to the Assembly floor.

This is a consumer protection bill to require disclosure on a restaurant menu when chemical tenderizers are added to food.

John W. Meritt, Secretary of the California State Council

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W. F. Schnitzler, No. 2 AFL-CIO Head, To Retire

AFL-CIO Secretary-Treasurer William F. Schnitzler, one of the key U.S. union leaders who brought about the merger of the AFL and the CIO on December 5, 1955, this week announced his intention to retire

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Anti-Labor Bills Up for Hearings

Special attention has been directed to two bills pending before Assembly committees next week which are opposed by the California Labor Federation.

Special Election Set for June 17

A special election to replace the late Assemblyman Alan G. Pattee in the 34th District in

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SB 544 Put Over For Two Weeks

When the "hot cargo and secondary boycott" bill, SB 544—facing united Labor opposition—came up before the Senate Labor & Social Welfare Committee on Wednesday, Senator John Harmer offered amendments to set forth "legislative intent."

With this proposed change, the bill was put over two weeks for further consideration by the committee.

The same committee session took up SB 307, the California Labor Federation's collective bargaining bill. This proposal was referred to interim study for further consideration by the legislators. SB 307 is being carried for the Federation by Senator Alan Short (D-Stockton).

Fed Spells Out Stand on Reagan's Tax Proposals

Governor Reagan's tax reform proposals fail to provide any relief for the 40 percent of California families who rent and his proposed one percent tax on adjusted gross income would saddle those least able to pay with the greatest burden, the State AFL-CIO declared this week.

In testimony delivered to the Assembly Revenue and Taxation Committee in Sacramento in behalf of Thomas L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, last Tuesday night, the Federation voiced its strong support for tax reform, including a shift away from present over-reliance on the property tax, and praised some of the avowed objectives of the administration's proposals.

But it pointed out that a number of Reagan's proposals were contrary to those objectives.

For example, the labor testimony observed:

The Reagan proposal to extend the sales tax to services is at odds with the administration's

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W. F. Schnitzler, No. 2 AFL-CIO Head, To Retire

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on June 30, 1969.

Schnitzler, a veteran of more than 45 years in the labor movement, noted in a letter to AFL-CIO President George Meany that he had marked his 65th birthday on January 21.

Meany has informed the AFL-CIO Executive Council of Schnitzler's decision. The Council is charged with the responsibility of filling this vacancy until the next convention, which is scheduled to open in Atlantic City, N.J., on October 2, 1969.

Among those mentioned as possible successors to Schnitzler are: Paul Hall of the Seafarers; Joseph A. Beirne of the Communication Workers; I. W. Abel of the Steelworkers; and Lane Kirkland, Meany's executive assistant for the past nine years.

Schnitzler, who went to work at age 10 on a peddler's wagon to help support his family, is a native of New Jersey who worked in a munitions factory in World War I and got his first job in a bakery in 1920.

Four years later he became a member of Local 84 of the Bakery and Confectionery Workers International Union of America.

In 1934 he became business agent of the local and in 1937 an international representative of the union. Succeeding to more and more responsible posts, he was elected general secretary-treasurer in 1946 and union president in 1950.

Two years later he became the secretary-treasurer of the American Federation of Labor and on December 5, 1955 he was elected unanimously as the first secretary-treasurer of the AFL-CIO.

Check the 'Plumbing'

"The society which scorns excellence in plumbing because plumbing is a humble activity, and tolerates shoddiness in philosophy because it is an exalted activity, will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."—John W. Gardner, former Secretary of Health, Education and Welfare.

Anti-Labor Bills Up for Hearings

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Education Committee, will have on File AB 1123. This is the 1969 version of the school bands bill which would permit commercial exploitation of tax-supported amateur bands and orchestras by promoters of profit-making, private exhibitions.

On Wednesday, May 14, the Assembly Criminal Procedure Committee is slated to hear AB 1589, which would outlaw what it refers to as "mass picketing." AB 1589 would make violation of its provisions a misdemeanor, subjecting violators to fines and jail terms.

Labor at the Legislature

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being made in AB 1333, being heard in Assembly Agriculture Committee at the Capitol Monday, May 12. This is repressive legislation on the rights of the working people and is opposed by the Federation. It would create an Agricultural Conciliation Service to provide "services" to employers and labor organizations, prescribing powers, duties and functions. The service will be under the direction and control of a chief conciliator who would be appointed by the State Director of Agriculture upon nomination by the State Board of Agriculture. Anyone viewing this power pyramid can readily understand the basis for Labor's opposition to AB 1333.

Assemblyman Frank Belotti (R-Eureka), is the author of AB 1815. This is being heard in the Assembly Committee on Public Employment & Retirement on May 14. AB 1815 proposes to extend to the state, as an employer, provisions of the law relating to wages, hours and working conditions of women and minors. Labor is in support of this measure.

