



California AFL-CIO News

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Newspaper Bill Hit as Poverty Plan for the Rich

"A poverty program for the rich."

That's how Senator Philip A. Hart (D-Mich.) described the so-called "Newspaper Preservation Act" which would give newspapers broad exemptions from the Anti-trust Act and permit them to fix prices and pool profits.

In a Chicago speech, Hart said that the concept of freedom of the press should not extend to government-protected freedom from competition.

After sifting through conflicting testimony on the measure, which is opposed by the AFL-CIO, Hart said that he had concluded that "in general," the newspaper industry is healthy and the Newspaper Preservation Bill was, in fact, a poverty program for the rich."

In addition, Hart declared:

"Government action to help preserve newspapers that, for one reason or another, were failing to attract readers and/or

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IWIU Ratifies New Pact With Prudential Ins.

The AFL-CIO Insurance Workers International Union has just won a new three-year contract with the Prudential Insurance Company of America calling for a \$16.29 increase in wages and fringe benefits.

In announcing the ratification of the new pact by a 2 to 1 margin last Friday, IWIU President William A. Gillen described the contract as "the best package ever negotiated at Prudential."

In addition to a \$10 a week hike in salaries, the new contract includes a maintenance of membership clause, a \$5 hike in special allowances, an increase in vacation pay, and major medical coverage, including a maxi-

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Senate Unit's Action On Tax Bill Gives Breaks To Rich

Remember the old cartoonist's caricature of special interest groups as fat Mr. Moneybags with dollar signs glistening in their eyes?

Well—pity the poor taxpayers' fading cry for tax reform—they are all alive and busy in Washington, D.C., thank you!

This was clearly indicated last Friday

when the Senate Finance Committee went to work behind closed doors following five weeks of hearings on the House-passed tax reform bill and decided that certain provisions in that bill which would require the wealthy to pay a fairer share of the taxes were too hard on the rich.

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Arson Arrests Suggest UFWOC Is Due Apologies

Will California State Director of Agriculture Jerry W. Fielder and Michigan State Senator N. Lorraine Beebe apologize to the AFL-CIO United Farm Workers Organizing Committee?

That's one of the questions on the minds of many California farm workers, trade union-

ists and other fair-minded citizens in the wake of two recent developments in the farm workers' four-year-old struggle to win union recognition and real collective bargaining rights.

Just last week, following an intensive probe by the State

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AFL-CIO Urges Rejection Of Nixon Smog Suit Deal

The National AFL-CIO has voiced a strong protest to the proposed deal between the Nixon administration and the nation's big four auto makers that would suppress evidence in a major anti-trust case in which the government charged the auto makers with conspiracy to delay

the development of anti-pollution control devices on cars and trucks.

Acting swiftly on the first resolution adopted at the recent AFL-CIO convention, the AFL-CIO sent a summary of its opposition to the Justice Department's decision to settle the case out of court to Federal Judge Jesse W. Curtis on October 9.

Judge Curtis is expected to

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PG&E's 'Expenses' Hit As Unjustified

The promotional or "sales expenses" of the PG&E's Gas Division, which the consumer ultimately pays for, even as modified by staff recommendation of the State Public Utilities Commission would be nearly 50 percent higher than its most

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Want to Sponsor Fed Scholarship? Better Act Now

Time is getting short for Federation affiliates interested in sponsoring a scholarship in the California Labor Federation's 1970 scholarship awards competition.

That was one of the points made in a letter dispatched to all Federation affiliates earlier this month by Thos. L. Pitts, the Federation's secretary-treasurer.

Noting that the brochure announcing the State AFL-CIO's 20th Annual scholarship awards program is currently being prepared and that it is to be mailed

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Reagan Opposes Direct Election Of President

Although 81 percent of the nation's citizens, including President Nixon, favor direct popular election of the U. S. President and Vice President, California's Governor Ronald Reagan is opposed to it.

The proposed constitutional amendment now before Congress would abolish the electoral college and give the Presidency to the candidate with the largest popular vote. If no candidate got 40 percent or more

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State AFL-CIO Attacks PG&E's 'Sales Expenses' As 'Unjustified'

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comparable counterpart, the San Diego Gas and Electric Company, and simply cannot be justified.

That was one of the points made by a representative of the California Labor Federation, AFL-CIO, this week in the course of the long drawn out hearings on the giant public utility's demand for an additional \$26 million rate boost which concluded this week.

