



California AFL-CIO News

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JOHN F. HENNING 151
Executive Secretary-Treasurer

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Organization of State Legislature Gets Underway

Organization of the State legislature got underway in earnest this week following the election of Bob Moretti (D-Van Nuys) as Assembly Speaker and James R. Mills (D-San Diego) as Senate President pro tem last week.

While the full composition of upper and lower house committees is not expected to be announced until sometime next week at the earliest, Speaker Moretti has already announced the chairmen of a number of key Assembly committees, including:

Ways and Means, Assemblyman Willie L. Brown, Jr., (D-San Francisco);

Elections and Reapportionment, Assemblyman Henry A. Waxman (D-Los Angeles); and,

Rules, Assemblyman John L. Burton (D-San Francisco).

Labor Relations, Assemblyman David A. Roberti (D-Los Angeles).

Finance and Insurance, Assemblyman Jack R. Fenton (D-Montebello).

Education, Assemblyman Leroy F. Greene (D-Sacramento).

Revenue and Taxation, Assemblyman Joe A. Gonsalves (D-Norwalk).

Urban Development and Housing, Assemblywoman Yvonne Brathwaite (D-Los Angeles).

All of the Assembly committee chairmen named above were,

(Continued on Page 2)

Fed Asks Action To Prohibit 'Wetback' Strikebreakers

The California Labor Federation called on the National AFL-CIO this week to press for legislation to bar the use of "wetbacks" or so-called "green-card" commuters as strikebreakers and cut-rate workers in southern California and along our southwest border.

Andrew Biemiller, the national AFL-

CIO's Director of Legislation, informed John F. Henning, the State AFL-CIO's executive officer, on Wednesday, that legislation to cope with the Mexican border crossing problem is currently being prepared for submission to the new 92nd Congress. Henning noted that additional

(Continued on Page 2)

Jobless Jump Points Up Need for Public Works

Although California's jobless rate remained unchanged over the month at 7.0 percent in December, the ranks of the state's jobless workers climbed by 41,000 to 619,000 — the highest since the Great Depression of the 1930s—and the national job-

less rate jumped from 5.8 to 6.0 percent, its highest level since the nation began to recover from the 1959-61 Eisenhower-Nixon recession.

The jobless data, released by state and federal agencies last weekend, tend to confound the Nixon Administration's claims of confidence in the economic policies it has pursued for the past two years and underscore the need for immediate action at both the state and national level to improve and expand the benefits and services available to haplessly jobless workers and to create new jobs.

Among other things, the data showed that:

● In the past 12 months U.S. unemployment has climbed 76 percent, from 2.6 million to 4.6 million.

(Continued on Page 3)

More Protests Urged Against PUC Gag Rules

To protect organized labor's capability to continue to fight effectively to protect consumers from exorbitant utility rate increases, the California Labor Federation this week called on all AFL-CIO affiliates in the State to wire or write the State Public Utilities Commission voicing opposition to the adoption of proposed restrictive procedural rules that would severely limit, if not prohibit the Federation and other consumer-oriented organizations from appearing before it.

John F. Henning, the Federation's executive officer, pointed out that the State PUC is by law charged with the regulation of privately owned public utilities, airlines, bus companies, railroads and trucking companies.

He noted that the Federation

(Continued on Page 4)

New Year's Eve 'Rider' Cost US \$100 Million

New Year's Eve cost Uncle Sam \$100 million.

That's the price tag placed by the Treasury Department on a rider to the \$4.1 billion excise tax extension bill that carves a loophole in a section of the 1969 Tax

(Continued on Page 4)

State Fed Asks Update of California's 14 Wage Orders

Reopening of the 14 Wage Orders establishing minimum wages, maximum hours and other working conditions in various industries in California is being urged by the State AFL-CIO.

Asserting that the "current \$1.65 pay floor was inadequate at the time it became effective," John F. Henning, executive officer of the California Labor Federation, AFL-CIO, formally

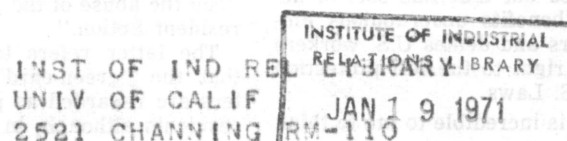
requested the reopening in a letter to Theodore J. Todd, chairman of the State Industrial Welfare Commission, last week.

