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

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Nov. 21, 1969 Vol. 11—No. 47

Shultz Denies Low Youth Wage Proposal

U.S. Secretary of Labor George P. Shultz this week denied published reports suggesting that the Labor Department was studying a proposal to slash the statutory federal minimum wage to create a special low wage for teenagers.

Shultz' denial came in response to a letter from AFL-CIO President George Meany who wrote him last week saying:

"We are concerned by recent newspaper reports that the Department of Labor is studying a proposal to reduce the statutory minimum wage for teenagers from $1.60 to $1.25 an hour and apply this rate to all below the age of 21. Would you please advise me of the facts about this report? I frankly find it unbelievable."

In his reply, Shultz said:

"The only study going on around here relevant to your question about a possible youth wage is one to determine to what extent, if at all, the mini-

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Final Rites Held For Charles Roe, Former Fed. V.P.

Funeral services for Charles Roe, a former vice president of the State Federation of Labor and a champion of workers' rights for more than three decades in Alameda County, were held last Tuesday in Hayward.

Mr. Roe, 59, a charter member of Carpenters Local 1622 in Hayward, had served as a union organizer and business representative and was a delegate to the Alameda County Building Trades Council for 32 years.

He served on the Executive Council of the State Federation of Labor from 1946 to 1948 and

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Kirkland Raps GE Move to Blame Inflation on Labor

The General Electric Corporation, with the backing "of elements of the federal government, a large spectrum of the business community and the U. S. Chamber of Commerce" is engaged in "a concerted, calculated effort to make labor the public scapegoat for inflation."

That was the warning issued by Lane Kirkland, National Secretary-Treasurer of the AFL-CIO, in an address to more than 200 trade union leaders at a GE strike-support rally in San Francisco last Monday.

Kirkland spoke at a rally called to kick off an unprecedented nationwide $1 per member fund drive to help support 150,000 G.E. workers who were forced to strike after the company, the nation's fourth largest manufacturer, refused the union's offer to submit the issues involved in the

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Last Chance to Fight for Tax Reform, Pitts Warns

All California trade unionists should take pen in hand immediately to write U.S. Senators Alan Cranston and George Murphy to demand substantial strengthening of the tax reform bill that's expected to hit the Senate floor for debate possibly early next week.

Emphasizing that this is the working man's last chance to counteract the successes scored by an army of lobbyists for special interest groups who hacked away at the meager tax reforms encompassed in the bill passed by the House last August, Thos. L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, wrote all Federation affiliates this week to urge them to act immediately on this urgent issue.

In his letter to affiliates, Pitts emphasized that "this bill represents our last chance for genuine tax reform in this ses-

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Who Benefits From Capital Gains? Not You!

Trade unionists who own a few shares of stock are kidding themselves if they think they benefit more than they are hurt by the nation's present capital gains tax loophole.

This was demonstrated graphically by the National Committee on Tax Justice in testimony presented to the

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Fed Urges PUC To Consider Ratepayers

The State Public Utilities Commission was urged to weigh "the rights and needs of PG&E's ratepayers as well as the company's financial requirements in reaching a decision on the giant public utility's demand for an additional $23 million gas rate hike.

In submitting its closing brief in the case which got underway more than 10 months ago, the California Labor Federation, AFL-CIO, noted that the PUC's own staff, after examining the PG&E's presentation in behalf of its demands, had observed that:

"PG&E has demonstrated no need for increased revenues and in the context of the rate case it has de-emphasized its extreme suc-

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Union Rolls Up 1 Million in Two Years

Total membership of national unions headquartered in the United States climbed to 20.2 million in 1968, an increase of nearly a million members since 1966, according to the preliminary results of the Bureau of Labor Statistics' biennial union membership survey.

Total U.S. membership—excluding Canadian members—climbed to 18,843,000, a rise of 903,000 or five percent since 1966.

As a percentage of the total labor force, union membership has edged up steadily from a low of 22.2 posted in 1963 and again in 1964 to 22.4 percent in 1965, 22.7 in 1966, 22.7 in 1967

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Shultz Denies Low Youth Wage Proposal

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mum wage is responsible for the high rates of unemployment among youth.

"I have made no policy decision to recommend a youth wage at all and I would oppose any youth wage figure below the existing statutory minimum of $1.60 an hour for all persons in covered industries.

"I trust this provides the assurance you requested about the Department of Labor policy."

