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CIO - CALIFORNIA INDUSTRIAL UNION

Affiliated with AFL-CIO

COUNCIL NEWSLETTER

LOCAL NO. 57 UNION LABEL — AMALGAMATED LITHOGRAPHERS OF AMERICA — LOS ANGELES

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June 15, 1956

Vol. 6, No. 8

98% OF CALIFORNIA CIO-PAC CANDIDATES NOMINATED OR ELECTED IN PRIMARY!

SUPREME COURT RULES AGAINST GUILD ON UNEMPLOYMENT INSURANCE CLAIMS . . .

The State Department of Employment policy of denying unemployment insurance benefits to workers who have received severance pay has been upheld by the State Supreme Court.

The Court divided 4 to 3 on the decision which climaxed five years of litigation initiated by the San Francisco-Oakland Newspaper Guild on behalf of unemployed Guild members. The Guild had won the case once in San Francisco Superior Court and again in the State Court of Appeals. Various employer associations then joined newspaper publishers to gain a hearing in the Supreme Court. The Court handed down its ruling on June 4.

The Court majority found that payment of unemployment benefits in addition to severance pay conflicted with what it declares is a policy against duplication of payments to discharged employees. It rejected the Guild contention that severance payments represented compensation for past service and accepted the Employment Department's interpretation that such payments should be allocated to the period following termination of employment.

VIGOROUS DISSENTING OPINION HANDED DOWN

A vigorous dissenting opinion was written by Justice Carter and concurred in by chief Justice Traynor and Justice Gibson.

The dissenting opinion stated:

"It may reasonably be said that the weeks with respect to which dismissal pay is payable, means weeks prior to the discharge during which the employee earned the benefits of the dismissal pay, and hence that pay is not for time after discharge; that the dismissal pay is like a compulsory savings plan and the employee who obtains the benefits of such a plan is no less eligible for unemployment compensation than a worker who can draw on his private savings."

The opinion continued:

"The majority seems to feel that if unemployment compensation is allowed in this case there will be a double payment for the same thing—involuntary idleness—one from the state and the other from the employer. That is not true. Assuming that the sums payable under the agreement are for unemployment, still it is reasonable to say that it is in addition to unemployment compensation inasmuch as the latter is no more than a bare subsistence. Moreover, the argument of the majority is based on the false premise that unemployment compensation is payable only where the employee is needy when obviously his financial standing has nothing to do with it. He is entitled to the compensation no matter how much he is worth and, as seen, the sum payable under the agreement is in effect compulsory savings from his past wages where the employer acts as banker. He is not, therefore, being paid double, for the payment under the agreement is from his own money.

"Certainly if the employer had deposited a portion of the employee's wages in a trust fund to be paid to him only in the event of unemployment, it could not be claimed he was not entitled to unemployment compensation. The provident as well as the improvident employee is entitled to unemployment compensation under the law. Why should he be any the less so when he is provident because an agreement between his union and his employer makes him so with the cooperation of his employer?"

The dissenting justices held the majority opinion failed to give the *"liberal construction required of unemployment insurance laws, ignored the nature of dismissal pay and is contrary to the trend of authority elsewhere."*

They also pointed out that the majority decision in the Guild's case might be construed to invalidate supplemental unemployment benefits in the autoworker and steelworker contracts. State Attorney General Pat Brown has given an opinion that such contracts are not in conflict with the state unemployment insurance act and this was accepted by the State Department of Employment prior to the Court's ruling.

Immediate effect of the Court's decision is to deprive more than a score of Guild members of sums ranging to several hundred dollars for various individuals in claims that have been pending. Most of these date back to 1953 and were filed by former employees of the San Francisco Chronicle who were discharged to reduce the force.

When the case reached the Supreme Court the California CIO Council and the California Federation of Labor were represented by their attorneys who appeared as friends of the court in support of the Guild's position.

