



California AFL-CIO News

Published weekly by California Labor Federation, AFL-CIO, 995 Market Street, San Francisco, California 94103—Second Class Postage Paid at San Francisco, Calif.—Subscription: \$3.50 a year

THOS. L. PITTS
Executive Secretary-Treasurer

151

July 4, 1969
Vol. 11—No. 27

Labor at the Legislature

From the Capitol Office
of the Executive Secretary

During the past week, the Legislature has been working on such problems of general interest as the budget, tax reform and school finance. The settlement of these issues is preliminary to any adjournment of the 1969 session. Parallel to this is preparation for interim work for the members, between adjournment and the opening of the 1970 session next January.

A number of important items affecting the working people of California have been suggested for interim study. These are being watched closely by the Executive Secretary and his legislative staff.

The chairman of the Assembly Finance & Insurance Committee introduced three resolutions calling for study in the field of workmen's compensation. One relates to maximum permanent disability weekly payment of benefits, another with the employee's right to freely choose his own doctor and the third to payment of workmen's compensation permanent disability benefits, based on actual wage loss.

The chairman of the Assembly Labor Relations Committee also put in three resolutions calling for interim study of minimum wages, "legal barriers" to employment of minors "as found in the Labor Code and in various other of the California codes," and employment of apprentices on public works projects.

All these call for reports on findings to the Assembly not later than the fifth legislative day of the 1970 session.

(Continued on Page 2)

Senate Nixes Try To Cut Vote Time

A bill which potentially would have disenfranchised thousands of California working men and women from voting was refused passage in the Senate Monday at Sacramento by a vote of 16 for and 18 against.

The California Labor Federation has been active throughout the session in opposition

to SB 1008. This would have closed the polls in statewide elections an hour earlier than at present.

State law now requires polls to remain open from 7 a.m. to 8 p.m. SB 1008 would have closed the voting booths at 7 p.m.

The floor fight against the
(Continued on Page 2)

State High Court Affirms Teachers' Petition Rights

The right of teachers to circulate petitions opposing cutbacks in state funds for education "during duty-free lunch periods" has been upheld by a unanimous decision of the State Supreme Court.

The decision, which, in general terms, strongly affirms the

Long Fight For Truth-In-Lending Now Pays Off

The fruits of a nine year fight by organized labor and other pro-consumer groups began to be realized this week when most of the major provisions of the "truth-in-lending" legislation signed by President

(Continued on Page 3)

right of public school teachers to express their views on all public issues, is the result of an action brought by Los Angeles Local 1021 of the AFL-CIO American Federation of Teachers.

Local 1021 President Larry Sibelman hailed the decision as "a landmark ruling that has broad ramifications for the rights of all public employees."

The case developed in 1967 when teachers circulated a petition directed to Governor Reagan and other state officials that called for an increase in state funds for public education "at all levels to meet soaring enrollments and big city problems."

The proportion of state funds supporting local schools has
(Continued on Page 3)

Court Revokes License of Right-Wing TV Station

A federal appellate court has cancelled the broadcasting license of a Mississippi television

station charged with distorting its news coverage to reflect its racist and anti-labor bias, and

Join Fight to Save Public Workers From RTW Bill

The attempt to impose "right to work" on California's thousands of public employees will be made when SB 1119 by Senator John Schmitz (R-Tustin) is heard in the Senate Labor & Social Welfare Committee on July 8.

Labor is strongly united in its opposition to this regressive, reactionary move to get "right to work" into California statutes.

It is urgent that you contact your Senator, especially those on the committee, to oppose
(Continued on Page 2)

Fat Cats' Pay Soars As Workers' Buy Power Declines

While the top brass of some of the nation's biggest corporations enjoyed salary and bonus increases ranging up to 58 percent last year, the purchasing power of the typical U.S. worker's weekly wage has been shrinking.

With price inflation — don't ask who causes it—charging along at a level of more than seven percent recently, this should hardly come as any surprise.

In fact, despite nominal wage gains, most workers are already aware of it. They see it in the
(Continued on Page 4)

INSTITUTE OF INDUSTRIAL
RELATIONS LIBRARY

INST OF IND REL L
UNIV OF CALIF JULY 8 1969

Labor at the Legislature

(Continued from Page 1)

In addition, the Senate Labor & Social Welfare Committee has called for interim study of collective bargaining and labor organization representation, following its consideration of SB 307 by Senator Alan Short (D-Stockton) which was sponsored by the California Labor Federation.