The Federation, which is participating in the case as an "interested party" in an effort to protect trade unionists and other middle and lower-income families from excessive and unfair rate increases, pointed out that the San Diego utility's sales expense per customer per year is only \$1.03.

Noting that the recommendation made by the PUC staff would cut PG&E's promotional expenditures from \$4 million to \$3.3 million but still allow

PG&E's sales expenses per customer per year to amount to \$1.51, the Federation said that's still "too high and cannot be justified."

PG&E spends more than \$4 million for so-called "sales expenses" for its gas division alone, including such peculiar things as subsidizing cooking schools and staging "Congresses for Community Progress" in small towns.

PG&E spokesmen attempted to justify these activities plus its institutional advertisements on grounds that they "project the corporate image" and because the company "can operate more efficiently and economically in a friendly and compatible environment than in an unfriendly and antagonistic environment."

Asked whether the state AFL-CIO's participation in the current rate hike hearings fell into the "unfriendly and antagonistic environment" category, A. J.

McCollum, manager of PG&E's advertising and publicity department, assured the Federation that this was not the case.

But he was less affirmative when asked about the California Power Users' Association's efforts to promote the development of public power throughout the state.

The federation also voiced opposition to an agreement proposed by PG&E to expedite the hearings on the current rate case by accepting PUC staff recommendations on all issues except, principally, the rate of return and the rate spread.

PG&E is now anxious to conclude the current rate hearings because just last Monday, October 13, the El Paso Natural Gas Company filed a request for a gas rate hike with the Federal Power Commission that will cost the PG&E an additional \$16 million as of mid-April next year. As a result, PG&E will seek a third phase

of the current hearings for an additional offset rate hike of \$16 million in order to pass along the El Paso hike to the consumers.

The State AFL-CIO's objection to the PG&E agreement to accept PUC staff recommendations is based on the fact that the PUC staff has already agreed to pass the federal surtax along to consumers—an action vigorously opposed by the State AFL-CIO—and also because the advertising expenditures allowed by the PUC staff recommendations are still "far too high."

Moreover, as brought out by the Federation in earlier hearings, the midpoint of the staff's recommendations on rate of return, which ranged from 6.95 to 7.25 percent is 7.1 percent, only four-tenths of a percentage point below the rate of return being sought by PG&E.

PG&E's present allowable rate of return is 6.25 percent.

By agreeing that "all other potential issues raised by the (PUC) staff would be conceded by us for the purposes of decision in this phase of the rate proceeding," PG&E clearly believes that it will fare better at the hands of the five state PUC commissioners, four of whom were appointed by Reagan, on the rate of return and rate spread issues than at the hands of the PUC staff.

The PUC's decision on phase two of the case is expected within the next several months.

Want To Sponsor A Fed Scholarship in 1970? Better Act Now

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out early in December to all public and private high schools throughout the state, Pitts urged all affiliates desiring to sponsor a scholarship to act now so that they could be given proper credit as a co-sponsor in the announcement brochure.

Twenty \$500 scholarships for the 1970 competition are already assured. Seventeen are being co-sponsored by Federation affiliates and three are sponsored by the Federation itself.

In ticking off the advantages of participating in the statewide scholarship program, which attracted 1,995 applicants this year, Pitts pointed out that:

- The co-sponsor is relieved of all of the details of communication with high school principals throughout the state.

- The development of the examination, its administration, scoring and the judging of hundreds of entries has been systematized by the federation.

- Publicity relating to the competition and the announcement of winners is handled by the State AFL-CIO.

- The positive "labor image" that accrues to the co-sponsors and to the labor movement in general benefits all concerned.

"Local unions and central bodies which have carried their own scholarship programs can testify to the need for the special resources indicated," he said.

The contest is open to high school seniors in public and private high schools throughout the state. This year 19 \$500 scholarships were awarded. Affiliates already signed up as co-sponsors for the 1970 scholarship competition include:

Butchers Local No. 120, Oakland; Butchers Local No. 498, Sacramento; California State Association of Journeymen Barbers, Hairdressers, Cosmetologists, Masseurs and Guilds;

California State Council of Carpenters; Carpenters Ladies Auxiliary, California State Council; California State Council of Culinary Workers, Bartenders and Hotel and Motel Service Employees; California State Council of Lathers—Lloyd A. Mashburn Memorial Scholarship; California State Council of Retail Clerks — Warren G. "Pop" DeSepte Award;

Communication Workers of America, Bay Area Council—William G. Gruwell Scholarship; Communication Workers of America, Southern California

Council — George W. Gorman Memorial Scholarship; Federated Fire Fighters of California; Los Angeles Building and Construction Trades Council; Los Angeles County District Council of Carpenters;

Los Angeles District Council of Painters No. 36 — Roderick Mackenzie Scholarship Award; United Transportation Union, California State Legislative Board; United Cannery and Industrial Workers of the Pacific — James Waugh Memorial Scholarship; and the Western Federation of Butchers.