The newspaper reports last week quoted U.S. Secretary of Commerce Maurice H. Stans as saying that the Nixon Administration was considering a plan to slash the minimum wage for teenagers to "about $1.20 or $1.25 an hour," ostensibly in the interests of curbing joblessness among teenagers.

When it was pointed out that such a wage cut would encourage employers to hire teenagers to replace adults, Stans was quoted as saying: "There's nothing wrong with that."

Stans' remarks were interpreted as a trial balloon lofted by the Nixon Administration in behalf of some of the nation's business interests who would like to drive down the cost of labor to marginal employers.

The obvious consequence of any such slash in the minimum wage would be to deprive many of the nation's semi-skilled and unskilled adult workers of jobs and force them onto welfare supported by the nation's general taxpayers.

"While Secretary Shultz' prompt response is heartening, the fact that Stans, a member of Nixon's cabinet, even raised it remains disturbing," Thos. L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO, said.

"The truth of the matter is that so long as employers anywhere in our country are permitted to offer only poverty level wages, general taxpayers—and that includes all working men and women—wind up subsidizing those employers through their federal, state and local tax payments," Pitts pointed out.

Union Rolls Rise 1 Million In Two Years, Study Finds

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and 22.9 in 1968 when the nation's total labor force reached 82.2 million.

Of the 67.8 million employees in non-farm establishments in 1968, union membership amounted to 27.8 percent, three-tenths of one percent less than in 1966.

AFL-CIO affiliates reported 15.6 million members in 1968 compared with 16.2 million in 1966, the BLS survey said.

Excluding the 1.4 million-member United Auto Workers Union which was disaffiliated from the Federation in 1968, AFL-CIO affiliates picked up about 880,000 members over the two-year period.

Unaffiliated national unions reported 4.6 million members in 1968 against 3 million in 1966.

In the public employee field, the report said that an estimated 2.2 million federal, state and local employees are now union members, an increase of 436,000 since 1966.

And it noted that between 1958 and 1968 union membership in the public employee field has climbed about 1.1 million, accounting for more than half of the total membership gained during that period.

It also noted that white collar membership rose 434,000 to a total of 3.2 million in 1968 and that the number of women in unions rose by 251,000 to 3.9 million.

Among a number of major unions posting significant gains were the following:

Union	Membership 1968	Membership 1966
Teamsters (Ind.)	1,755,025	1,651,240
Automobile (Ind.)	1,472,696	1,402,700
Steelworkers (AFL-CIO)	1,120,000	1,063,000
Machinists (AFL-CIO)	903,015	836,163
Laborers (AFL-CIO)	553,102	474,529
Retail Clerks (AFL-CIO)	552,000	500,314
State, County, Municipal (AFL-CIO)	364,486	281,277
Government Employees, AFGE (AFL-CIO)	294,725	199,823
Letter Carriers (AFL-CIO)	210,000	189,628
Postal Clerks (AFL-CIO)	166,000	143,146
Teachers (AFL-CIO)	165,000	125,000
Fire Fighters (AFL-CIO)	132,634	115,000

Final Rites Held For Charles Roe, Former Fed. V.P.

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as his union's delegate to the Bay Counties District Council of Carpenters for 27 years.

Long active in county and community affairs, Mr. Roe was appointed by the Alameda County Board of Supervisors as secretary of the committee responsible for developing a strong Alameda County Building Code. He was also one of the leaders in the successful fight for improved hospital facilities in the Hayward area.

Among other things, Mr. Roe served on the Alameda County Welfare Commission and reported to the 1948 convention of the State Federation of Labor that he felt that "the responsibility for the welfare of our needy citizens is a problem, not of the locality, but of the state and the nation."

Just within the past year, a number of state and federal officials have been reaching the same conclusions reached by Mr. Roe more than 20 years ago.

Mr. Roe is survived by a daughter Joann (Mrs. Sam) Hardin of Richmond and two grandsons. His wife Adella died last June.

Fed Urges PUC to Consider Ratepayers' Rights

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cess."

The PUC staff also concluded that a 6.95 rate of return would be **"very generous,"** the Labor Federation said.

The State AFL-CIO has urged the Commission to hold any rate boost down to $4 million, about one-sixth of the sum demanded by PG&E.

The giant public utility is seeking authorization to increase its current 6.25 percent authorized rate of return to 7.5 percent. The PUC staff recommended a rate of return ranging between 6.95 percent and 7.25 percent even though it described the 6.95 percent level as "very generous."

