



# California AFL-CIO News

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THOS. L. PITTS

Executive Secretary-Treasurer

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## Labor at the Legislature

From The Capitol Office  
Of The Executive Secretary

**AB 1123**, a bill to permit exploitation of tax-supported school bands and orchestras for private, profit-making, promotional enterprises, this week moved out of an Assembly Education subcommittee on the motion of Assemblyman Leo Ryan. This action was taken in the face of opposition by Thomas Kenny, on behalf of the American Federation of Musicians, and by the California Labor Federation. Assemblyman Earle Crandall was chairman of the subcommittee. Next Monday morning, May 19, **AB 1123** is on File for consideration by the full Committee on Education.

\* \* \*

**AB 1333** is again on File for the Assembly Agriculture Committee on May 19. This bill would adversely affect agricultural labor in California by creating an Agricultural Conciliation Service under the direction and control of a chief conciliator. The latter would be appointed by the Director of Agriculture upon nomination by the State Board of Agriculture. Among other things, it provides "for prevention of specified unfair labor practices over which the service is granted jurisdiction." This addition to employer-dominated bureaucracy is firmly opposed by Labor.

\* \* \*

A Federation sponsored bill, **AB 339** by Assemblyman David Roberti (D-Los Angeles) is slated for hearing in the Assembly Judiciary Committee on May 19 in the Capitol. **AB 339** would exempt from attachment or garnishment prior to judgment all of a person's earnings for his personal serv-

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## Anti-Labor Bills Up for Hearing

The Assembly Labor Relations Committee's agenda of bills to be heard on May 21 is heavy with measures urgently opposed by the California Labor Federation.

Leading off is **AB 1343**, the so-called "secret ballot" proposal. This would impose cumbersome, crippling bureaucratic procedures upon Labor in collective bargaining. It would seriously restrict the flexibility of Labor in negotiating with management. **AB 1343** is a bad bill which must be defeated.

There are five bills which  
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## Anti-Picketing Measure Gets Committee OK

The Assembly Criminal Procedure Committee on a 5 to 2 vote gave a "do pass" recommendation to **AB 1589** at its meeting this week. Two Democrats voted against the bill.

This is an anti-labor, anti-picketing bill which is strongly opposed by the California Labor Federation, along with other Labor organizations.

Without any question this bill, as amended, is one of the worst pieces of anti-labor legislation in the 1969 session.

**AB 1589** was backed in the committee by the Merchants and Manufacturers Association.

## La Coste Needs Help to Rally Vote

Ernest La Coste, COPE-endorsed candidate for the critical 30th Assembly District seat at stake in a special runoff election next Tuesday, May 20, needs all the help he can get to turn out the vote on election day.

Trade unionists within the  
(Continued on Page 2)

## Reagan Tax Plan Would Hit Renters Hard, Pitts Warns

"Governor Reagan's 'tax reform' proposals would mean an income tax hike of \$108 or 168 percent for a rental family of four earning \$10,000 a year not counting the administration's proposed additional sales tax bite," Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, pointed out this week in commenting on the Governor's "Report to the People" over TV last Sunday.

Noting that about 40 percent of California's families are renters and that rent levels are traditionally set high enough to cover the property owners' tax liabilities, Pitts said:

"It's difficult to believe that such proposals are, as the Governor claimed, 'the best we can do' in terms of tax reform for all citizens—homeowners and renters alike—this year."

Pitts emphasized that the  
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## SB 544 Hearing Set for May 27

The issue of "hot cargo and secondary boycott" will again be before the Senate Committee on Labor and Social Welfare when it meets Tuesday, May 27, in Room 3191 of the Capitol.

At that time, **SB 544** is scheduled to be heard further. This measure, prohibiting "hot cargo and secondary boycott," would remove from Labor vital strength in collective bargaining. **SB 544** faces the united opposition of California Labor.

## PG&E Loses A Round in Bid for Huge Rate Hike

An attempt by the Pacific Gas and Electric Company to partially justify its demands for a whopping \$30 million rate increase in terms of higher labor and material costs over the past 10 years was sharply challenged by the California Labor Federation, AFL-CIO, this week and subsequently strick-

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## GOP-Dixiecrats Defeat Move To Save Job Corps Centers

Twelve Democrats, including 10 Dixiecrats, joined 40 Republicans in the U. S. Senate this week to kill a labor-backed

resolution calling on President Nixon to delay closure of 59 Job Corps Centers until Congress has had a chance to act

on anti-poverty legislation for the next year

California's Senator Alan Cranston, sponsor of the resolution which was killed by a 52 to 40 vote, pointed out that if the job centers are closed as planned by July 1, it will be impossible for Congress to

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## Labor at the Legislature

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ices. AB 1795 by Assemblyman Henry Waxman (D-Los Angeles) is supported by Labor and will be heard in the Assembly Judiciary Committee May 19. AB 1795 exempts all earnings of a defendant received for personal services from attachment without filing claim for such exemption. It also makes existing exemption from levies on wages applicable only to levies of execution on wages of a judgment debtor.