* * *

After several hearings, the Senate Education Committee recommended passage of SB 342 and has referred it to the Finance Committee for further consideration. This bill, by Senator Albert Rodda (D-Sacramento) was introduced for the California Labor Federation. It would provide for text books in California public schools to reflect the role of Labor in the development of the State and Nation, particularly its contributions to the public schools system. The Federation has been greatly assisted in advancing SB 342 by Robert White of the Los Angeles Allied Printing Trades Council, who has appeared at the various hearings the bill has had thus far.

* * *

AB 437 by Assemblyman Willie Brown (D-San Francisco) Monday passed the Assembly 43 to 21 and has been sent to the Senate for its action. The measure removes the age limit entirely from the current anti-discrimination law in consideration of employment opportunities. The bill has strong and active Labor support.

Sound Familiar?

"The streets of our country are in turmoil. The universities are filled with students rebelling and rioting. Communists are seeking to destroy our country. Russia is threatening us with her might, and the Republic is in danger. Yes, danger from within and from without. We need law and order. Yes, without law and order, our nation cannot survive. Elect us and we shall restore law and order."—Adolph Hitler, Hamburg, Germany, 1932.

Soaring Interest Rates Peril Nation, Labor Warns

The "public be damned" interest-rate hike imposed by the nation's biggest banks threatens to spin the United States into a recession, the AFL-CIO warned last week.

"High interest rates mean lost jobs," AFL-CIO Research Director Nathaniel Goldfinger told the House Banking Committee. "They hit construction first and hardest, but the effects spread."

The price rise forced by the higher cost of money gets passed along to the consumer and pushes up "the price of everything we buy."

IMPACT EXPLAINED

Even before the latest sharp rise to 8.5 percent in the interest the banks charge to their biggest and best customers, most families had been priced out of the home-buying market, Goldfinger said, adding that—with interest rates shooting up rents as well—"decent housing is being put out of the reach of even middle-income working people."

He urged the Administration and Congress to "take every possible action to seek a rollback of the prime interest rate."

And he called on the Justice Dept. to probe the "monopolistic price-fixing action" of the big banks in almost simultaneously raising interest rates to determine if the anti-trust laws have been violated.

HIGHEST IN HISTORY

Goldfinger stressed that the rise in the prime interest rate from 7.5 to 8.5 percent — the highest level in the nation's history and the biggest single increase ever imposed—was not a one-time action.

It was the fifth interest-rate increase since last December—a 31 percent rise in the cost of money in less than a year. And already, he noted, "there is talk of another rise in the prime rate."

Instead of combatting inflation, the interest hike is making it worse, Goldfinger charged. Of the 5.4 percent rise in the consumer price index from April 1968 to April 1969, seven-tenths of 1 percent was the result of

higher mortgage interest charges.

"Sharp increases in interest rates discourage business expansion and result in production cutbacks and job losses," he noted. "As builders' loan costs and mortgage rates rise, homebuilders postpone construction."

"State, county and municipal governments put off their building of hospitals, schools, roads and public buildings. Small and medium-sized businesses — and state and local governments — get hit hard by the increased costs and hold back on expanding their operations," he explained.

In the 1950's, Goldfinger reminded the committee, "upward hikes in the prime rate were eventually followed by a recession . . . with untold losses in economic growth and human losses, in terms of jobs and incomes."

It's time, he said, for Congress to lay the groundwork for "much-needed reform of the government's monetary machinery."

The United States "is a rich country, with a powerful and flexible economy." But Goldfinger warned that the nation's economy "cannot continue to prosper under the blows of the sharply rising interest rates of the past year — on top of the rising trend of interest rates since the early 1950's."

Natl. AFL-CIO Convention To Open In Atlantic City, N.J., on Oct. 2

The Eighth Constitutional Convention of the AFL-CIO will open in Atlantic City, N.J., on Thursday, October 2, 1969. Convention meetings will be held in the Ball Room of the Traymore Hotel.

As usual, a number of AFL-CIO departments and fraternal associations will hold conventions in Atlantic City during the week immediately prior to the opening of the National AFL-CIO convention. Such conventions presently scheduled include:

Sept. 25-26—Industrial Union

Join Fight To Save Public Workers From RTW Bill

(Continued from Page 1)
the passage of SB 1119.