EXCERPTS FROM MAJORITY OPINION

This case calls for an interpretation of section 1252 of the Unemployment Insurance Code. In part, that section provides: "An individual is 'unemployed' in any week during which he performs no services and with respect to which no wages are payable to him . . ." Section 1251 provides that unemployment compensation benefits are payable to "unemployed individuals." It is conceded by the petitioner that dismissal payments under the contract are "wages" within the meaning of that term as used in section 1252. The question then is whether dismissal payments are payable with "respect to" a period before the employee's date of discharge or "with respect to" a period after that date. The petitioner contends that dismissal payments are made "with respect to" the weeks during which he admittedly performed services for the Chronicle. The respondents contend that such payments are made "with respect to" the weeks following the petitioner's discharge. Decisions in other states on the subject herein discussed are not helpful . . .

* * *

Section 1252 contemplates that wage payments are to be allocated to specific periods. The week "with respect to which" a wage payment is made by an employer to an employee depends upon the provisions of the employment contract. However, interpretations of employment contracts and of the Unemployment Insurance Act that result in duplication of payments to a discharged employee are not encouraged. This principle finds support in decisions of this court involving duplication of workmen's compensation by unemployment disability benefits . . .

* * *

The policy against duplication of payments would require an employee who claims what appear to be duplicating payments to show that there is no duplication. The petitioner has not done so. The record discloses that he has seen fit to rely solely on the language of the contract. That language alone is insufficient to establish that the dismissal payments were made "with respect to" a period before discharge and thus would not be duplicated by an award of unemployment compensation.

A holding that dismissal payments should be disregarded in determining whether an employee is entitled to unemployment benefits would create an anomalous distinction between dismissal pay on the one hand and "in lieu of notice pay" and "vacation pay" on the other. There is authority in this state to the effect that the receipt of "vacation pay" or "in lieu of notice pay" temporarily disqualified an employee from claiming unemployment insurance benefits . . .

→24 Endorsed Candidates in Congressional Races—21 nominated, 3 incumbents re-elected

→15 Endorsed Candidates in State Senate Races—7 nominated, 6 incumbents re-elected, 2 defeated by candidates of same party affiliation

→63 Endorsed Candidates in Assembly Races—47 nominated, 16 incumbents re-elected

The California CIO Political Action Committee chalked up its best primary election year on June 5 when all but two of its endorsed candidates were nominated and 25 PAC-endorsed incumbents were re-elected; in a good many cases the latter went back into office by virtue of having no opposition on either ticket—in the remaining cases the endorsed incumbent captured the opposition party nomination as well as his own, thus assuring another legislative term of service.

In two districts (3rd and 19th State Senatorial Districts) where the PAC candidates lost, the victory went to candidates of the same party. In the third district endorsed candidate E. V. Griffith (Dem.) lost his party nomination to Judge Carl L. Christensen who went on to defeat Senator A. W. Way on the Republican ticket, thus closing the gap between party representation in the state Senate. Christensen's election to the upper house was one of the major highlights of the primary election and now makes the party alignment 21 Republicans, 19 Democrats. The Bourbons are hopeful of capturing control of the California Senate which would be the first time in the state's history—the upper house has always been in the control of the GOP, even under former Democratic Governor Culbert Olson.

Nathaniel Colley (Dem.), who was endorsed by the state political body, lost the nomination to Democratic Senator Gerald Desmond of the 19th District in Sacramento County. Desmond also captured the Republican nomination.

Orange County Chalks Up Political "First"

Of interest to Orange County Democrats in particular and the voting public in general is the fact that for the first time in the history of Republican-dominated Orange County a Democrat won election to office! Richard T. Hanna came out the victor in the special election to fill the vacant Assembly seat in the 75th District. The special election was also held on June 5, the day of the regular primary. In the regular primary election Hanna, endorsed by CIO-PAC, won the Democratic Party nomination and will face a run-off in November.