Henning pointed out that since the current orders went into effect, the cost-of-living in California has risen 16 percent.

"On the issue of the minimum wage alone, the need for revision to catch up with rising costs is evident," Henning said.

He suggested that a minimum wage of \$2.25 an hour is "necessary" to provide for a minimum decent standard of living for the 2.5 million women and minors covered by the Commission's orders.

(Continued on Page 3)



Worker Wins Jobless Pay Cutoff Case

Unemployment insurance benefits may not be cut off without a hearing just because someone claims the recipient refused work.

That was the ruling of Federal Judge Albert C. Wollenberg in San Francisco recently in a case involving Ellenmae Crow, 44, of Felton, whose payments were cut off last year by the California Department of Human Resources.

The judge pointed out that Mrs. Crow was denied unemployment insurance checks for 10 weeks and that the charge that she had refused to accept employment "later proved inaccurate."

In authorizing an injunction barring the State Department of Human Resources Development from cutting off jobless benefits until after an appeal hearing has been held, the judge said that to do otherwise would violate the due process guaranteed by the constitution since the recipient wins on appeal in 32 percent of the cases.

The decision expands a previous ruling on unemployment insurance and is expected to affect 116,000 workers in California and about one million nationally, according to Steven Berzon, an attorney for the Legal Service Foundation, who handled the case for Mrs. Crow.

Riverside Dinner Set For Jack Henning

John F. Henning, Executive Secretary-Treasurer of the California Labor Federation, AFL-CIO, will be honored at a "Welcome to Jack" dinner at the Riverside Labor Center in Riverside on Wednesday, February 3.

The dinner is being sponsored by the Riverside Central Labor Council, the San Bernadino Central Labor Council, the Riverside-San Bernardino Building and Construction Trades Council and the Riverside-San Bernadino Organization Committee.

The February 3 dinner, open to all friends of labor, will be held at the Labor Center at 1074 East La Cadena Drive in Riverside with cocktails at 6:30 p.m. and dinner at 7:30 p.m. For information on reservations, phone OV 4-5335 in Riverside.

Fed Asks Action to Prohibit 'Wetback' Strikebreakers

(Continued from Page 1)

legislation was not the only answer to the problem.

"Poor enforcement of existing regulations coupled with a shortage of enforcement personnel and inadequacies within the regulations themselves compound the problem," he said.

"For example," he noted, "the Immigration Service still issues a 72-hour pass which bears no date of issuance and therefore invites an increasing influx of alien workers who remain in the country illegally and undermine U.S. wages and working conditions."

POLICY CITED

The State AFL-CIO's action, a follow-up to a request for an investigation by the U.S. Labor Department made by Henning to U.S. Secretary of Labor James Hodgson last October, is in line with a policy resolution adopted at the National AFL-CIO's last convention and stems from mounting reports from Federation affiliates involving the failure of the federal government to enforce existing laws against the employment of illegal entrants to the United States.

For example; James J. Rodriguez, secretary of Meatcutters and Butcher Workmen's Local 563, protested the use of both green card workers and illegal wetbacks as strikebreakers at a southern California plant last November.

PROBE BARRED

Immigration officials in Los Angeles assured him they would investigate. Later they said the employer had requested a one-day delay. But when the Immigration officials appeared at the plant on the day requested by the employer, the employer refused to admit them. Subsequently the Immigration Service informed the union that it would be necessary for them to get a court order to proceed.

Max Osslo, an international vice president of the Meatcutters and director of District 8, pointed out that this sort of delay "benefits unscrupulous employers and denies U.S. workers their right to the full protection of U.S. Laws.

"It is incredible to me to think

that an agency of our federal government cannot, and does not have the right, to investigate a plant that is being operated in violation of federal law," he declared.

Rodriguez said he believes legislation that would bar U.S. employers from knowingly hiring illegal entrants and impose stiff penalties on those who do, is necessary to cope with the problem.

ANOTHER EXAMPLE

Another example occurred just last month in Los Angeles County according to Robert Cook, executive secretary of Provision House Workers Union Local 274.

Cook said he complained to the Immigration Service early in December when about 15 aliens were transported across picket lines but was informed that the union officials would have to sign affidavits that certain people working in the plant are in the United States illegally.