Labor is supporting SB 1293 by Senator Anthony Bielensohn (D-Los Angeles), which would specify employer liability for firing, suspending or terminating an employee for testifying or notifying his employer he will testify before a government body appropriate to hear such testimony. This bill will be heard in Senate Labor & Social Welfare Committee on May 13 in Room 3191 of the Capitol.

Among a number of bills in the present session designed to

erode the workmen's compensation laws of California are four set for hearing in a subcommittee of Assembly Finance & Insurance on Wednesday, May 14, at the Capitol. These measures, opposed by the Federation, include AB 1119, AB 1120, AB 1121 and AB 1188. Before the same group, testimony will be heard on several other bills, including AB 1063, on workmen's comp. The latter is a good bill and has Labor support.

Three good consumer protection bills by Senator George Moscone (D-San Francisco) are on the agenda for Senate Insurance & Financial Institutions Committee Monday, May 19, in Room 5007 at the Capitol. These are SB 1273, SB 1274 and SB 1288. All deal with providing the buyer with full information on conditions of sales in various retail installment sales contracts. The California Labor Federation is in support of these three bills by Senator Moscone.

Wald Named To Personnel Board

Conservative control of the State Personnel Board was tightened last week when Governor Ronald Reagan named Robert W. Wald, a Los Angeles management consultant, to a 10-year term on the Board.

Wald, 41, is an executive vice president of Fry Consultants.

He replaces Robert S. Ash, retired vice president of the California Labor Federation and formerly secretary-treasurer of the Alameda County Central Labor Council.

Consumer Aid Bill, AB 273, Moves Ahead

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of Culinary Workers, and the staff of the California Labor Federation have worked with the committee for some time in developing affirmative support for AB 273.

The bill's author, Assemblywoman Yvonne Brathwaite (D-Los Angeles) has also been most effective in spearheading the move to secure passage of AB 273.

Special Election To Fill 34th A.D. Seat Set June 17

(Continued from Page 1)
Monterey County was set for June 17 this week by Governor Ronald Reagan.

If no candidate receives a majority of all votes cast in the special primary, a runoff between the top candidates of each party will be held July 15.

The deadline for voter registration for the July 15 runoff election, if one is required, is May 22. Voter registration for the special primary June 17 is already closed.

The first day to apply for absentee ballots for the special primary will be May 23 and the deadline for absentee ballot applications in the special primary is June 10. Such applications must be in the hands of the Registrar of Voters by 5 p.m. June 10.

Pattee, 54, was killed in an auto accident near San Jose on April 19.

In 1968, Senator Alan Cranston narrowly defeated Max Rafferty in the 34th Assembly District but Nixon defeated Humphrey by more than 5,000 votes.

Latest registration figures available show a total of 69,945 voters, including 35,336 Democrats and 30,865 Republicans.

The Only Way . . .

"The only way to keep men from agitating against grievances is to remove the grievances."—Woodrow Wilson.

Labor Press Editors To Meet At Coronado

A penetrating analysis of the labor press and an examination of the causes of student protests are among the subjects to be taken up when California labor editors gather for the annual convention of the California Labor Press Association at the Hotel Del Coronado in Coronado, May 23-25.

The convention, expected to attract scores of labor editors from throughout the state, will not be limited to members only. All labor editors in California are invited to attend in order to learn first hand what the CLPA is trying to do for the labor press and the trade union movement.

The "Labor Press Critique" will be presented by Rod Holmgren of the Journalism Department of the Monterey Peninsula College at the Saturday morning session May 24.

A study of the layout and design of newsletters and small tabloids and a comparison of hot and cold type processes to be led by Al Fortune, art director of the Oxford Press of Los Angeles, is also scheduled Saturday morning.

Stephen Reinhardt, California National Democratic Committeeman, will speak on election reform and the involvement of youth in politics at a luncheon session.

The panel discussion on "Student Protest—Why?" will be moderated by Jim Wood of "Operation Frontlash" and will include as panelists Tom Collins, editor of the Daily Californian at UC, Berkeley; Mike Levitt, editor of the Daily Bruin at UCLA; and Robert Baker, editor of the Sun Dial at San Fernando Valley State College.

Registration for the convention will be from 3:30 to 5:30 p.m., Friday, May 23. A no-host cocktail party is scheduled from 6:30 to 8:00 p.m. that evening.

Registration fee for the convention is \$25 per delegate and should be sent in along with the application. Delegate credentials will not be mailed but will be available for pick-up at the CLPA Registration Desk at the hotel.

Nomination of officers is

Man, Are You Being Taken!

Let's suppose that you and your neighbor are at the check-out counter of a supermarket. You each buy a loaf of bread. But the price to you is 30 cents while your neighbor only has to pay 12 cents.