Although there will not be a session prior to January, 1957, Hanna is now considered the incumbent for the remaining two-year legislative term which began in 1954.

A sizeable share of credit for Hanna's victory in the special election and nomination in the regular election goes to the United Automobile Workers in Orange County.

MOSCOW STORY . . .

The *New York Times* reported that the following unconfirmed but very plausible story was circulated in Moscow: Communist Party Boss Nikita Krushchev was denouncing former Red Boss Josef Stalin at the Party's recent gathering, where he is said to have received an anonymous note reading: "What were you doing when Stalin was alive?"

Krushchev read the note to the meeting and said: "There is no signature on this note. Will the author please stand up?" No one stood up.

"I will count to three," he said, "then let the author rise."

Krushchev counted to three. No one stood up.

"All right, comrades," said Krushchev. "Now you know what I was doing when Stalin was alive. I didn't stand up either."

THE "VEEP"...

This country has had its share of famous story tellers ...and certainly one of the most popular dispensers of homespun humor was the beloved "Veep" — Alben Barkley.

One of Barkley's classic tales was the one he liked to call "the true story of the ungrateful constituent." It involved a farmer for whom Barkley had done many favors during his time in Washington.

But suddenly, during a very crucial campaign, Barkley heard that the farmer was going to vote against him. Shocked at such news, Barkley approached the farmer and reminded him of all the favors he had done for the farmer down through the years.

"Yeah," the farmer sneered, "but what have you done for me lately?"

Yes, Barkley's homespun yarns will live for years, but the gentleman of the old school from Kentucky also had his serious side, as we all know.

The Vice President, like all of us, had his dreams about what he would like to see happen in the country he served for so long. He wrote about his dreams in a book about his life, called *That Reminds Me.*

He wrote:

"I should like to see all our great river valleys improved for navigation, flood control, soil conservation and power...They belong to the people. They should never be allowed to come under the control of private interests.

"If every river valley that is feasible for such development could be developed as the Tennessee Valley has been, with similar results, the standard of life throughout the nation would be immensely advanced.

"No such development can take place except by the Federal Government. This cannot be done at once...It would have to be a gradual process. But it is as legitimate conception of the functions of Government as the regulation of banks or the carrying of the mail.

"I should like to see every American family living in a comfortable home, and every American child born and reared in an atmosphere sufficiently wholesome to guarantee an even chance for health and intellectual and moral development consonant with the responsibilities of American citizenship.

"I should like to see the world at peace where the inventive genius of man would be utilized to improve the conditions of life throughout the world.

"I should like to live to see the pledge of every nation respected by every other nation because it was made in good faith and observed to the letter.

"I should like to live to see the day when religious and racial bigotry and intolerance would give way to the universal recognition of the rights of every man and woman regardless of race, creed or color."

That's the end of the quotation from Alben Barkley's book...what he wanted to be able to live long enough to see. On April 30, the heart of the old political warrior stopped beating and he left us before he saw his dreams come true.

But his words and his dreams will be the conscience for the rest of us. And it is up to the rest of us to finish the job that Alben Barkley wanted so badly to see completed.

* * *

"We have no interest in seeing that the armed forces' segregation policy is laid at any particular party's door. But we are interested in the truth, and (Vice-President) Nixon ought to be too. Service nonsegregation stems as a policy from President Harry S. Truman's executive order 9981 of July 26, 1948."

—The Army Times

COPE REPORT...

Figures, Facts and Legislation

A two-year detailed study of political contributions by that the 1952 election campaign cost roughly $150,000,000.

A former Chicago Ford dealer told a Senate Committee that another dealer told him in 1952 that the Ford Motor Company had sent word for its Chicago dealers to raise $50,000 for General Dwight Eisenhower's Presidential campaign.