Later the union was informed by another Immigration official that the Immigration Service has "thousands of cases pending of this nature in the Los Angeles and Orange County area and that the department does not have enough manpower to handle the work load," Cook said.

LEGISLATION URGED

Fifteen months ago, delegates to the National AFL-CIO Convention in San Francisco adopted a policy resolution that urged Congress to enact legislation with strong enforcement teeth that could "bring under control the existing widespread use of Mexican commuters which undermines American wages and labor standards, narrows employment opportunities for American workers, and provides a constant threat of strikebreaking."

The resolution also called on the U.S. Department of Justice to enforce the law along the southwest border "to prevent illegal entry of workers now undermining U.S. wages and working conditions" and, among other things, to stop creating new "green-card" commuters and "end the abuse of the permanent resident fiction."

The latter refers to the fact that the "green-card" commuters are regarded as permanent residents although, in fact, they

Organization of State Legislature Gets Underway

(Continued from Page 1)

like Moretti, COPE-endorsed candidates in the November 1970 general election.

Named by Moretti to serve with Burton on the seven-member Rules Committee were: Ray E. Johnson (R-Chico) vice chairman; Robert H. Burke (R-Huntington Beach); Ernest N. Mobley (R-Fresno); John P. Quimby (D-Rialto); Leo J. Ryan (D-South San Francisco); and L. E. Townsend (D-Gardena).

Assemblyman Carlos Bee (D-Hayward) was elected Speaker pro tem.

Assemblyman Walter J. Karabian (D-Monterey Park) was chosen as Majority Floor Leader and Robert T. Monagan (R-Stockton), who served as Assembly Speaker last year, was elected Minority Floor Leader. Assemblyman Kenneth Cory (D-Anaheim) was elected as Democratic Caucus Chairman and Assemblyman John Stull (R-Leucadia) as Minority Caucus Chairman. The Democrats now control the Assembly 43 to 37.

In the Senate where Democrats outnumber Republicans by a narrow 21 to 19 margin, Democrats Joseph M. Kennick of Long Beach and Stephen P. Teale of Railroad Flat and Republicans Robert S. Stevens of Los Angeles and Robert J. Lagomarsino of Ventura have been selected to serve on the five-member Rules Committee which is chaired by Mills as Senate President pro tem.

Senator George R. Moscone of San Francisco has been reelected as Democratic Floor Leader and Senator Mervyn M. Dymally has been elected Democratic Caucus Chairman.

reside in Mexico and commute daily to the U.S. thereby escaping their fair share of city, county, and state taxes," Henning noted.

"Within the past few months President Nixon has repeatedly stressed the need for law and order and justice. That's just what California workers who are presently suffering from strike-breaking and unfair competition from a growing influx of illegal aliens want too," Henning added.

Jump in Jobless Points Up Need For Public Works

(Continued from Page 1)

● In California where joblessness has exceeded the national average for several years, the 619,000 total last month was 64 percent higher than in December, 1969 when the state's unemployed totaled 377,000 and 83 percent higher than the 338,000 jobless in December, 1968.

John F. Henning, Executive Secretary-Treasurer of the California Labor Federation, AFL-CIO, said that "the deepening magnitude of the jobless crisis clearly calls for the initiation of state and federal public works programs to provide meaningful job opportunities for the victims of erroneous economic policies.

"It seems that everytime unemployment goes up, President Nixon or his spokesmen express confidence that it's going down and reiterate the litany that inflation must be brought under control.

"The truth is that the principal impact of the Nixon Administration's economic 'game plan' has been an outrageous increase in bank profits, a crippling of the nation's economic growth, a 33 percent increase in the rate of inflation and an unemployment crisis that's already the worst since the Eisenhower recession of 1960 and is clearly going to get worse before it gets better."

The Associated Press reported last week that "inflation has robbed workers of the benefit of an estimated 3.4 percent increase in weekly earnings for the year through November. Because of the approximate six percent increase in consumer prices, weekly earnings were down by 2.1 percent in terms of real buying power."

A check with the U.S. Labor Department's Bureau of Labor Statistics indicates that the U.S. Consumer Price Index rose from 130.5 to 137.8 between November, 1969 and November, 1970, a percentage increase of 5.6 percent.

