



# California AFL-CIO News

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Executive Secretary-Treasurer

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## Top Nixon Aide Eyes New Cheap Labor Scheme

As if fighting inflation through higher unemployment wasn't enough, the Nixon Administration this week launched a trial balloon aimed at making more cheap labor available to marginal employers at the expense of the nation's semi-skilled and unskilled adult work force.

This was indicated when U.S. Secretary of Commerce Maurice H. Stans announced that the Nixon Administration was con-

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## Key Vote Nears In Senate Fight On Haynsworth

The John Birch Society and fat cat Republican party contributors joined forces with the Nixon Administration this week to attempt to bludgeon some 19 undecided U.S. Senators into voting to confirm Nixon's nomination of Judge Clement F. Haynsworth to the nation's highest court.

Debate on the nomination, which is strongly opposed by the AFL-CIO in view of Haynsworth's questionable judicial ethics and his consistently anti-worker and anti-civil rights record, got under way in the Senate yesterday and a floor vote is expected early next week.

One undecided senator who earlier had leaned toward opposition to Haynsworth because of Haynsworth's insensitivity to judicial ethics as evidenced by his sitting in judgment on cases in which he had a direct or indirect financial interest, conceded that he was wavering now because of heat received from some of his party's fund raisers.

"They're making this thing almost a test of my membership

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## Pitts Urges Unionists to Join GE Strike-Support Rallies

"Every worker in California has a vital stake in supporting the current strike of 147,000 trade unionists against the huge General Electric Corporation, the nation's fourth largest manufacturer, because the company is clearly out to destroy the basic principles of free collective bargaining."

That was the warning issued this week

by Thos. L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, in urging California trade unionists to plan now to take part in G.E. strike-support rallies to be held in Los Angeles, Oakland and San Francisco next Monday, November 17.

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## Tax Justice Drive in Peril, Expert Warns Fed Parley

"The campaign for tax justice is in danger. And you can help save it. We need mail from your members, their neighbors, relatives and friends to the members of the House and the Senate, particularly to your two Senators. Tell them that this country needs tax justice. Tell them that the working people demand tax justice. An outpouring of mail is needed now, in the next several weeks—before the Senate votes on this issue, before the House and Senate conferees meet to merge their separate bills. The issue is of crucial importance—to all of us and to the country."

That was the clarion call for immediate action issued by Nat Goldfinger, AFL-CIO National Research Director in an address to a special conference on "Taxes and the Economy" sponsored by the California Labor Federation, AFL-CIO, at the Del Webb TowneHouse in Fresno, November 6-7.

Warning that "lobbyists for the loophole set are in there pitching, day-in and day-out" to

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## Cranston Hits Nixon Policy Hiking Jobless

U.S. Senator Alan Cranston sharply attacked President Nixon's approach to curbing inflation at the worker's expense through higher unemployment as a "cure . . . worse than the disease" and warned that it may be heading the country "toward the worst business downturn since the Eisenhower-Nixon recession of 1958."

In an address to a special conference on "Taxes and the Economy," held by the California Labor Federation, AFL-CIO, at the Del Webb Towne-

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## Panel Sees Need For Protective Laws For Men

State laws affording protections to working women should be extended to include men so they won't be held illegal on grounds that they are in conflict with the 1964 Civil Rights Act which bars discrimination in employment based on sex.

That was the general view reached by a panel of labor relations experts at an all day hearing held in Sacramento Monday by the Assembly Labor Relations Committee under the chairmanship of Assemblyman Walter W. Powers (D-Sacramento).

Mrs. Ruth Miller, International Representative of the Amalgamated Clothing Workers of America, AFL-CIO, and former chairman of the California Commission on the Status of Women who was one of the panelists, said:

"The law of supply and de-

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## Nixon Updates Order on Federal Workers' Labor Relations

A new executive order effecting significant changes in the federal government's labor-management relations policies

toward federal employees was signed by President Nixon on October 29.

The new order replaces the

landmark Executive Order No. 10988 issued by President Kennedy in 1962 which was hailed at the time as a major breakthrough in federal labor policy.