The latest guide for one television network with a minimum of 53 stations shows a cost of $62,675 for one "class A" hour, which is any hour from 6 to 11 p.m., Monday through Friday, and from 5 to 11 p.m. on Saturday and Sunday. If a political party or candidate needs the time, it or he generally has to pay off the sponsor who had previously reserved the hour in addition to paying the network for his own time. Twice $62,675 is $125,450.

The *New York Times* reported that candidates in the 1954 election in the 9th Congressional District of Ohio (Toledo) spent a total of $42,639.42.

$850,000 for Major Fight

In Chicago, the two chief contenders for mayor last year reported that they spent more than $850,000 in their campaigns.

A full year and a half before election time, a few friends of Sen. Prescott Bush (R., Conn.) raised about $24,000 for his 1956 campaign for reelection.

Sen. Tom Hennings (D., Mo.) of the Senate Elections Subcommittee said that a half dozen Texas millionaires sent huge sums of money into the 1950 Maryland Senatorial campaign.

Sen. Mike Mansfield (D., Mont.) told the Senate that he had heard of "a Senatorial candidate in Ohio, in the last (1954) general election, whose expenses for a 15-minute statewide television broadcast amounted to more than $12,000."

In another speech on the Senate floor, Sen. Paul Douglas (D., Ill.) asked: "Is there not sufficient evidence to indicate that very frequently money is given by corporations to attorneys for undisclosed purposes, which money can be called legal fees, and that the attorneys then act as middlemen to distribute sums to political candidates for the corporation's purpose?"

2,407 Chunks of $1,000 or More

In the 1952 Presidential campaign, according to *Congressional Quarterly,* a nonpartisan editorial research service, the six top money-raising organizations of the two parties received 54 per cent of their total IN 2,407 CHUNKS OF $1,000 OR MORE.

Seven families filed reports showing that they spent $320,775 during the 1952 Presidential and Congressional campaigns. They were the *Rockefellers* ($94,000), the *DuPonts* ($74,175), the *Pews* ($64,100), the *Mellons* ($36,500), the *Weirs* ($21,000), the *Vanderbilts* ($16,000) and the *Fricks* ($15,000). And the *St. Louis Post-Dispatch,* an independent newspaper, estimated that Texas oil zillionaire H. R. Cullen, *distributed a total of $750,000 to various friendly (to him) candidates.*

Under the Corrupt Practices Act, a candidate for Congress can run up a huge deficit and then, after the filing dates for reports are over, money can be raised to pay off the deficit and no public record of the contributions need be filed.

Now why do we point out all these facts?

COPE Campaign Under Way

We point them out to emphasize how necessary it is for trade union members to contribute voluntarily $1 to the 1956 fund-raising campaign of the Committee on Political Education, the AFL-CIO's political arm.

The campaign is now under way.

You know that rich people are not going to give large sums of money to candidates who like labor. The Rockefellers and the Vanderbilts and the Mellons and the Cullens are not going to kick in many thousands of dollars apiece to the campaign of any man because he promises to repeal the Taft-Hartley Act, increase minimum wages, improve unemployment compensation or make taxes more fair for the working man and woman.

The only individuals to whom candidates who want to help ALL the people can turn are workers themselves. It's YOUR dollars which they need to pay for advertising, radio and television appearances, secretarial help, travel, printing and a hundred and one other expenses.

It's YOUR dollars which will help him carry his message to the voters.

And the simplest, easiest way to make your dollars effective is to contribute voluntarily to COPE. It's YOUR committee and it was set up to help YOU.

Half Returned to States

Of every dollar contributed to COPE, half is used by labor's local and state political arms, the other half is used by national COPE to aid worthy candidates for national offices. A report of your dollar is filed with Congress, as required by law.

Never forget this: TO GET GOOD LEGISLATION, YOU NEED GOOD CONGRESSMEN. TO GET GOOD CONGRESSMEN, YOU MUST HELP THEM PAY THEIR CAMPAIGN EXPENSES. THE BEST WAY TO HELP THEM PAY THEIR CAMPAIGN EXPENSES IS TO CONTRIBUTE VOLUNTARILY TO THE COMMITTEE ON POLITICAL EDUCATION, AFL-CIO.