\* \* \*

In the Assembly Elections and Constitutional Amendments Committee on May 20, Labor is in support of AB 1609 by Assemblyman Bill Greene (D-Los Angeles). AB 1609 liberalizes the requirement for voter registration prior to an election by cutting the time from 53 days to 30 days as the deadline for registration. Before the same committee that day are companion measures, ACA 80 and AB 2238. These would provide that the Governor appoint the Secretary of State and the State Treasurer, rather than having them elected as at present. Labor is opposed to this concentration of power in the executive.

\* \* \*

The Assembly subcommittee on unemployment disability insurance legislation will meet at the Capitol on May 21. The Federation supports AB 1773 by Assemblywoman Pauline Davis (D-Portola) and AB 487 by Assemblyman Willie Brown (D-San Francisco) on File for that session of the committee. The Federation is opposed to AB 2023 and AB 2040, also on the agenda for May 21.

### Disabled Aided

During 1968, the State Employment Service offices placed 303,000 men and women with physical or mental disabilities on productive jobs which enable them to be self-supporting, the Labor Department reports.

## Fed-Opposed Bills Due For Hearing on May 21

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would relax or remove established protections presently given for employed minors.

AB 1978 is a comprehensive effort to delete many child labor laws relating to employment in factories, transportation and other industries. It also provides that additional compensation benefits which may be imposed on an employer if the employee is under 16 and illegally employed, may no longer be imposed unless the Workmen's Compensation Appeals Board finds the employer knew the minor was illegally employed.

AB 540 relaxes the prohibitions on minors under 16 in hazardous occupations. AB 541 provides for employment of minors under 18 between 10 p.m. and 5 a.m.

AB 2212 revises the number of hours a working student may work and deletes certain supervisory safeguards for such employees.

AB 2104 wipes out the provision prohibiting employment of minors between 16 and 18 for the purpose of driving motor vehicles on highways.

Each of these bills is urgently opposed by Labor, as is the principle which underlies them.

## New Studies Center Seen as Boon to Labor Education

The AFL-CIO's national Director of Education has predicted that the federation's new Labor Studies Center will be "a shot in the arm" to labor education in the United States. The center will open in the Washington, D.C., area next Labor Day.

Questioned by reporters on Labor News Conference, Walter G. Davis said the national center won't cut into the many established labor education programs now conducted by unions and colleges.

But, he noted, it will give them the "cohesiveness" and stimulation they need to expand and develop even further. The public affairs interview is broadcast Tuesdays on the Mutual Radio Network.

Davis said the initial thrust of the Labor Studies Center will be such "tool courses" as collective bargaining, labor law and history, grievance handling and economics. He said the college-level curriculum will employ newly-developed adult education techniques.

The union educator stressed that growing and complex demands on today's labor leaders make broad-range skills and knowledge increasingly important to their maximum effectiveness, both in behalf of union members and in service

in a variety of community and public programs and activities. When unions are represented by people with broad-range skills and knowledge, he asserted, there is "a more rational bargaining situation" that is "helpful to both the country and to the trade union movement."

"Many of our people have gained their expertise through experience," he said, and "we feel that today, in the complexities of our world, there is a need for more in-depth understanding of the things we are doing."

Enrollment in the center—at least, in the beginning—will be limited to full-time union officers and staff, he said.

Although there will be no tuition, the various unions will have to pay the living and other expenses of the students they sponsor, he said, and a program of scholarships is planned to help smaller unions participate fully in the center.

### \$2 Billion in U.I. Benefits

Unemployed workers in the 50 states, the District of Columbia, and Puerto Rico received unemployment insurance benefits totaling more than \$2 billion in 1968, according to the U.S. Department of Labor.