Among other things, the new order, No. 11491, which was issued by President Nixon following a meeting with the AFL-

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# Tax Justice Drive in Peril, Expert Warns Fed Parley

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destroy some of the loophole-closing provisions contained in the tax reform bill passed by the House of Representatives last August, Goldfinger observed:

**"No wonder the fat-cats are working hard on this issue—it's dollars, it's income distribution. It's pile the tax burden on the working man's family, so the upper-crust will have more money to invest and more income on which to avoid federal taxes—if wage and salary earners permit it to continue."**

The labor economist commended provisions in the House-passed tax reform bill that would:

1. Relieve the working poor of any federal tax obligations;
2. Provide relief for low and middle-income taxpayers;
3. Eliminate the inflationary seven percent investment tax credit for businesses; and
4. Curb some of the loopholes and unfair tax bonanzas presently afforded the wealthy at the expense of the middle and lower-income taxpayers.

But he pointed out that the lobbyists for the loophole set and the Nixon administration itself are seeking, with some success, to reduce the tax relief given by the House bill to middle-income families (\$7,000 to \$15,000) and to cut taxes on corporations by \$1.6 billion.

The upshot of their efforts, he said, was that the Senate Finance Committee:

- Knocked out the House provision to curb the capital gains loophole by requiring the stock or property to be held for a year instead of six months to qualify for capital gains.
- Eliminated the House-proposal to apply an indirect tax on tax exempt income from state and municipal bonds. This means that the wealthy will still be able to make a million dollars and not pay a cent of taxes on their income.

- And favored the oil industry by boosting the House cut in the 27½ percent oil depletion allowance from 20 percent to 23 percent.

Goldfinger also attacked the "triple standard" in the present federal tax structure. He said it is rigged against wages and salaries, that is, against income from work and in favor

of unearned income.

First, he pointed out that wage and salary income is taxed in full whereas only half of the income from stocks, real estate and other capital assets is taxed. Beyond that, he explained, none of the income from tax exempt securities or oil depletion allowances and bookkeeping farm losses, etc., are taxed.

In opening remarks to the conference Thursday, November 6, Thos. L. Pitts, the Federation's executive officer, stressed the fact that real, meaningful tax reform is of vital importance to every union member in the state. He urged conference participants to carry the information and insights learned at the conference back to their membership in order to regenerate a strong demand for tax justice now.

On the state level, Michael Peevey, Coordinator of Community Programs at the Institute of Industrial Relations at the University of California at Berkeley, presented a detailed analysis of California's existing tax structure and suggested a series of possible tax reforms, including proposals aimed at reducing residential property taxes and increasing reliance on "ability-to-pay" tax sources such as the personal income tax.

To demonstrate the generally

"regressive" nature of California's state and local tax structure, Peevey compared California's revenue sources with those of New York, a state most like California in terms of taxes raised, population, and the level of personal income.

Specifically, he pointed out that New York places much greater reliance on the income tax (47.3 percent compared to 27.1 percent in California) and that California relies more heavily on the regressive sales tax (40.8 percent compared to 15.9 percent in New York).

Moreover, in terms of local taxes, New York relies to a significantly lesser degree on the property tax than California, he said.

State Senator Nicholas C. Petris (D-Oakland) who participated in a panel discussion on the need for tax reform at the state and local level Friday morning, reminded the more than 200 trade unionists participating in the conference that Governor Reagan had promised during his campaign for the Governorship to cut the state budget by \$300 to \$400 million.

But during his first year in office, Reagan's budget was \$500 million higher than the Brown administration's last budget and in the second year rose another \$629 million for a total of \$1.3 billion increase

over a two-year period.

Petris said that any candidate for public office who claims he's going to cut taxes is either fooling himself or attempting to con the voters.

Petris also made it clear that he favors adoption of a mandatory withholding system and returning the maximum tax bracket of the state income tax to 15 percent, the level at which it was pegged prior to 1943. It is currently just 10 percent and earlier had been as low as seven percent.

Petris, long an advocate of across-the-board tax reform who had served earlier as chairman of the Assembly Revenue and Taxation Committee, pointed out that:

"Our senior citizens and others on fixed incomes are forced to assume an unfair share of the tax burden. And the man in the middle with a family to support has none of the tax advantages available to the very rich.

"The first item of tax reform must be to shift the enormous cost of education away from the local property taxpayer and on to a statewide revenue base," he said.

"Education benefits the state as a whole, and the state as a whole must bear the cost," he added.

Other panelists participating in the State AFL-CIO conference included: Harold Somers, Dean of the Department of Economics of the University of California at Los Angeles; Don Collin, Consultant to the Assembly Committee on Revenue and Taxation; and Gerhard Rostvold, an economic consultant of Claremont, Calif.