UNION LABOR IN CALIFORNIA, 1955...

Now available from the Department of Industrial Relations, Division of Labor Statistics and Research, is the 1955 report "Union Labor in California."

Part I of the report records union membership in the state and in the 10 economic areas in California. Part II presents facts about the structure of collective bargaining in California. For each of the 38 different industries, information has been gathered which will shed light on these questions:

How many California employees are covered by union contracts?

Do a few major agreements or many small agreements predominate?

Do employers more frequently bargain together or individually with the union?

What unions hold major contracts in the industry?

Part III shows, in a calendar of collective bargaining, the time of year when major contract negotiations are scheduled in each industry.

Copies of the report are available on request from the Division of Labor Statistics and Research, P. O. Box 965, San Francisco 1.

DESPOL STRESSES NEED FOR UNION SUPPORT OF 1956 STATE ELECTION FUND!...

Secretary-Treasurer John Despol is urging those locals that have not as yet complied with convention mandate, to contribute to the 1956 State Council Election Fund. The 1955 state convention went on record in support of 30¢-per-member per year contributions by local unions for the purpose of giving financial support to CIO-PAC endorsed candidates for state offices, and for use in support or opposition to ballot propositions.

"Contributions made into the 1956 fund are used for the support of CIO-PAC candidates running for state legislative offices and with the support of all unions affiliated to the Council, we are hopeful that our primary nominees will be given sufficient financial help to bring victory to them in the November general election," Despol commented.

"In addition, the State CIO-PAC will be taking positions on the many ballot measures that will confront the voters in November. In line with our usual practice, a proposition slate folder will be prepared for distribution to all unions. This costs money but we are confident that our affiliates are aware of the importance of educating the membership and community on the significance of an intelligent vote on these ballot measures. Therefore, I urge those locals that have not as yet contributed their share to do so immediately in behalf of our endorsed candidates and our stand on the ballot propositions. I would like to remind the readers of this *Newsletter* that it was mainly through the efforts of the California CIO Council that a proposition was defeated in 1954 which would have established corporate voting control in the industrial City of Vernon.

"I can think of no better way for local union members to help in the fight for a better California and America than through the support of the State Election Fund. In the long run it will prove to be an exceptionally reasonably investment with high returns!"

COLORADO 8th STATE TO MERGE...

The eighth merger of former state AFL and CIO organizations brought the Colorado Labor Council into being despite some opposition.

A secret ballot vote at the convention of the Colorado Federation of Labor resulted in a 367 to 137 victory for supporters of unity. The vote for merger was unanimous in the session of the Colorado Industrial Union Council.

Charter Presented

Next day, the charter for the new CLC was presented by George Reese of the AFL-CIO organizational department acting as the personal representative of AFL-CIO Pres. George Meany.

Opposition to immediate merger was voiced by Sec. Fred Lusk of the Denver Building Trades Council, Pres. John Chase of the Carpenters District Council and Sec. Ed Hogan of Teamsters Joint Council 54. They emphasized that their organizations did not disapprove state mergers but felt that they should await settlement of jurisdictional problems in Washington.

Other spokesmen from building trades unions said they had been advised by their internationals to use their own judgment. They said they felt disputes could be as well settled in a merged organization and labor could make greater economic and political gains when united, hence they would support unity.

Elected officers of the Colorado Council were Pres. George Cavender, former president of the CSFL; Executive Vice Pres. R. C. Anderson, former secretary of the CSIUC, and Sec.-Treas. Frank Van Portfliet, former secretary-treasurer of the CSFL.

RAILWAY LABOR ACT UPHELD

UNION SHOP CONSTITUTIONAL SUPREME COURT RULES, 9-0 . . .