The committee will meet in Room 3191 of the Capitol at 1:30 p.m. Members of the committee are Senators Lou Cusanovich (R-Sherman Oaks); John Harmer (R-Glendale); Clair Burgener (R-La Mesa); George Deukmejian (R-Long Beach); Mervyn Dymally (D-Los Angeles); John Nejedly (R-Contra Costa); Nicholas Petris (D-Oakland); Alfred Song (D-Monterey Park); and Howard Way (R-Exeter).

Senate Nixes Move To Reduce Voting Time

(Continued from Page 1)

bill was led by Senators George Moscone and Milton Marks, both of San Francisco. They insisted that reduction in voting hours would prevent large numbers of people from casting ballots.

Moscone, who carried the legislation in 1967 for the existing 8 p.m. closing, told the Senators that voters who are lined up at the polls in San Francisco at 8 p.m. and afterward, are "mostly working people." They would be disenfranchised by the proposed change, Moscone contended.

On the roll call, the bill fell well short of the 21 needed for passage.

Department; and the Metal Trades Department.

Sept. 25-27—Building and Construction Trades Department.

Sept. 28-Oct. 1—International Labor Press Association.

Sept. 29-Oct. 1—Maritime Trades Department.

Sept. 29-30—Union Label and Service Trades Department.

In addition, the AFL-CIO National Auxiliaries will hold its convention in Atlantic City from October 4 through October 8.

Long Fight For Truth-In-Lending Now Pays Off

(Continued from Page 1)

Johnson last year went into effect.

The truth-in-lending law, which will affect an estimated one million creditors as well as practically all workers who borrow for personal, family, or household purposes, requires:

- Creditors to state finance charges in dollars and cents.

- Creditors to state the finance or interest charges also in terms of an annual percentage rate.

In the case of department stores and central credit agencies, this means that they must spell out both the monthly rates such as one and a half percent per month as well as the annual percentage rate which, at one and a half percent per month, would be 18 percent per year.

Rate disclosures will not be required, however, for minimum charges of 50 cents per month or less.

Another provision is aimed at organized crime. It would make extortion in making financing or collecting on credit accounts a federal offense with maximum penalties of \$10,000 and 20 years in jail.

In addition there are provisions in the legislation to protect homeowners from being sweet-talked or fast-talked into contracts that place a second mortgage on their homes. The law's provisions on second mortgages give homeowners three days to cancel any agreement involving a second mortgage.

Another major provision of the new law which will not become effective until July 1, 1970 is the garnishment provision. This provision will free from garnishment the first 25 percent or the first \$48 of a worker's weekly take-home pay, whichever is higher. In connection with this provision, no state law more favorable to workers would be superceded.

One of the principal aims of the new truth-in-lending law is to enable consumers to be in a better position to shop for the best possible financing terms before committing them-

State High Court Affirms Teachers' Petition Rights

(Continued from Page 1)

declined sharply in recent years and resulted in an increasing burden on local property taxpayers.

The Los Angeles City Board of Education subsequently issued a memo to its administrators stating that circulation of the petition conflicted with Board rules.

The Los Angeles Superior Court upheld the School Board but last Monday the State Supreme Court reversed the lower court ruling.

FREE SPEECH ISSUE

In writing the high court's unanimous opinion in the case, Justice Raymond E. Peters indicated that the school board's action amounted to an infringement of the First Amendment's right to free speech.

"Teachers, like others, have the right to speak freely and effectively on public questions . . . they do not shed these rights at the school house gate," Peters said.

GUIDELINE OFFERED

While allowing that school officials have the authority to control conduct in the schools, the decision observed:

"The government has no valid interest in restricting or prohibiting speech or speech-related activity simply in order to avert the sort of disturbance, argument, or unrest which is inevitably generated by the expression of ideas which are controversial and invite dispute.

" . . . The free expression of ideas concerning controversial matters is essential to our system of government. It is only through free debate and free exchange of ideas that government remains responsible to the will of the people and peaceful change is effected.

"Accordingly a function of free speech under our system of government is to invite dispute. It may indeed best serve its high purpose when it induces a condition of unrest,

selfes to a contract. Standardization of the manner in which finance charges or interest rates are expressed should prove to be a major boon to consumers in this regard.

creates dissatisfaction with conditions as they are or even stirs people to anger."