When you buy shoes for your youngster, you are charged \$8. Your neighbor, who has exactly the same income and family responsibilities, only has to pay \$3.

"How come?" you ask the store manager.

"That's the law," he replies.

If there really were such a law, you can bet it would be quickly changed. The American people wouldn't stand for such unfairness.

Yet there are injustices just as glaring in our nation's income tax laws. Take this example:

A married worker whose sole income is \$8,000 a year in wages and has a standard tax deduction will pay \$1,000 in federal income tax.

But a married investor whose sole income in a year is an \$8,000 profit from selling a stock or property at more than he paid for it will have to pay only \$354 in federal income tax.

He pays less because the tax rate on "capital gains" is much less than the tax rate on earned income.

That's just one of the many tax loopholes the AFL-CIO wants Congress to close.

Tax reform is a dollar and cents, bread and butter issue to every American family.

These tax loopholes, intended to benefit the rich, take money out of your paycheck.

If a store has to sell its shoes at less than cost to some customers, it would have to charge other customers more money to make up for the loss.

The same is true of taxes. AFL-CIO economists figured

scheduled for 5:00 p.m. Saturday, and the election of officers and other business of the convention is expected to be concluded at a business session Sunday morning.

Applications and other information may be obtained directly from the California Labor Press Association, 2130 W. 9th Street, Los Angeles, California 90006.

out how much some of the most glaring tax loopholes were costing the federal government.

The answer was about \$16 billion a year.

Just the one loophole we illustrated—the capital gains tax—means a loss of more than \$6 billion a year in tax revenue.

Who benefits?

Well, one-third of all capital gains reported on tax returns went to persons with incomes over \$100,000 a year.

Who loses?

Obviously, people whose incomes are from wages and salaries. They have to pay more in taxes because the money is needed to run the government, defend the nation and carry out programs to help all the people.

If tax loopholes were closed, part of the added revenue could be used to make taxes fairer to everyone. And there would be enough left over to finance government programs that are so urgently needed.

* * *

This simple, direct discussion of part of the nation's tax problems that you've just read comes straight out of a new AFL-CIO pamphlet titled "We Want Tax Justice!"

Copies of the publication are available to all affiliates without charge in whatever quantity needed. They may be obtained by writing to the National AFL-CIO Pamphlet Division, 815 Sixteenth St., N.W., Washington, D.C., 20006.

The pamphlet, which also goes into a number of other tax loopholes for big business and the wealthy such as the oil depletion allowance, the investment tax credit and accelerated depreciation, can serve as an effective tool in helping to build a fire under Congress this year for real tax reform that can benefit workers throughout the nation.

It also sets forth some of the AFL-CIO's proposals for tax justice.

Local unions and central bodies throughout California are urged to assist in giving this publication the widest circulation possible.

Incidentally, when was the last time you wrote to your Congressman and Senators Cranston and Murphy to demand tax reform?

Court Ruling May Ease Vote Needed To OK Bond Issues

An Idaho court decision that applies the "one man, one vote" concept to bond issues may have a major impact on the success of bond issues in California and throughout the nation.

It could also stimulate job opportunities for California's building and construction tradesmen.

In a case involving two Pocatello bond issues totaling \$1,050,000 the Idaho 6th District Court recently handed down a decision that a state constitutional requirement for a two-thirds vote violated the U. S. Constitution's "one man one vote" provision of the 14th amendment.

The decision by Judge Gus Carr Anderson meant that the two bond issues, one of which had been approved by a 58 percent vote and the other by a 64 percent vote, had been approved by the voters.

While the decision may be appealed all the way to the U. S. Supreme Court, if upheld, it could have a major impact on California school bond issues, both state and local.

This is indicated by just looking at the statistics on bond issues approved and rejected in California in 1966-67. During that time 96 school district bond issues failed to win a two-thirds vote.

If only a simple majority had been required, only 14 of those bond issues would have been rejected.

And of the total of 175 school bond issues during that period, 96 were rejected and 79 won approval. But if only a simple majority vote had been required, 161 would have been approved.

Teachers Job Outlook

The outlook for the profession of college teacher is especially good right now, according to the U. S. Department of Labor. With college enrollments increasing from 3.6 million in 1960 to a projected 9 million by 1975, the need for teachers is expected to expand from 200,000 in 1960 to an estimated 450,000 in 1975.

Fed. Spells Out Stand on Gov. Reagan's Tax Proposals

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tion's stated objective of making taxes fairer because sales taxes impose a greater burden on middle and lower income groups than on the wealthy. Moreover, it added, since this would mean taxes on milk cartons, drug wrappings, etc., it would be an indirect tax on food and drugs and would be exceedingly difficult to administer.

The Reagan proposal to shift back from tax credits to \$600 exemptions is also at odds with the administration's stated objective of greater equity, the labor body said, noting that in 1966 a married couple got a \$3,000 exemption but would get only a \$1,200 exemption under the Reagan proposal.