THE SUPREME COURT of the United States pulled the rug out from under the phony "Right-to-Work" movement. In a unanimous decision, the highest court of the land declared that:

- State "Right-to-Work" laws cannot outlaw union shops where Congress has specifically authorized unions and management to negotiate union shop agreements.
- The union shop *does not* violate the Constitution of the United States.

The decision means that union shop contracts negotiated in the railroad industry are now legally binding in the 18 states that have tried to outlaw such agreements through "Right-to-Work" laws and constitutional amendments.

Union shops outside of the railroad industry are not directly affected by the ruling. *However, the decision tears down once and for all the argument—used by "Right-to-Work" backers—that the union shop violates the First Amendment of the U. S. Constitution!*

Justice William O. Douglas, speaking for the unanimous court, put it this way:

"On the present record, there is no more infringement or impairment of First Amendment rights than there would be in the case of a lawyer who by state law is required to be a member of an integrated bar."

The 9-to-0 ruling by the Supreme Court deals with a case which grew out of a suit against the Union Pacific Railroad Company. The effect of the devision is to establish firmly the legality of the union shop in the U. S. railroad industry.

Here's the background:

Three years ago, on May 28, 1953, Hanson, Cameron, Grau and several other non-union employees of the Union Pacific filed suit in a Nebraska District Court to prevent enforcement of the Union Pacific's union shop contracts.

Under the terms of these contracts, negotiated by the Union Pacific and rail labor unions, including the I.A.M., all employees of the railroad, as a condition of their continued employment, must become union members.

Congress specifically authorized the negotiation of union shop agreements in the railroad industry. But the non-union employees and the anti-union groups behind them claimed that Congress was wrong. They charged that the Union Pacific union shop agreements violate both the First and Fifth Amendments of the U. S. Constitution and the "Right-to-Work" amendment of the Nebraska Constitution.

The Nebraska District Court, and later, the Nebraska Supreme Court agreed. They declared the union shops illegal.

The I.A.M. and the other railroad labor unions then appealed to the Supreme Court of the United States. The result was the decision announced, reversing the Nebraska courts.

Justic Douglas' opinion made these points about state *vs.* Federal law:

- The union shop provision of the Railway Labor Act was written into law in 1951. Prior to that date the Railway Labor Act prohibited the union shop because the union shop was being used by employers to establish and maintain company unions, "thus effectively depriving a substantial number of employees of their right to bargain collectively."
- By 1950, company unions in this field had practically disappeared. Between 75 and 80 per cent of railroad employees were members of labor organizations. While non-union members got the benefits of the collective bargaining of the unions, they bore "no share of the cost of obtaining such benefits." As Senator Hill (Dem., Alabama), who managed the union shop amendment on the floor of the Senate, said, *"The question in this instance is whether those who enjoy the fruits and the benefits of the unions should make a fair contribution to the support of the unions."*
- The 1951 amendment to the Railway Labor Act expressly allows the negotiation of union shop agreements notwithstanding any law "of any State." A union shop agreement made pursuant to the Railway Labor Act has, therefore, the approval of the Federal law upon it and by force of the Supremacy Clause of Article VI of the Constitution could not be made illegal by any provision of the laws of a state.
- The power of Congress to regulate labor relations in interstate industries is well established.

Justice Douglas also made a telling point concerning the "right to work," which—according to "Wreck" law backers—is being threatened by unions. Speaking for the unanimous court, Justice Douglas declared:

"One would have to be blind to history to assert that trade unionism did not enhance and strengthen the right to work."

The Court disposed of the claim that railroad union shops violate the First and Fifth Amendments of the U. S. Constitution, by stating emphatically:

"The requirement for financial support of the collective bargaining agency by all who receive the benefits of its work is within the power of Congress under the Commerce Clause and does not violate either the First or Fifth Amendments."

Both the National Association of Manufacturers and the U. S. Chamber of Commerce entered the case and filed briefs seeking to prove the union shop unconstitutional.