## La Coste Needs Help to Rally Vote Next Tuesday

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district which encompasses Stanislaus County and part of San Joaquin County, including Stockton, Manteca and Escalon, as well as those in adjacent areas are urged to contact La Coste Headquarters at 811 McHenry Street, Modesto, to find out how they can best help. The phone number is 526-0644. The La Coste headquarters number in Stockton is 463-2224.

La Coste, leader of the fight to bar the Reagan administration's plan to close Modesto State Hospital which would wipe out 900 jobs and leave an area of a quarter of a million people without adequate medical facilities, has announced his support for unemployment insurance and bargaining rights for farm workers, effective consumer legislation and meaningful tax reform that does not gouge renters in the course of his campaign.

He has won the support of all elements of organized labor in the district and is opposed by a conservative grape grower of Ceres.

Unlike his opponent, La Coste has more than 18 years of public service behind him, including seven years as chief county prosecutor, and is currently an elected member of the County School Board.

The election is critical because all Congressional and State Legislative seats will be redistricted after the decennial census next year.

With the lower house presently divided 39 to 39, this means that the election may well determine whether right-wing conservative interests will dominate the Legislature when the new districts are carved out.

If they do, the districts could be gerrymandered to such an extent as to bar hope of enactment of legislation benefiting workers for the next 10 years, a situation that could hit all workers hard both directly in the pocketbook and indirectly in terms of further cuts in state services.

To prevent this from happening, act now by pitching in to help get out the vote for Ernest La Coste next Tuesday.

## Big Canadian Chain Store Joins Boycott

California's embattled farm workers, threatened with conservative efforts to strip them of the meager means at their command to win union recognition, won some potent support this week when Dominion Stores Ltd., the largest retail grocery chain in Canada, agreed to boycott California table grapes.

The action, announced last Saturday, represents the first action by any chain store in Canada to support the AFL-CIO United Farm Workers Organizing Committee's three and a half year campaign to win recognition and bargaining rights for farm workers.

Canada represents the largest export market for California grapes. In the past it has purchased about \$20 million worth each year.

## Church Council Hits Nixon Policy

The Northern California Council of Churches has joined organized labor in voicing opposition to the Nixon administration's plan to achieve greater price stability even if it means a significant rise in unemployment.

Noting that a one percentage point increase in the U. S. jobless rate (from 3.3 to 4.3 percent) would mean an additional one million jobless workers and that a disproportionate number of these would come from minority groups, the Council adopted a resolution last Friday that urged the Nixon Administration to reject any economic policy aimed at reducing inflation by increasing the level of unemployment.

The Council's resolution pointed out that such an increase in joblessness "would escalate the problems in the nation's already crisis-ridden urban areas."

### Power of an Idea

"There is one thing stronger than all the armies in the world; an idea whose time has come."—Victor Hugo.

# PG&E Loses a Round in Rate Hike Bid

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en from the record.

Asserting that such a presentation, by not mentioning increased worker efficiency and productivity, was "at best, one-sided," and actually "immaterial and irrelevant," the State AFL-CIO sought to show that worker productivity increased substantially over the past 10 years and that this and other factors omitted from PG&E's presentation of its case suggest that PG&E is demanding a much higher rate hike than it needs.

Following Federation cross-examination of PG&E on Wednesday, at the request of the California Labor Federation, PUC staff counsel David Larrouy, former PUC Commissioner William Bennett and the City of San Francisco, all of the one-sided testimony and exhibits by PG&E was stricken from the record by state Public Utilities Commission Hearing Examiner Carol Coffey.

This crack in the PG&E's case developed Tuesday, after a PG&E representative testified that various studies prepared over a 10-year period

showed a substantial jump in labor and material costs.

Under cross-examination by the State AFL-CIO, Stelios N. Andrew, manager of PG&E's Economic and Statistics Department, admitted that no attempt had been made to determine whether there was an increase in labor productivity over the past 10 years.

Scores of angry housewives and representatives of labor, consumer, and governmental entities were on hand when the second phase of the PUC's hearings on PG&E's rate hike demands got underway Monday.

Essentially the giant utility is demanding an additional \$30,000,000 a year in rate increases to boost its authorized rate of return from 6.25 percent to 7.5 percent.

At interim hearings held earlier this year (the first phase), PG&E spokesmen had insisted that the public utility needed an interim or "offset" immediate increase of \$13.7 million because of a 10 percent federal income tax surcharge and a boost in the price it has to pay to El Paso Natural Gas Com-

pany for natural gas. Testimony presented by the State AFL-CIO, the PUC staff and other labor and consumer groups at the earlier hearings played a significant role in slashing PG&E's interim increase in half, from \$13.7 million to \$6.8 million.