After an extensive analysis of the case, (see California AFL-CIO News of November 7, 1969) the State AFL-CIO recommended a rate of return of 6.85 percent and urged the five-member Commission to refuse to allow PG&E to pass its surtax along to its ratepayers; to require all ratepayers to share equally the burden of any increase in rates; to hold PG&E's allowable advertising expenses down to $2.1 million; and also to require PG&E to pass the full El Paso refund along to its ratepayers.

The State AFL-CIO also reiterated its request that the PUC issue a proposed report on the case before taking final action.

It pointed out that the Federation had filed a petition with the Commission requesting that such a proposed report be issued four months ago on July 17.

The State AFL-CIO has been involved as "an interested party" in the case in an effort to protect trade unionists and other consumers from excessive and unfair rate increases.

In an earlier phase of the case, the Federation was instrumental in reducing PG&E's demand for a $13 million interium increase to $6.4 million.

If the now Reagan-dominated PUC should grant the full $23 million sought by the public utility in the current phase of the case, it would cost the average trade unionist who receives PG&E services in his home an average of nearly $10 a year more.

But if the rate increase is held down to $4 million, the increase in cost to the average home subscriber would be less than $2.

And when you add up all of PG&E's home subscribers, that difference comes to a pretty piece of change, eh?

Last Chance To Fight For Real Tax Reform, Pitts Warns

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sion of Congress."

Commenting on the broader issues involved in tax reform, Pitts said:

"If our country is to know an equitable tax law, it is imperative that the reform bill be restructured to close the scandalous loopholes of the present system. Also, in this era of social tension, Congress should make certain that tax relief will first benefit the low and middle-income millions of America.

PERIL TO U.S. UNITY

"It would be destructive of the national unity we all desire to enlarge the tax privileges of the wealthy at the expense of the average American family. Any cynical tax legislation written to favor the rich will guarantee despair and a sense of abandonment among the commanding majority of the American people.

"We can't afford that," Pitts declared.

Under U.S. Senate rules, any amendment is in order on the floor. This means the bill can be totally re-written in the course of the Senate debate that's about to begin.

Local unions and central bodies as well as individual union members were urged to spell out their demands for specific reform amendments in their letters to California's two U.S. Senators.

PROVISIONS NEEDED

Pitts suggested that trade unionists tell Senators Cranston and Murphy that any meaningful tax reform bill adopted by the Senate must include:

- Provisions to increase the taxes raised on capital gains and to extend the capital gains holding period from six months to one year. The House had approved extension of the holding period to one year but this was knocked out in the Senate Finance Committee.
- A cut in the oil and gas depletion allowance to 15 percent or less. The House had cut the present 27½ percent bonanza for oil moguls down to 20 percent but the Senate Finance Committee boosted it back up to 23 percent.
- Provisions to repeal the 7 percent investment tax credit without any so-called small business exemptions.
- Adoption of the Metcalf Amendment to prevent the wealthy from using phony farm losses to offset other income and thereby duck their fair share of the tax burden.
- Restoration of the House-adopted taxes on financial institutions.
- Retention of the Senate Committee's restrictions on real estate coupled with a provision to assure that double depreciation is allowed only for low and moderate income housing.
- Retention of the Senate Committee's proposed minimum tax with provisions to include tax exempt bonds within that tax and to raise the tax rate from five percent to 25 percent.

AFL-CIO Legislative Director Andrew Biemiller has pointed out that the tax relief provided in both the House and Senate Committee measures would presently provide rate cut favoritism to the very wealthy.

In fact, he pointed out, more than $2 billion in tax cuts would go to five percent of the taxpayers who earned more than $20,000.

Biemiller said that both Senator Albert Gore (D-Tenn.) and Senator Vance Hartke (D-Ind.) are expected to offer amendments that would provide a substantial increase in the present minimum standard deduction and an increase in the personal exemption.

"This approach is far superior to the tax relief in the present bill and should be supported," Biemiller said.

Biemiller also warned that Senator Paul Fannin (R-Ariz.) plans to offer an amendment on the Senate Floor to deny labor unions their tax exempt status for participating in any kind of political activity, including voter registration.

Pointing out that the National Right To Work Committee and other anti-labor groups have already launched a mail campaign to push for this anti-worker amendment, Biemiller urged all trade unionists to tell their Senators to oppose the Fannin amendment on grounds that it would "deny working Americans their rights in all political areas from the courthouse to the nation's capitol."