REPUBLICANS KEEP DEMOCRATIC CONTROLS

ECONOMY STILL "MANAGED" . . .

After almost four years of strictly "private enterprise" Republican rule, an impressive case can be made that the country is getting as much—if not more—managed economy under the Republicans as it ever did under the Democrats.

What has emerged is that no modern government, no matter how devoted to free enterprise, can possibly keep its hand off the economic machinery of the nation and let "nature take its course."

A "managed" economy of one sort or another is the result—the only great question is in whose interest is the management being carried on.

Thus the Democrats in the past have been assailed for such things as price controls or farmers subsidies, or special help for small business, or for pump priming through housing programs or social security payments. They answer that their "management" has been largely in terms of the direct welfare of great masses of people.

* * *

THE REPUBLICANS haven't tried to overthrow many of these measures which they had once attacked as prime examples of "creeping socialism." In fact, the GOP administration has even extended some of them—social security is one—a higher minimum wage is another—and taking credit for the very legislation many among them originally denounced.

But where the Republicans appear to have gone farther than even the Democrats has been in managing the economy through fiscal devices to control the money supply, to fight inflation, to maintain the value of the dollar.

In 1953, for instance, the administration clamped down with its "hard money" policy, manipulating the amount of credit available by deliberately increasing the rediscount rate of Federal Reserve Banks. When the American economy promptly slowed up, the administration retreated as rapidly as it could and got itself handily out of the 1954 recession into the 1955 "boomlet."

* * *

NOW THE administration is turning the screws again with a rise in the discount rate, bringing sharp criticism that this is not the time to take such action. What is interesting is that the old argument against the government butting in at all seems to have disappeared—the only argument now is whether the move is needed or properly timed, or too drastic.

There have been other examples of how far the Republicans have drifted from laissez faire economics to what some unkind economists might call the GOP-hated Keynsian economics of government "interference."

Thus we have had a definitely managed money and credit policy during the past three and a half years.

We have had a Republican tax policy deliberately managed to insure business capital "to make more jobs" rather than along the lines of Democratic economists who place the stress on the buying power of the mass of people.

* * *

UNDER THE Republicans, as under the Democrats, we have had proposals for large public expenditures. While seeking to balance the budget, the Republicans nevertheless have maintained defense budgets that approximate those of the Democrats in recent years rather than imposing a wholesale slash that would put us back in the pre-Korean era.

Again the Republicans have gone in for heavy appropriations for research designed in the long run to enable industry to take advantage of latest discoveries.

The President has proposed a gigantic highway program that has been largely held up because in its original form it would have represented a "bankers bonanza" as the Democrats put it. In the old days such a program might well have been denounced as a gigantic federal boondoggle.

* * *

DESPITE ANY talk of taking the government out of business, business, in fact, has never been so sensitive to what goes on in Washington as it is today. Wall Street breathes softly or loudly as Washington breathes; as in the past a President's heart beat can send stocks soaring or dropping. The rediscount rate of the Federal Reserve bank is watched sharply.

Some idea of the evolution in Republican thinking of how to keep the government out of business is contained in a recent speech by Secretary of Commerce Sinclair Weeks on "Business and Government Relations."

Weeks who considers himself the spokesman for business in the administration told the Chamber of Commerce how the administration was using "economic common-sense" in its policy of "dynamic conservatism" to do for the national welfare that which "the private factor of the economy cannot or will not do itself." He spoke of "cooperation between business and government" and he wound up with this statement:

"THIS ADMINISTRATION will continue to do what it can to preserve private enterprise by carrying forward sound programs to strengthen the economy—by fighting for the soil bank and other measures to give the farmers a better chance—by proposing to congress new assistance, including certain loans, to enable communities with chronic unemployment to help themselves.