For prior years, on an average annual basis, the C.P.I. has climbed:

1968-1969.....	5.4 percent
1967-1968.....	4.2 percent



LABOR AIDS BOYS CLUB—Members of Sheet Metal Workers Local 108 in Los Angeles County lend a helping hand to the Boys Club of East Pasadena, Calif., by installing heating, ventilating and air conditioning systems at the club's new home. Local members donated 208 man-hours in one day, completing a job that could have taken three weeks. The union members came to the rescue when freeway construction closed the Boys Club's former home.

1966-1967.....	2.8 percent
1965-1966.....	2.9 percent
1964-1965.....	1.7 percent

"These figures give little credence to economic policies that have had nearly two years to take hold," Henning pointed out.

"President Nixon's recent veto of a bill that would have pumped a billion dollars a year for each of the next three years into public service jobs amounts to a cruel blow to millions of jobless workers for some hope of employment.

"And his recent decision to give additional huge tax concessions to the business community in the form of accelerated depreciation indicates that he is still married to the discredited economic theory that the private sector of the economy alone can create sufficient jobs to achieve and sustain a full employment economy. This is even more disheartening," Henning added.

Regionally within California, the jobless rate was generally up all along the line. In Santa Clara County, where 600 aerospace jobs were slashed in December, unemployment climbed to 7.4 percent, nearly 75 percent higher than the 4.3 percent

rate in December 1969.

In Fresno, where the only decline was posted, it was 7.2 percent; in San Bernardino it was 6.8 percent; and in Sacramento and Bakersfield it was 6.7 and 6.5 percent respectively.

Nationally, the unemployment rates for white collar employees in general and professional and technical employees in particular rose to their highest levels since the government started keeping statistics on them in 1958.

The rate for white collar workers rose from 3.5 to 3.7 percent over the month and the rate for professional and technical workers jumped from 2 to 3 percent, a 50 percent increase.

The U.S. jobless rate for teenagers remained at an 8-year high at 17.5 percent and the rate for all White workers was 5.5 percent.

In addition, the number of long-term unemployed (those jobless 15 weeks or more) topped the one million mark for the first time since 1964 and the average length of joblessness rose from 9.4 to 9.8 weeks.

"I'd Join"

If I were a wage worker, I would certainly join a union.—Theodore Roosevelt.

Fed Asks Update Of California's 14 Wage Orders

(Continued from Page 1)

The Federation also pointed out that Order 14-68, covering farm workers, contains poorer conditions in terms of piece-rate pay and working conditions than exist in the other orders and said that "this discrimination must be eliminated."

It also urged the creation of a new wage order covering domestic household workers.

"These workers have been shamefully neglected," the Federation said, adding that "their exclusion from state protective legislation is a disgrace and calls for prompt alleviation."

Copies of the request were also sent to the four other IWC Commissioners, namely Mike R. Elorduy, Edward M. Curran, Stanton D. Elliott, and Mrs. Joyce Valdez. All are Reagan appointees.

Bottleneck To Progress

"We keep authorizing dreams and appropriating peanuts." — U.S. Senator Walter F. Mondale (D-Minn.)

More Opposition Urged to Proposed PUC Gag Rules

(Continued from Page 1)

has participated in PUC proceedings for many years in an effort to protect the interests of AFL-CIO members as consumers and ratepayers.

In 1967-68, for example, the State AFL-CIO played a major role in opposing a \$181 million rate hike demand made by the Pacific Telephone Co. In that case, which was decided before Reagan appointees gained a majority on the five-member board, the PUC subsequently authorized a rate increase of \$50 million, less than a third of PT&T's demand. This saved trade unionists and other California consumers millions of dollars.

In his letter to affiliates last Monday, Henning pointed out

that the PUC's present chairman, J. P. Vukasin, Jr., has proposed the adoption of rules that would:

- Allow only attorneys to represent groups before the Commission.

- Lump labor organizations, consumer groups, and others into a special "limited party" category, barring them from cross-examining witnesses and utility company executives. Henning suggested that this proposal would make "second-class citizens" of organizations such as the Federation and the Association of California Consumers and other concerned civic groups.

- Create a "substantial and special interest" test that would

further limit groups from appearing before the PUC.

- Adopt other procedural rules to limit discussion of many of the vital issues in rate-setting cases.

Asserting that "labor in California has a basic stake in the workings of the Public Utilities Commission," Henning declared that:

"Continued performance of our responsibility is now in jeopardy."