Rostvold pointed out that California, as one of the richest states in the nation, can well afford to provide far better social and economic services to its citizenry than it presently does.

Among other things, Rostvold said that business should bear a much greater share of the tax burden. He also suggested that it may well be necessary in the not too distant future to impose an air pollution excise tax on automobiles possibly of about \$150 a year, to encourage greater reliance on mass transit facilities.

## Cranston Hits Nixon Policy as Cure Worse Than the Disease

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House in Fresno last week, Cranston cited the recent over-the-month jump in the nation's jobless rate from 3.5 to 4 percent and pointed out that:

"Prices are rising faster than at any time since the Korean War. Interest rates are at the highest in modern times. The cost of living is rising at an annual rate of around six percent, with a five-tenths of one percent increase for the month of September."

In view of these facts, Cranston challenged the President to "take affirmative action to head off economic disaster before it is too late."

So far, he said, the administration's policies have succeeded

only in increasing unemployment.

"In my book, that is not success; that is the road to failure," he declared.

He also flatly rejected comments by top Nixon administration officials who have spoken of "acceptable" levels of unemployment of four to five percent. Such an approach is both "inhuman and uneconomic," he said.

Cranston's remarks on the eroding effect of inflation and rising unemployment on the nation's economic and social structure served to underscore the urgent need for real tax reforms at both the federal, state, and local level, the primary focus of the conference.

## Key Vote Nears In Senate Fight On Haynsworth

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in the Republican party," he complained.

AFL-CIO Legislative Director Andrew J. Biemiller warned state and local central bodies late last week that right-wing, ultra-conservative forces throughout the country have launched a massive letter-writing campaign to try to win confirmation of Haynsworth.

Biemiller urged union members to counter this last-minute campaign by writing or wiring their senators immediately to urge them to oppose Haynsworth.

"Senators should again be told that Haynsworth does not have the confidence of the American people because of his anti-labor, anti-civil rights record, his many conflicts of interest, and his lack of candor in failing to reveal these interests to his fellow-judges, litigants before his court and congressional committees," Biemiller said.

Last Monday, Senator Thomas J. McIntyre (D-N.H.), one of the 19 previously uncommitted Senators, announced after due deliberation that he could not vote for Haynsworth's confirmation.

Asserting that Supreme Court justices "must command the fullest public confidence with regard to their judicial bearing and objectivity," McIntyre said in a statement that:

"Without in any way questioning Judge Haynsworth's personal character and integrity, I have concluded that his record in a judicial capacity simply does not meet these very high standards, and that he could not command this essential confidence."

### A Serious View

"The labor movement takes citizenship most seriously. We believe the rights and the responsibilities of citizenship are indivisible. The right to vote is a responsibility to vote, and the right to participate, a responsibility to participate."—AFL-CIO Secretary-Treasurer Lane Kirkland.

## Nixon Updates Order on Federal Labor Relations

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CIO Executive Council at the White House, calls for:

- Creation of a Federal Labor Relations Council which will administer the program, decide major policy issues and issue rules and regulations. The council will have authority to issue binding arbitration decisions on grievances and questions of interpretation of contracts.

- Creation of a Federal Service Impasse Panel to help solve disputes in negotiations and "take any action it considers necessary to settle an impasse." Panel members are to be appointed by the President.

- Revision of the various forms of recognition extended to groups of government workers, including abolition of the "informal" recognition category and abolition of the "formal" category in about a year. This reduces the recognition category to "exclusive," which is based on winning a majority in an election, and "national consultation rights," which covers a wide area short of the right to negotiate.

- No changes in the check off rules that were contained in the old order. The new order, however, prohibits union security arrangements.

Exclusive recognition will be granted only through a secret ballot representation election. This means eliminating the present option of card checks. But the new order abolishes

a requirement of the 1962 order that at least 60 percent of those eligible must vote in order for the election to be valid.

The new order, which becomes effective January 1, 1970, also clarifies the status of supervisors. They can belong to general membership unions but cannot be bargained for.

The new Federal Labor Relations Council will be made up of the chairman of the Civil Service Commission, the U.S. Secretary of Labor and an official in the President's Executive Office. The President may appoint other officials in the executive branch to the council.

Elections and other matters to be decided under the order will be handled by the Assistant Secretary of Labor for Labor-Management Relations.