Pitts pointed out that the past practice of making the scholarship awards presentations at the Federation's convention in even-numbered years would be discontinued in 1970 because it was necessary to change the convention date to the week of August 31, a period when most of the award winners will be making final preparations to enter the college or university of their choice and, therefore, will be unable to attend the convention.

Instead, he explained, appropriate awards ceremonies would be held in the vicinity of the award winner's local community with the co-sponsor participating in the ceremony.

IWIU Ratifies New Pact With Prudential Ins.

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more coverage of \$100,000 and total payment of the employee's first \$3,000 in hospital costs.

The new agreement, which covers some 12,000 Prudential agents throughout the country, is retroactive to September 29, 1969.

Joseph Gumina, Northern California International Representative for the IWIU, said the vote in the San Francisco Bay Area was 128 to 7. In Los Angeles it was 400 to 5 in favor of ratification.

Newspaper Bill Hit as Poverty Plan for the Rich

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advertisers, would discourage establishment of more newspapers than it would save old ones."

Last last month, AFL-CIO Associate General Counsel Thomas E. Harris attacked the "Newspaper Preservation Act" as "more a newspaper enrichment bill than a newspaper preservation bill."

Giving newspapers partial exemption from the anti-trust laws as proposed by the bill, Harris said, would work to the detriment of both reader and advertiser.

John J. Pilch, president of the International Typographical Union, and Chuck Perlik, executive officer of the American Newspaper Guild, have also testified against the measure.

The Nixon administration, in a highly unusual action, has permitted the Justice Department to oppose the measure, but without administration support. Nixon's position in favor of the measure is being voiced through the Commerce Department, which often speaks for big business interests.

Rep. Emanuel Celler (D-New York) commented that he had never seen a situation in his 47 years in Congress in which two executive departments testified on opposite sides of an important issue or in which the Commerce Department spoke for the administration on an anti-trust issue.

A White House spokesman said that Mr. Nixon allowed the Justice Department's testimony on the issue because "the President understood that the department had a position on the basis of law."

In arguing against the Nixon administration's position favoring the bill, Richard W. McLaren, U.S. Assistant Attorney General, said that the bill would create a dangerous precedent under the anti-trust laws for other industries; that it would grant immunity from the most hard-core type of violations of the Sherman Anti-Trust Act; and that it might endanger pending litigation over the status of jointly operated newspapers in Tucson, Arizona.

Arson Arrests Suggest UFWOC Is Due Apologies

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Attorney General's office, the State Division of Forestry and local authorities, five Delano area youths were charged with arson in a series of grape shed fires in the Delano area.

The investigation found no evidence linking the UFWOC with the fires. On the contrary, it found that the youths were applicants for volunteer firemen and could earn better than \$2 an hour fighting such fires, according to the Tulare County Sheriff's office.

But last month, Mrs. Beebe, a conservative Michigan lawmaker, lent the prestige of her public office to a tour arranged by the public relations firm of Whitaker and Baxter, which has been hired by agribusiness interests to attempt to discredit the UFWOC and the grape boycott.

In a prepared statement issued at a press conference in Los Angeles in mid-September, Mrs. Beebe said:

"Chavez' desperate methods have revealed themselves on two fronts. There has been an increasing number of vineyard fires and fire bombings, plus abusive moves by small bands of pickets against the regular field crews."

Although in almost the same breath she said that this was "not an accusation," the implication was clear that she had attempted to link the UFWOC with the fires without making a specific allegation and was reported in that manner in the Los Angeles press.

Earlier that week (the week of September 15), Fielder had lent the authority of his office, the State Dept. of Agriculture, to this privately financed, anti-

union public relations campaign when he appeared with Senator Beebe at a press conference in Sacramento and supported her by claiming that the UFWOC's charges of excessive levels of pesticides on grapes were "completely untrue and irresponsible."

Mrs. Beebe also charged that "Chavez is trying to poison the mind of American consumers with false claims grapes are tainted."

A similar press conference was staged in San Francisco during the same week.

But these statements were both flatly repudiated late last month when it was disclosed that Safeway had conducted its own tests of pesticides on grapes, using a number of independent laboratories, and had found evidence of the pesticide Aldrin in three of four cases studied.