A petition of redress of grievances, Peters noted, "epitomizes the use of freedom of expression to keep elected officials responsive to the electorate, thereby forestalling the violence which may be practiced by desperate and disillusioned citizens."

And in an apparent admonition to the lower court, the opinion observed:

"Education is in a state of ferment, if not turmoil. When controversies arising from or contributing to this turbulence are brought before the courts, it is imperative that the courts carefully differentiate in treatment those who are violent and heedless of the rights of others and those whose concerns are no less burning but who seek to express themselves through peaceful, orderly means."

You Going to Hit The Road? Don't Do It Literally

If you're planning to "hit the road" to use up some of your union-won vacation benefits this summer, please review the following sobering statistics on traffic accidents last year:

- 55,300 killed, five percent more than in 1967.

- 4.4 million injured, 200,000 more than in 1967.

- 40 percent of the deaths and 33 percent of the injuries occurred on Saturday and Sunday.

- One-third of the drivers involved in fatal accidents were under 25.

- Four out of five deaths occurred on dry roads in clear weather.

- More than 55 percent of the deaths occurred during hours of darkness.

- Accidents involving speed resulted in more than 800,000 casualties.

Please drive safely to bring you back alive.

Carpenters Sign National Pact on 'Instant Homes'

The AFL-CIO United Brotherhood of Carpenters has signed the first national contract to erect factory-built houses throughout the nation with Stirling Homex Corp. of Avon, N. Y.

The contract covers building construction operations already under way in several locations and a number of others expected later.

A key section of the contract also sets up a tripartite arrangement with the Carpenters, Stirling Homex and the National Urban League to create training centers to prepare unskilled and jobless workers in the production techniques of manufactured housing.

It calls for journeymen to be furnished by the union to erect and complete the Stirling "instant housing" projects anywhere in the nation.

The corporation also agreed not to subcontract any of its work to a contractor who does not hold a working arrangement with the Carpenters.

M. A. Hutcheson, president of the Carpenters, said the contract "represents a major forward step in the challenge of meeting our tremendous housing needs.

"It is a real beginning of business and labor joining hands to provide the mighty weapon of private enterprise to help resolve the housing crisis," he said.

The contract covers specifically the jurisdiction of the carpenters who handle about 25 percent of the work at the Stirling on-site construction projects.

Hutcheson said that the Carpenters do not expect any jurisdictional problems with other trade unions. Although there is no national agreement with other craft unions, union labor is maintained throughout, according to Theodore W. Kheel, a New York based mediator and a director of Stirling Homex Corp.

Kheel, who was instrumental in the contract negotiations, said that the firm is prepared to negotiate a national contract with other crafts for the on-site work if needed.

Fat Cats' Salaries Soar; Workers' Buying Power Drops

(Continued from Page 1)
two, three, and four cent mark-ups in prices at the supermarkets and in bigger boosts elsewhere in the market place.

But there's a certain sour comfort in having it confirmed. It mitigates that uneasy feeling that it's all your fault because you're being too extravagant and are not spending your money wisely. The truth is that, unlike the fat cats at the top, you've got less real money to spend.

This is clearly demonstrated in the U.S. Labor Department studies of the recent average weekly earnings of the "typical" non-supervisory worker in private industry, an employee with three dependents.

\$2.24 LESS A WEEK

The study shows that although such a worker's weekly pay climbed from \$110.87 in September, 1968, to \$112.13 in April, 1969, his "real" purchasing power dropped from \$79.86 to \$77.62 during the same period—a drop of \$2.24 a week.

Moreover, the decline in purchasing power is also reflected in yearly averages extending back to 1965. Just for the record such a worker's weekly "real" purchasing power in terms of 1957-59 dollars after subtracting federal income and social security tax payments was \$78.81 in 1968; \$78.13 in 1967; \$78.39 in 1966; and \$78.53 in 1965.

Among the nation's "workers" not too visibly shaken by this squeeze on worker purchasing power is Lynn A. Townsend, chairman of the Chrysler Corporation who enjoyed a 58 percent increase in his total remuneration last year. (See table).

While the declining trend in purchasing power could be short lived, a number of economists doubt that this will be the case.