Who Benefits From The Capital Gains Tax? Mostly The Rich

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Senate Finance Committee recently.

The Committee presented a table showing that persons in the $10,000 to $50,000 adjusted gross income class receive only four percent of their total income from capital gains.

In contrast, individuals with adjusted gross incomes ranging between $50,000 and $100,000 got 17.1 percent of their total income from capital gains; those in the $100,000 to $1 million income category received 42.3 percent of their income from capital gains; and those in the over $1 million class got 72.2 percent of their income from capital gains.

The unfairness of the capital gains provision are principally two, namely:

1—Only 50 percent of the profit is taxable on securities or investments held more than six months, with the remaining one-half being tax free.

2—The tax rate on capital gains cannot exceed 25 percent regardless of the amount of the seller's total income.

The result of this tax loophole alone costs the United States Treasury $8.5 billion a year, according to U.S. Treasury Department estimates, the Committee said.

Moreover, it pointed out that less than 10 percent of American taxpayers receive any of the benefits of this multi-billion dollar windfall while more than 90 percent of the remaining taxpayers foot the bill.

New UFWOC Pact Boosts Wages, Bans Pesticides

The AFL-CIO United Farm Workers Organizing Committee scored a major breakthrough recently when they negotiated a renewal of a two-year contract with A. Perelli-Minetti & Sons which, for the first time, bans the use of four pesticides that have poisoned hundreds of farm workers and jeopardized the health of consumers.

The new contract hikes the basic minimum wage for grape pickers to $2 an hour retroactive to May 1, 1969, 29 cents higher than the previous contract.

It also calls for an additional 15 cent an hour boost on May 1, 1970. In addition, it set hourly wage rates of $2.05 for irrigators and $2.20 for tractor drivers, with a night differential of five cents an hour in both categories.

Four pesticides specifically banned in the contract are DDT, Aldrin, Dieldrin and Endrin.

Other improvements in the new contract include provisions for vacations, jury duty and bereavement pay, dues check off, credit union payments and a grievance and arbitration provision covering on-the-job disputes.

AFL-CIO Director of Organization William L. Kircher hailed the contract as "another milestone" in the farm workers' drive for full collective bargaining rights in agriculture.

The Perelli-Minetti firm is engaged principally in wine grape growing and processing of wine products in the San Joaquin Valley where table grape growers are confronted with a nationwide boycott initiated by the UFWOC for refusing to bargain with the union.

Heading the UFWOC's negotiating team for the new contract were UFWOC Vice President Dolores Huerta and Irwin DeShetler of the AFL-CIO Department of Organization.

Kirkland Raps GE Move To Blame Inflation on Labor

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four-week-old strike to binding arbitration.

Pointing out that this concerted campaign would make trade unionists and workers in general "the primary victims of inflation," Kirkland said that one of the key questions raised by the G.E. strike is:

"Can a giant corporation with sufficient money to afford it establish its own law in this country?"

"G.E. evidently believes it can," Kirkland said. He pointed out that G.E. has been found repeatedly guilty of violating the nation's labor relations act and could fairly be described as "the champion violator of law and order in the history of this country."

PAY HIKE WIPED OUT

In laying the issues involved in the strike squarely before the Bay Area's union leadership, Kirkland explained that in 1966 G.E. workers won a 13 percent wage increase.

Since that time the cost of living has gone up 13.3 per cent so G.E. workers are worse off today than they were three years ago, he said.

Kirkland also ripped into G.E.'s attempt to promote an image of itself as a public servant and to picture itself as a champion of inflation control.

"G.E. says you and I are to blame and that they are doing a patriotic public service in resisting our greedy, selfish lust for exorbitant wages. They are saying that wages are getting too high. That wages are pushing prices up. And that G.E. is fighting the battle against inflation," Kirkland said.

GE PROFITS UP 200%

Recalling that top G.E. officials were convicted and jailed for price-fixing involving $100 million in 1963, the National AFL-CIO leader pointed out that G.E.'s profits after taxes have climbed about 200 percent since 1960 and that in just the last quarter, G.E. profits climbed 11 percent and are still going up. He also noted that the rate of return per dollar invested by G.E. has been about 15 percent a year.

On top of that, he reported that just last week G.E. announced another price hike on most of its appliances, a move that hardly squares with its inflation fighter claim.

One of the fundamental issues involved in the strike Kirkland emphasized, is the huge corporation's refusal to engage in genuine collective bargaining.