The Safeway tests were conducted after UFWOC General Consul Jerry Cohen, in testimony delivered to the Senate Subcommittee on Migratory Labor on August 1, had reported that tests of two bunches of Thompson seedless grapes purchased at a Washington, D.C. Safeway store contained quantities of Aldrin that were 180 times the established tolerance level for human beings. The UFWOC tests were conducted by the C. W. England Laboratories of Washington, D.C.

In short, both Fielder's charge that the pesticide issue is "irresponsible" and Mrs. Beebe's attempt to link the farm workers with "vineyard fires and fire bombings" have proved to be totally unjustified.

Doesn't this clearly suggest that apologies are in order?

Such special treatment of newspapers by the government, he added, could impair their editorial independence.

McLaren also stressed the fact that his objections were directed principally at the price-fixing and profit-pooling aspects of the bill.

There is nothing in present law that prohibits publishers from getting together in money-

saving joint operations from the same plant or even using some of the same commercial staff, he explained.

The pending Tucson case affects arrangements existing among newspapers in 22 cities, including San Francisco that have merged their production and business operations, including fixing rates and sharing profits.

Five Courses For Unionists To Start Soon

Five courses designed especially to meet the educational needs of trade unionists will get underway in the San Francisco Bay Area next week.

The classes, which will run for eight weeks and are offered by the University of California's Center for Labor Research and Education, are as follows:

San Francisco — "Organized Labor and the American Political System," Thursdays, 7-9 p.m., starting October 23 in the Executive Board Room of the San Francisco Labor Council, 3068-16th St., San Francisco.

San Mateo — "Developments in Labor Law," Tuesdays, 7-9 p.m., starting October 21, Room 256 of Building 16, at the College of San Mateo, 1700 West Hillsdale Blvd., San Mateo.

Oakland — "Effective Speaking—Parliamentary Procedure," Wednesdays, 7-9 p.m., starting October 22 in the William Fee Room, Labor Temple, 2315 Valdez St., Oakland.

Oakland — "Collective Bargaining in Public Employment—State and Local," Thursdays, 7-9 p.m., starting October 23, William Fee Room, Labor Temple, 2315 Valdez St., Oakland.

San Jose — "Collective Bargaining and the Legislative-Community Goals of the Labor Movement," Tuesdays, 2-4 p.m., starting October 21, Room 208, Labor Temple, 2102 Almaden Road, San Jose.

Enrollment will be held open through the first class but advance registration is requested to make sure that minimum enrollment requirements (20 per class) are met. No area restrictions are placed on enrollments.

The short-term courses are designed for union leaders and active union members at all levels who wish to upgrade their skills or broaden their knowledge of industrial relations and the functioning of unions. A \$5 registration fee is charged for each course.

Further information may be obtained by phoning the Center for Labor Research and Education at 2521 Channing Way, Berkeley (415-642-0323).

Senate Unit's Action On Tax Bill Gives Breaks To Rich

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First, it killed a section of the House bill that would have indirectly taxed the interest paid on state and municipal bonds. The tax exempt status of such bonds has for years afforded a haven to the wealthy to escape taxation.

On top of that, the committee also struck out of the House-passed bill a provision that would have lengthened the capital gains holding period to one year. This has the effect of returning the length of time people need to hold stock in order to qualify for a maximum tax rate of 25 percent on long-term capital gains to six months.

WEALTHY BENEFIT

Who benefits the most? The wealthy, of course.

And if you're looking for the real reasons for the sudden upward spurt in the stock market this week, you're likely to have a hard time finding any better than these two.

The unfairness of the capital gains provision can be seen from the following example:

A married taxpayer with \$8,000 in income from wages or salaries is obliged to pay a tax of \$1,000 whereas a married taxpayer with \$8,000 income from capital gains pays a tax of only \$354.

REFORM PLEAS SLACKEN

While trade unionists and other concerned citizens did a good job of demanding tax reform earlier this year, while the House bill was under consideration, the Senate Finance Committee and individual senators reported last week that there had been a sharp fall off in letters demanding real tax reforms in recent months. Instead, it was reported that virtually all recent mail, apparently from special interest forces, has carried the theme, "Save us from the House bill."

Just last week, the AFL-CIO renewed its crusade for tax justice at its 8th National Convention in Atlantic City, N.J., when it adopted a major resolution calling, among other things, for:

● "A meaningful reduction in the relative tax burdens of low

and middle-income families;

● "The elimination of the loopholes of special tax privilege for wealthy families and businesses."