In fact, one economic consultant, Leonard M. Strunk, recently reported to his clients that the country is "in the early stages" of a new kind of depression in which rising prices and taxes will diminish the "real" earnings of U.S. workers with the result that "an increasing proportion of the population will find itself

... pushed to even lower economic standards of living" although the gross earnings figure on their pay checks may continue to increase.

Another economist, Richard W. Everett, a vice president of the Chase Manhattan Bank in New York, observed:

"I would expect purchasing power to continue to decline until the present rate of price inflation is substantially reduced. We will be fortunate if that can be done in less than a year, and two or three years is a more likely estimate."

Since World War II, the nation has undergone four recessions—in 1948-49, in 1953-54, in 1957-58, and again in 1960-61. But in three of those four recessions, the typical worker's weekly "real" purchasing power increased slightly; only in the recession of 1957-58 did it show an actual decline.

The Labor Department's figures clearly indicate that the nation's typical worker has not been winning pay increases large enough to offset the price and profit inflation of recent years.

The fact that almost any

wage increase won by unions is almost inevitably deplored as "inflationary" by managerial interests in news stories carried in the forward news section of newspapers throughout the country while news of price increases and soaring profits are generally restricted to the less widely read financial pages may account in no small measure for many worker's misconceptions about the real causes of the erosion of their wages and living standards — soaring profits and runaway price inflation brought about largely

by the nation's business interests.

And this is one of the principle reasons why the AFL-CIO urged defeat of the extension of the 10 percent federal surtax until Congress acts on the long overdue issue of meaningful tax reform.

By the way, have you written your Congressman and U.S. Senators to demand tax reform lately? If you haven't, do it today, it might save you some money next year if the fat cats pay a little fairer share and you pay a little less.

PRESIDENTS OF MAJOR CORPORATIONS Salaries and Bonuses

Person and Company	1967	1968	Percentage Increase
Lynn A. Townsend, Chairman Chrysler	\$398,200	\$630,700	58
James M. Roche, Chairman General Motors	577,083	752,500	30
Charles B. McCay, President DuPont	216,505	310,300	43
Albert V. Casey, President Times-Mirror Co.	118,563	167,183	41
Gordon M. Metcalf, Chairman Sears Roebuck	251,220	301,320	20

Source: Business Week, June 7, 1969.

Court Raps FCC: Revokes License of TV Station

(Continued from Page 1)
tice of the United States.

Burger, speaking for a unanimous three-judge panel, said the FCC had forgotten its responsibility to the public interest when it renewed the license of Station WLBT in Jackson, Miss. He directed the agency to invite applications from other groups to take over the station's broadcasting channel.

The case that reached the court had been brought by the United Church of Christ which, along with other groups accused the station of airing racial slurs, excluding news of the black community and cutting off network accounts of civil rights activities.

The Mississippi AFL-CIO was one of the earliest critics of the station and had filed repeated protests to the FCC going back to the early 1960's. The state labor movement termed the television station and an affiliated radio station the "semi-official organ of the John Birch

Society, the White Citizens Council and other right-wing organizations."

During one NLRB representation election in the area, WLBT aired a scurrilous charge that State AFL-CIO Pres. Claude Ramsey was a Communist sympathizer. At other times the station preceded network broadcasts with the announcement: "What you are about to see is an example of biased, managed, northern news." Sometimes network programs were simply cut off the air.

The FCC at the time told the station to live up to the fairness doctrine and do a better job of programming.

Burger said the FCC in the current case had completely misread its responsibilities by assuming that it is up to complainants to prove that the license should be denied. In fact, he stressed, it is up to the FCC to determine that renewal of the license is in the public interest.

Broadcasters, he said, are "temporary" trustees of "a great public resource," the airwaves. "They must meet the highest standards which are embraced in the public-interest concept."

He said the court considered the FCC handling of the case so improper that it would "serve no useful purpose" to send the issue of the license renewal back to the agency for a new hearing.

Instead the court itself cancelled the license, told the FCC to devise a plan for interim operation of the station, possibly impounding the profits, until a new licensee is chosen.

Gibbons Resigns

The Railway and Airline Clerks Union has announced the resignation of Secretary-Treasurer George M. Gibbons and the appointment of Vice President D. J. Sullivan to succeed him on July 1.