For years, he explained, G.E. has engaged in a tactic developed by one of its former vice presidents, Lemuel Boulware, which boils down to the company making one take-it-or-leave-it offer shortly before the strike deadline.

In the case of the current strike, Kirkland said, the 13 unions involved had asked for a 72-hour moratorium between presentation of the offer to the union and its release to the public. But the company spurned the request. It didn't make any offer in the course of normal negotiations but released its offer to the public and the press before it put it on the bargaining table.

The union is seeking 35 cents the first year; 30 cents the second year and 25 cents the third year.

OFFER COMPARED

In contrast, the company has offered for a three year contract 20 cents the first year; 0 the second year and 0 the third year, although agreeing to discuss wages in the second and third year.

"This means simply that the workers are free to strike again the second year and again the third year," Kirkland explained.

In short, he said, "the company is fighting for the principle that only the company is the proper judge of equity and fairness."

The only way to fight such a company, he said, is "by conducting a successful strike.

"That and that alone is going to civilize this company," he declared.

"We're not company-baiters. We don't hate them. We have to live with them. They're part of our system. Our object is not to take over management or dictate prices or limit profits or even take the goodies away from the top executive. All we want is genuine collective bargaining and our people are going to have to stay out on strike until they get it," he declared.

Although it has yet to raise its voice against major price increases in steel and other basic metals or the more recent G.E. boost in a long list of appliances which was just announced last week, the Nixon Administration has repeatedly called for curbs on workers' wage increases.

If the 13 unions involved in the G.E. strike should be finally forced to accept G.E.'s inadequate unilateral offer, workers in practically all other industries would be hurt too.

"The most powerful cause of inflation," Kirkland said, "is the cost of money." He pointed out that interest rates have soared to 9 or 10 percent in just the past couple of years and said that the public is expected to regard the bankers' action in raising interest rates as a patriotic service to fight inflation even though bankers profit and workers are hurt by it.

Noting that "the main brunt of the strike is going to be borne by those 150,000 people actually on strike," Kirkland said:

"They'll never make it up in pay. In a very large sense these people are not fighting for wages alone. They are fighting because they know it's better to die on your feet than live on your knees."

DISTRIBUTION EXPLAINED

Funds collected will be divided in proportion to the number of members each of the unions involved in the dispute has actually on strike.

The San Francisco rally at the Del Webb TowneHouse was one of 23 similar rallies being held in major cities throughout the nation this week. Similar rallies were also held last Monday in Oakland and Los Angeles.

Principal speaker at the Los Angeles rally was Louis Stulberg, President of the International Ladies Garment Workers Union and a member of the National AFL-CIO Executive Council.

Addressing a meeting at the Roosevelt Auditorium in Los Angeles, Stulberg said that the G.E. strike "constitutes a real emergency for the American labor movement."

He predicted that the AFL-CIO would raise the necessary "manpower and money to see that a union victory comes out of this crisis."

Among other things, Stulberg pointed out that "productivity at G.E. is 40 percent greater than the national average because of the sophistication of the electrical industry yet wage increases are less than the national average."

William Kircher, AFL-CIO Director of Organization said in Oakland that G.E.'s take-it-or-leave-it approach to bargain-is just one symptom of a national big business drive to cripple the labor movement.

YOU MAY BE NEXT

"What is going on now is being beamed at the G.E. workers but the next barrel is ready for you," he warned, adding:

"Nothing will be more conducive to a change in G.E. attitudes than an enthusiastic response on your part to this fund drive."

On hand to help coordinate the drive in the San Francisco area is Jim LeBlanc, who suggested that trade unionists be wary of propaganda put out by G.E.

Resource man for the strike in the East Bay is Orie Babish of the IBEW.

UNIONS NAMED

AFL-CIO unions involved in the strike are: The Machinists, Steelworkers, Technical Engineers, Carpenters, Plumbers, Allied Industrial Workers, Sheetmetal Workers, Flint Glass Workers, the IBEW and the IUE. Also coordinating strike activities with the AFL-CIO unions are the unaffiliated Teamsters, Auto Workers and United Electrical Workers.

Trade unionists may make their contributions to this critical fund drive to their local unions, their central labor bodies or 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.

Farm Pay Still Low

Farmworkers are still among the lowest paid workers in the nation. The national average farm wage for 1968 was $1.43 an hour, while the average for production workers in manufacturing was $3.10 an hour.