"This would mean a \$47.1 million tax increase on taxpayers earning less than \$10,000 and a \$47.9 million decrease for taxpayers earning more than \$10,000."

The one percent tax on adjusted gross income, the Federation noted, is not only contrary to the "ability to pay" principle but is also at odds with the Nixon Administration which is currently proposing no income tax on people below the "poverty line" while the Reagan Administration proposal would result in taxing these people—(see Tax Table).

The Federation also voiced strong support for mandatory withholding and objected to the Governor's so-called voluntary withholding proposal as "a half way measure" which would be an "administrative nightmare."

Questioned by a conservative assemblyman as to the morality involved in mandatory withholding which might result in an untold number of low income people losing sums because they fail to file for a refund, the Federation pointed out that an analogous morality question could be raised over the \$70 cash return due to homeowners this year and the \$750 exemption due next year in view of the thousands of taxpayers who have failed to file for it.

Assemblyman William Bagley (R-San Rafael), who chaired the hearing, also pointed out that, on the other side of the

coin, a morality question is involved concerning those who presently escape taxes amounting to an estimated \$45 million because the state has not adopted a mandatory withholding system.

The State AFL-CIO also objected to the Reagan proposal to use the one percent tax on adjusted gross personal income and an additional statewide educational opportunity tax on non-residential property to raise funds to be subvented to school districts on the basis of a flat dollar amount per ADA (average daily attendance).

Such a proposal would punish school districts like Berkeley that have decided on their own to invest in an excellent educational program by cutting funds to them by \$5.6 million.

It would also punish similar cities, like Oakland, which would lose \$2.1 million since the aid returned to the district would not be based on need as existing "equalization aid" is.

In addition, the State AFL-CIO voiced opposition to the

Reagan proposal to make a further massive cut in the business inventory tax on grounds that no major economic studies have yet shown that the business inventory tax has any major detrimental economic effect.

On the positive side, the Federation supported the State administration's proposals for:

- Quarterly payment of property taxes.

- Taxation of insurance companies on the same basis as others rather than on "gross premiums."

- Removal of capital gains treatment on land held less than 10 years with the funds from this change to be used to finance "open space" programs.

- And an increase in the homeowners' property tax exemption.

Due to time limitations at the three-hour hearing and the pressure of spokesmen for other groups to testify, the Federation was unable to present all

of its alternative proposals to the Reagan Administration's program at the hearing.

But to recap the Federation's position, the State AFL-CIO calls for:

- 1—Adoption of a mandatory withholding system, pointing out that only California and North Dakota among the 38 states that levy state income taxes presently lack such a system.

- 2—Boosting income tax brackets up to 15 percent, the pre-World War II level in California. This would raise \$125 million.

- 3—Raising homeowners' exemptions to the neighborhood of \$1,500 to \$2,000.

- 4—Affording a break to renters by providing a further increase in the standard deduction or allowing renters to pay 90 percent of their tax instead of 100 percent.

- 5—Leaving the business inventory tax as it is until detailed economic studies can demonstrate the advisability of changing it.

The following table shows the impact of the Governor's proposed one per cent tax on adjusted gross income. As you can see, it soaks the poor.

Tax Table

Comparison of Proposed New Tax of One Percent on Adjusted Gross Income with Existing State Income Tax for a Married Couple with Two Children

Adjusted Gross Income — Family of Four	Existing Income Tax	New 1% Tax	Total Com- bined Tax	Percent Increase In Total Combined Tax Over Existing Tax
\$ 3,500	0	35	35	—
5,000	0	50	50	—
7,500	4	75	79	1,875
10,000	64	100	164	156
15,000	224	150	374	67
20,000	454	200	654	44
25,000	749	250	999	33
50,000	2,894	500	3,394	17
100,000	7,294	1,000	8,294	14

Most Industries See 5% Boost in Output in 1969

Trade unionists involved in contract negotiations, particularly those in the manufacturing and building trades industries may find some useful statistics tucked away in a U. S. Department of Commerce publication titled, "U. S. Industrial Outlook 1969."

The publication predicts an increase in output of at least five percent by more than half of the nation's major industries

this year. It contains detailed analyses of prospects, trends, and international trade involving 118 industries or closely related industrial groups.

It also reviews the 1969 prospects in such industries as construction, communications, wholesale and retail trade, and selected service industries.

For example, the projected nationwide production gains for industries having a significant

impact on California's economy include:

Business Machines—up 15 percent to \$8.7 billion.

Containers—up 6 percent to \$19.5 billion.

Food Products—up 4.4 percent to \$79.9 billion.

Paper and Paperboard—up 3 percent to \$8.8 billion.

Electronic Products—up 2.8 percent to \$4.1 billion.