This week, the housewives concentrated their fire on PG&E's attempt to pass its 10 percent federal surtax along to consumers.

### 'Nobody Pays Mine'

"I don't have anyone paying my surcharge," declared Mrs. Herman Fifer, a San Francisco housewife, "and I'm not willingly about to pay anyone else's surcharge. . . .

"All loyal American citizens," she said, "have to share in the added tax burden and if that means that corporations have to make a smaller profit, then so be it."

The scope of the public opposition to PG&E's demands was reflected in petitions presented to the PUC by the Association of California Consumers which contained 6,500 signatures protesting the increase.

The petitions pointed out that the income tax surcharge was passed as "an anti-inflationary measure to be borne by everyone, individual citizens and corporations alike."

### Insulation Charged

ACC Representative Mary Gullberg charged that the PG&E "is trying to insulate itself from the effects of inflation and thus the company is shirking its responsibility. This is not fair . . . By passing on the federal tax surcharge to its customers, PG&E is requiring them to bear a double load."

The California Labor Federation is registered as "an interested party" in the case because the giant utility's demands would cost hundreds of thousands of trade unionists and other workers an average of \$12 to \$15 a year more for PG&E service.

Representatives of the cities of San Francisco and Palo Alto as well as a representative of the federal government's General Services Administration were also on hand to testify in opposition to the magnitude of PG&E's rate hike demands.

## Kansas Gov. Vetoes RTW Bill; Calls It Disruptive

A bill that threatened to impose harsh penalties on unions under Kansas' 10-year-old compulsory open shop law has been vetoed by Governor Robert B. Docking (D) despite a steady flow of editorials in newspapers throughout the state that suggested that the Governor wouldn't dare veto it.

The union shop ban, which is deceptively referred to as a "right-to-work" law by its promoters, was adopted by Constitutional amendment in Kansas in 1958 but the state has never acted on enabling legislation.

Last year, however, Laborers Local 605 won a union shop contract at the Sunflower Ordinance Plant of Hercules, Inc., near DeSoto, Kansas. This prompted the employer-dominated "Kansas for Right to Work" organization to focus on the pact in pressing for an enabling bill.

But they ignored the fact that the plant's management and

the union local agreed to the contract in recognition of the fact that the plant was on federal property and thus under federal, not state, jurisdiction.

The so-called "right-to-work" forces claimed that the bill would force an open shop agreement at the Sunflower Plant, even though an opinion from the state's Republican Attorney General Kent Frizzell stated that it would not apply to Sunflower.

In vetoing the bill, which was vigorously opposed by organized labor, Governor Docking said the measure was "lacking not only in philosophical credibility but also in defined legal purpose."

Declaring that the bill would be "disruptive of good labor-management relations," Governor Docking said that to sign it would be to place "an albatross around the neck of management and labor and industrial development for years."

# Reagan Tax Plan Would Hit Renters Hard, Pitts Warns

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AFL-CIO agrees with some of the administration's avowed objectives in tax reform, including the need for a significant cut in property taxes.

But he pointed out that a number of Reagan's proposals are at odds with the Governor's own avowed objectives.

For example, Pitts said, the State Labor Federation is in general agreement with the Governor's statement that "the only true tax reform will be that which involves a major reliance on a more fair and more equitable income tax in which various exemptions are virtually eliminated, a much lower total tax rate is imposed and a great many of the existing inconsistencies and loopholes are closed."

But, Pitts said, "The Governor's proposals to soak those who rent are hardly in line

with such objectives. Renters are usually young people or the elderly or low-income families. These groups can ill afford a whopping increase in their income taxes yet this is exactly what the Governor asks them to accept in the name of 'tax reform,'" Pitts said.

He pointed out that under Reagan's proposals, a rental family of four, including two children, would face the following increases in their state income taxes:

- A family earning \$6,000 pays no state income tax now. But under the Governor's proposal, such a family would pay \$76 in state income taxes.

- A family earning \$8,000 and paying taxes of \$14 would have their taxes hiked to \$116, an increase of \$102.

- A family earning \$10,000 and paying \$64 in taxes now would find their taxes hiked to

\$172, a boost of \$108.

- And a family of four earning \$12,000 and paying \$124 in taxes now would wind up paying \$238, an increase of \$114.

On top of this, renters and all citizens would face a new sales tax on magazines and newspapers under the Governor's proposal and an indirect sales tax on milk and drugs due to his proposed extension of the sales tax to containers, Pitts said.