In view of all this, it's time for union members and other concerned citizens to pull out the pen again to write U.S. Senators Alan Cranston and George Murphy (at the Senate Office

Building, Washington, D. C. 20510) to demand effective tax reforms now to provide relief for low and middle-income wage and salary earners.

Since there are no Californians on the Senate Finance Committee, letters might also be sent to Russell B. Long (D-Louisiana) the Senate Finance Committee's Chairman.

AFL-CIO Urges Rejection of Nixon Smog Suit Deal With Auto Manufacturers

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rule on the settlement October 28. If he approves it, all of the evidence uncovered by a Federal grand jury during an 18 months long investigation "would be sealed forever," the AFL-CIO said.

"In 1966," the Labor Federation said, "a Federal grand jury in Los Angeles uncovered the criminally conspiratorial nature of the actions of the giants of the auto industry to delay and obstruct development of anti-smog devices."

"The Johnson administration filed an anti-trust suit against General Motors, Ford, Chrysler and American Motors but the Nixon administration after secret negotiations with the companies agreed to an out-of-court settlement," it explained.

In urging the judge to reject the out-of-court settlement and allow the case to be brought to trial, the AFL-CIO said that it is "strange that this administration urges stern measures against individual lawbreakers and yet allows corporate crime to go unpunished and the information gathered by the grand jury to remain hidden."

The civil anti-trust suit, filed last January, accused the major car makers and their politically-powerful Washington lobby, the Automobile Manufacturers Association, of conspiring over a 16-year period to delay research, testing, development and installation of anti-smog devices on automobiles, trucks and buses.

In view of the overriding national significance of the case to the efforts to curb air pol-

lution, some 45 members of Congress from eight states, including 22 of California's 38-man delegation have filed a suit in the U. S. District Court in Los Angeles to force a public trial of the charges.

Rep. James Corman (D-Van Nuys), one of the California Congressmen who has joined in the legal action to block the deal, observed:

"From a nationwide public health standpoint, we know that deadly car exhaust fumes cause more than 50 percent of America's total air pollution and medical evidence has associated these toxic substances with higher rates of serious illness and mortality from asthma, emphysema, lung cancer, chronic bronchitis and heart disease."

He also pointed out that federal authorities estimate that nationwide property damage caused by corrosive pollutants contaminating the atmosphere amounts to some \$13 billion a year.

California representatives who have signed the Congressional anti-smog petition include 21 Democrats and a Republican. The Democrats are Reps. Glenn Anderson, George Brown, Philip Burton, Jeffery Cohelan, James Corman, Don Edwards, Augustus Hawkins, Richard Hanna, Chet Hollifield, Harold (Bizz) Johnson, Robert Leggett, John McFall, George Miller, John Moss, Thomas Rees, Edward Roybal, B. F. Sisk, John Tunney, Lionel Van Deerlin, and Charles H. Wilson. The lone Republican is Rep. Jerry L. Pettis.

Reagan Opposes Direct Election Of President

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of the vote, a runoff election would be held. The amendment is supported by the AFL-CIO.

But Reagan said he favors a plan being pushed by conservative interests that would leave the electoral college system intact.

Asked to comment on the direct election plan, Reagan said:

"I'm opposed to that. I know there are some shortcomings in the electoral college system. Maybe there's some things that could be corrected. I would lean towards the bill such as (U. S. Senator Karl) Mundt has suggested. But I think to go to just a straight popular election would be the greatest blow to our federal system of sovereign states that has been struck in a long, long time. And I think the course should be the other way, that we should be doing more to strengthen the federal system to create autonomy on the part of the states, not less."

Implicit in Reagan's opposition to the House-passed measure, which would extend the U. S. Supreme Court's "one-man, one-vote" principle to Presidential elections, is the conservative's traditional reluctance to yield to majority rule.

In fact in attempting to make a case on the basis of the rights of states or other governmental entities at the expense of people, he went so far out in right field as to suggest that the direct election plan, which President Nixon strongly supports, is some sort of "a plot."

Specifically, Reagan said:

"It isn't the kind of gain that we want. I don't think a gain is a good gain if it's made at the expense of someone else's rights . . . If we can join in a plot that lessens the effectiveness of the rights of the small state, then we've set the precedent for someday somebody doing it to us if they decide to do it to us." (Sic.)

As you can see at one point in the preceding sentence he refers to "someone else's rights" and then equates those (people's) rights with "the rights of the small state."

They're not the same, Governor Reagan, honest!