The AFL-CIO and its federal employee unions had all called for updating and improvement of the Kennedy order in important aspects and testified before a special Presidential commission last year on needed changes.

In the seven years since the issuance of the 1962 Kennedy order, union representation among federal employees has grown substantially. Exclusive union recognition is now the case in 2,305 units in 35 agencies covering 1,416,073 employees or 52 percent of the total federal work force subject to the order.

## Top Nixon Aide Eyes New Cheap Labor Scheme

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sidering a plan to slash the minimum wage for teenagers to "about \$1.20 or \$1.25 an hour" from the \$1.60 federal minimum that now covers most adult workers.

Stans argued that the plan would help reduce joblessness among the nation's teenagers, admittedly a desirable goal.

But the other side of the coin is that it would encourage employers, particularly those in service trades involving hospital or culinary workers, deliverymen, clerks, etc., to dismiss adults in order to hire teenagers at the lower rate. Stans blandly conceded that this was so and said: "There's nothing wrong with that."

The fact is, though, that there is something vitally wrong when a top national official seriously advances a program that would slash the potential annual pay floor of hundreds of thousands of workers more than 20 percent from \$3,328 to \$2,600.

Many teenagers are already uptight about the babysitting wages they are expected to work for.

The proposal advanced by the Secretary of Commerce, often the spokesman for the nation's business interests in the administration, shouldn't really fool anyone.

Its primary aim is clearly to maximize the profits of employer interests at the expense of the nation's working population.

Such a move would also be very likely to substantially increase the nation's welfare rolls at the expense of the general taxpayer if adults with families to support are laid off to make room for teenagers working at a poverty level wage.

George P. Schultz, U.S. Secretary of Labor was reportedly studying the proposal and is expected to have a report on it some time next month.

Meanwhile workers and taxpayers alike would do well to voice their protests to such an outrageous proposal loudly, clearly and repeatedly.

## Farm Workers' '70 Calendar Makes a Good Yule Gift

If you're looking for a thoughtful, useful Christmas gift for friends or relatives—a gift that shows that you care—you might try ordering the "Calendar for 1970" now available from the United Farm Workers Organizing Committee.

The calendar, which features striking photos depicting all aspects of the farm worker's struggle by George Ballis who has been in the thick of the struggle for farm workers' rights for years, may be ordered from the UFWOC De-

fense Fund Committee, P.O. Box 130, Delano, California 93215 for \$1.08 each. The eight cents is for postage.

The calendar also includes background information on UFWOC Director Cesar Chavez, the strike and the on-going consumer boycott of California table grapes.

Unlike many gifts which are soon forgotten, the UFWOC calendar will remind those receiving it not only of the giver's thoughtfulness but of the farm workers' struggle all year long.

# Pitts Urges Unionists to Join GE Strike-Support Rallies

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"The general public," Pitts said, "must be made aware of the fact that the General Electric Corporation, despite its high powered public relations program and TV show advertisements, is interested only in cutting wages and letting profits run."

Asserting that the firm's "anti-union and anti-public interest shenanigans have been repeatedly exposed," Pitts said:

"Just two weeks ago the second U.S. Court of Appeals, in upholding unfair labor practice charges brought against General Electric nearly 10 years ago for engaging in the same 'take-it-or-leave-it' bargaining practices they're attempting to engage in today, denounced the corporation's 'entire attitude toward its employees' and said that it amounts to an attempt to reduce the union to a meaningless organization."

Specifically, the appellate court decision handed down October 28 said:

"This plan had two major facets, first a take-it-or-leave-it approach to negotiations which emphasized both the powerlessness and the uselessness of the union to its members and second a program that pictured the company as the true defender of the employee interests."

"The fact that the company is again engaging in the same 'take-it-or-leave-it' tactics means that it is essentially thumbing its nose at the federal court decision apparently because it believes it can do so with impunity because of the dominance of big business interests in the present national administration," Pitts said.

"The facts of the matter are that G.E., the nation's Number One electrical manufacturer, enjoyed a better than 69 percent increase in sales from \$4.9 billion to \$8.3 billion between 1964 and 1968 and during the same years enjoyed net income on invested capital of 12.4 percent in 1964; 16.9 percent in

1965; 15.3 percent in 1966; 15.4 percent in 1967; and 14.3 percent last year.