He urged all affiliates to write to: J. P. Vukasin, Jr., Chairman, Public Utilities Commission, State of California, 350 McAllister St., San Francisco, California 94102 prior to February 12, 1971, to urge the Commission not to adopt the proposed report in Case No. 8849.

He also suggested that affiliates contact as many other organizations and individuals in their local communities as possible to urge them to take similar action.

It has been reported that the proposed restrictive procedural rules were drafted by a committee of attorneys that was dominated by representatives of firms that periodically seek rate increases before the PUC, including representatives of the Telephone Company, the PG&E and attorneys for several California trucking firms.

The Commission is not expected to take any action on adoption or rejection of the proposed restrictive rules for at least a month.

Labor Urges Major State and Federal Tax Reforms

A "thorough overhauling of the tax structure" of both the state and federal government, including elimination of the capital gains and mineral depletion allowance loopholes, was urged by delegates who participated in the California Labor Federation's Eighth Convention in San Francisco last year.

Terming recent steps toward tax reform at both the state and national levels "wholly insufficient," a policy statement on Taxation adopted by more than 1,300 delegates represent-

ing California's 1.3 million AFL-CIO union members, said that the "constant vigilance" necessary to protect a properly drawn and properly administered progressive income tax from "subtle attacks by special interests" has been "conspicuously lacking" during the past two decades.

Yet, the delegates said, the classic statement made nearly two centuries ago by economist Adam Smith that citizens "ought to contribute toward the support of government as nearly as possible, in propor-

tion to their respective abilities, that is, in proportion to the revenues which they respectively enjoy under the protection of the state," is still valid.

Noting that there is unfairness in the federal tax structure at both the top and bottom of the scale, the delegates called on Congress to close such loopholes as:

- Untaxed capital gains on stock or other property;

- Untaxed interest on state and municipal bonds;

- Untaxed or too lightly taxed oil and gas and other

depletion allowances on minerals.

- Use of losses from farming to offset income from non-farming activities;

- Unlimited charitable contribution deductions employed to save amounts in taxes greater than the contribution; and

- Tax-exempt family foundations used to control family fortunes in perpetuity free of taxes.

To underscore the inequity of California's tax structure, the statement pointed out that while New York raised 48 percent of its revenues from its state income tax in 1968-69, California raised only about 27 percent of its revenues by this method.

In a still starker contrast, the delegates pointed out that while New York relied on the regressive sales tax for only 16 percent of its revenues, California raised 41 percent of its revenues from the sales tax.

Accordingly, on the state level, the delegates called for:

- Greater reliance on the personal income tax;

- Closure of loopholes destroying the "ability to pay" principle;

- Opposition to continued reliance on the sales tax; and

- Adoption of a tax withholding system to reduce tax evasion.

Apprenticeship Council To Meet

A three-day quarterly meeting of the California Apprenticeship Council will be held at the LeBaron Hotel in San Diego, January 28-30, 1971.

A public forum on the subject, "Is the Division of Apprenticeship Standards Necessary?" is scheduled Friday morning, January 29, according to Charles F. Hanna, chief of the Division of Apprenticeship Standards of the State Department of Industrial Relations who serves as secretary to the council.

The 17-member C.A.P. considers policies and other matters affecting state-approved, on-the-job training programs. There are presently some 36,800 individuals receiving training in California.

New Year's Eve Tax 'Rider' Cost Uncle Sam \$100 Million

(Continued from Page 1)

Reform Act that was intended to require the very rich to pay at least a 10 percent minimum tax.

The minimum tax was approved by Congress in 1969 after it was disclosed that 154 persons with gross incomes of \$200,000 or more in 1964 had paid no income taxes at all because of tax-free income and legitimate deductions.

The rider, proposed by Senator Jack Miller, an Iowa Republican, will let high tax bracket individuals and corporations write off their minimum tax liabilities if they paid high

amounts of taxes in previous years.

The measure was adopted by both the House and Senate and signed by President Nixon on December 31 without hearings, recorded votes, major debate or the Treasury Department's support, according to a United Press story.

For trade unionists looking for an answer to such questions as why we don't have national health insurance or adequate on-the-job and mine safety inspections, this not so little story suggests that our state and national tax structures might be as good a place as any to start.