In his report, the Governor referred to the increase faced by the state's renters only in general terms. The pertinent section of the transcript of his telecast read as follows:

"In cutting property taxes by some \$750 million and picking that amount up elsewhere by broadening the base and increasing the amount paid by all state income taxpayers, one group that will carry more of

the burden than they have in the past will be the renters. To ease this situation we are proposing that the landlord be required to notify their tenants as to that portion of their rent which could be reduced because of the cut in property taxes. Such a notification would stimulate the free play of the rental market. We further anticipate that this will encourage the landlord to share his property tax reduction with the tenant through reduced rent."

Commenting on this aspect of the Governor's report, Pitts said that "renters would have to be both extremely naive and terribly idealistic to believe that such a notification requirement will result in any appreciable reduction in rents throughout the state."

## Suggestions Offered

"It would be more realistic," he said, "to afford renters a further increase in the standard deduction or to allow renters to pay 90 or 95 percent of their tax instead of 100 percent."

Instead of soaking renters and the poor through changes in the state income tax and imposition of a one percent tax on adjusted gross income, Pitts suggested a number of untapped and preferable alternatives that are available to the Governor, including:

- Adoption of a mandatory withholding system.

- Increasing the income tax bracket to 15 percent, the level that prevailed in California prior to World War II.

- And leaving the business inventory tax as is.

## No Need Shown

The Reagan administration plans a 50 percent further cut in the inventory tax despite the fact that no economic studies have demonstrated any need to reduce it, he explained.

Pitts also noted that "the Governor's proposed tax of one percent on the adjusted gross income of everyone, presumably even school children who may earn \$200 in the summer, curiously would not tax capital gains income. The capital gains exclusion is, of course, one of the biggest 'loopholes' in our state and federal tax laws," Pitts said.

## GOP-Dixiecrats Defeat Move To Save Job Corps Centers

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reopen them again if it chooses to continue the program. The 40 Senators voting in favor of Cranston's resolution were all Democrats.

The Nixon administration's announced cutback would shut down 59 Job Corps Centers, more than half of those presently involved in training poverty youth for useful work careers.

In a letter sent to President Nixon last month, AFL-CIO President George Meany termed the shutdown plan "completely unjustified" in view of the program's achievements.

And in testimony presented recently to the House Education and Labor Committee, AFL-CIO legislative director Andrew J. Biemiller pointed out that the Nixon administration's plan to slash the Job Corps "will cost much more in the long run in crime, drug addiction and higher welfare costs" than the \$100 million the administration claims it will save by closing the centers.

He suggested that it's ironic that the "ostensible reason" advanced for closing down the centers is to save money when the basis for establishing the

Job Corps in the first place was "to save lives."

Claims by the conservative congressmen that the Job Corps is "simply a waste of the taxpayers' money" were repudiated by a study of the Job Corps conducted by Pollster Louis Harris.

In reporting the results of his study, which was conducted for the OEO among more than 9,000 Job Corps graduates and employers, Harris said the Job Corps showed "a great impact" in improving lives, earnings, and opportunities.

It found 75 percent of Job Corps graduates were still in their new jobs six months after leaving the Corps and that 41 percent had received a raise.

Among the Job Corps Centers scheduled for closure are those at Camp Parks near Pleasanton and the Five Mile Center near Sonora.

Nationally, some 16,500 Job Corps enrollees will be dropped if the cutback goes through.

The House Committee also got a first-hand look at labor participation in the Job Corps through spokesmen for the Operating Engineers, Carpenters, Painters and the Marine Cooks and Stewards Division of the Seafarers.

Edward Turner, Secretary of the Marine Cooks and Stewards, testified that any savings the administration might realize by the cutback "will never pay for the loss of confidence in our nation by these young people."

A statement presented in behalf of Painters Union President S. Frank Raftery declared that the administration's plan would turn a dream into a nightmare "for already disillusioned and forgotten young men."

Leo Gable, Director of Apprenticeship for the Carpenters' Union, warned that four of the seven Carpenters' Union's slum training programs would be shut down.

And Reese Hammond, Research Director for the Operating Engineers called on the Committee to "provide the wisdom, insight, and legislative direction" to continue the Job Corps at present levels.

Legislation to extend the life of the Office of Economic Opportunity is currently awaiting action in both the House and the Senate. The measures would continue appropriations for the Job Corps at its 1969 level of \$280 million.