"And during the same 1964-68 period its earnings per share rose from \$2.62 to \$3.94, a 50 percent increase in a five year period.

"Since workers' wages haven't risen anywhere near 50 percent during that period it's pretty clear that the workers have been shortchanged in the interest of benefiting the corporation's stockholders," Pitts said.

Pitts also suggested that trade unionists remind their friends and neighbors that it was General Electric that was the Number One electrical manufacturer that was convicted along with a number of other electrical manufacturers of engaging in price-fixing that bilked U.S. taxpayers out of more than \$100 million in the early 1960's.

"And the corker on that case came to light just a few weeks ago when it was disclosed in hearings before the Senate Finance Committee that the convicted electrical manufacturing corporations had the gall to get, with Internal Revenue Service approval, the right to charge off as a business expense the \$300 million (treble damages) that they were fined as a result of their price-fixing conspiracy," Pitts pointed out.

He urged all trade unionists to turn out for the rallies next Monday.

The Los Angeles rally will be held at the Roosevelt Auditorium starting at 8:00 p.m., Mon-

day, Nov. 17, and will feature an address by Louis Stulberg, president of the AFL-CIO International Ladies Garment Workers Union.

The Oakland rally will be held at the Alameda County Central Labor Council and will be addressed by William Kircher, AFL-CIO National Director of Organization. It's also scheduled to get under way at 8:00 p.m., Nov. 17 and will be held in lieu of the council's regular Monday night meeting.

The San Francisco rally will be held in the Golden Gate Room of the Del Webb Townhouse at 7:00 p.m., Nov. 17 and will feature AFL-CIO National Secretary-Treasurer Lane Kirkland.

All AFL-CIO union members are urged to contribute \$1 each to the G.E. Strike Fund.

Trade unionists unable to attend any of the three rallies in California are urged to send their contributions directly to:

**G.E. Strike Relief Fund, in care of Lane Kirkland, AFL-CIO Secretary-Treasurer, 815 Sixteenth St., N.W., Washington, D.C. 20006.**

AFL-CIO unions involved in the strike which affects 133 G.E. plants in 33 states are: the Machinists, Steelworkers, Technical Engineers, Carpenters, Plumbers, Allied Industrial Workers, Sheet Metal Workers, Flint Glass Workers, the IBEW and the IUE. Also coordinating their strike activities with the AFL-CIO unions are the unaffiliated Teamsters, Auto Workers and United Electrical Work-

## Panel Sees Need For Protective Laws for Men

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mand has something to do with labor conditions. I think it would be extremely dangerous to do away with the law in view of that.

"If women lost 10-minute rest periods, men would lose them too," she pointed out.

Mrs. Miller concurred with most of the other panelists when she said that the legislature should not be saddled with the time-consuming task of setting explicit standards for industries to follow to protect the health and safety of workers and that the task should be delegated to the State Industrial Welfare Commission.

"We'd better protect ourselves with law instead of depending on the good nature and the good will (of employers)," she said.

The hearing, deliberately exploratory in nature, was held in part because the Equal Employment Opportunity Commission on August 15 amended its guidelines to provide that state laws that ban or limit the employment of women may not be used by employers as a bona fide occupational qualification.

Russell Specter, Acting General Counsel of the EEOC, contended, perhaps somewhat unrealistically, that California should suspend operation of its protective laws for women until federal courts have time to rule on their validity. Such action, which was regarded by a number of the other panelists as "irresponsible," might take up to two years, he estimated.

Not surprisingly, representatives of employer interests at the hearing voiced no objection to throwing the state's protective laws for women into a limbo of non-enforcement for such a period.

But the consensus of the panel that the state legislature should act early during the next session to extend the existing protections for women to men is clearly the more responsible course of action available.

Another public hearing on the issue is expected to be held during the latter part of January 1970.

## Fact Sheet on Needed State Tax Reforms Now Available

"The Need for Tax Reform," a new, one-page fact sheet on California's tax structure, is now available free in limited quantities from the California Labor Federation, AFL-CIO.

The fact sheet, prepared for the Federation's recent special conference on "Taxes and the Economy," which was held in Fresno November 6-7, explains

the difference between progressive, proportional and regressive taxes and also spells out the State AFL-CIO's general position on needed reforms in the state's tax structure.

Copies may be ordered by writing to: **The California Labor Federation, AFL-CIO, 995 Market St., San Francisco, California 94103.**