"We shall continue to advance programs for economic growth, such as necessary aids to small business; induce-

(Continued on page 4)

SEGREGATION OATH, $2,500 FEE FOR ORGANIZERS NOW REQUIRED . . .

DUBLIN, Georgia—This community of 10,000 people, dominated by non-union textile mills and woodworking plants, is throwing up the barricades against union organization that defy the imagination.

A special meeting of the mayor and city council has voted to establish these requirements for a union organizer:

**He must swear that he does not favor overthrowing laws on segregation and that no money of his organization will be spent to violate or encourage violation of segregation laws or for communist activity.*

**He must post a fee of $2,500 for an organizing license.*

**He must have been a resident of Dublin for more than five years.*

Under the new law the mayor and the city council are the sole judges as to the issuance of a license.

The action by the city council followed an organization meeting of the Laurens County Citizens Council which called for strong measures to meet the threat of union organization and racial integration.

Dublin has never been friendly to unions. Five years ago Charles Gillman, now assistant regional director of the AFL-CIO, was arrested here while addressing a mixed audience of wood workers.

The J. P. Stevens Co. operates a woolen and worsted plant at Dublin and the South Georgia Mattress Co. also operates here. Neither plant is organized. There are several lumber mills and woodworking plants in Dublin and surrounding area also unorganized.

3 OF 4 ABOVE 65 YEARS GET LESS THAN $1,000 YEARLY . . .

About three out of every four Americans over 65 either have no income of their own or get less than $1,000 a year. The Twentieth Century Fund, a private research and educational organization, estimates that *more than one-third of these elderly persons have absolutely no income of their own,* while 38 per cent have a yearly income of less than $1,000. *Only 15 per cent receive as much as $2,000.*

The Fund says that there are four times as many persons over 65 today than there were in 1900 while the total population has only doubled. There now are nearly 14 million persons 65 or more. About one-third receive Social Security payments or benefits from related public and private retirement programs. One out of every five is on relief.

Even so, the Eisenhower Administration firmly opposes a more liberal Social Security program.

IDEAS ON HOW TO COLLECT THAT "COPE" BUCK . . .

- Ford Local 600 of the Automobile Workers offered 18 U. S. savings bonds worth $1,125 to COPE solicitors who collected the highest percentage of voluntary contributions to COPE based on dues-paying membership in their units. The contest ended June 6 with the highest solicitors in each division awarded a $100 bond.
- In the St. Louis area, the International Brotherhood of Longshoremen has reported that contributions to COPE have increased four-fold in the last ten months over those to the former LIPE as a result of the assignment of a "COPE Consultant" to speak at each local meeting.

Return Address
CIO-CALIFORNIA INDUSTRIAL UNION COUNCIL
117 West Ninth Street
Los Angeles 15, California

REGISTER TO VOTE...

THEN...GIVE TO COPE

FORM 3547 IS REQUESTED

HAYES, IAM HEAD, DISSENTS ON EDUCATION REPORT...

Reprinted from
AFL-CIO EDUCATION News and Views, May, 1956

When President Eisenhower first suggested a White House Conference on Education in his 1954 state-of-the-union message, many people considered the idea a stall to delay Congressional action on Federal aid to education. The facts and figures concerning the plight of the public schools were already known.

But the President, and his Secretary of Health, Education and Welfare, had their way, and in the summer of 1954, Congress authorized the Conference idea and appropriated $700,000 for a series of State and Territorial conferences which would culminate in the White House Conference on Education.

The President appointed a "citizens" committee of 33 persons, under the chairmanship of Neil E. McElroy of Procter and Gamble, to aid the states and to plan the White House Conference. There were two committee members from the labor movement: A. J. Hayes, president of the International Association of Machinists, AFL, and Thomas Lazzio, president of Local 300, UAW, CIO.

The committee organized on December 2, 1954, and issued a statement of purposes which convinced many people that the group was stacked against any Federal aid. Despite a plea from President Hayes of the IAM, the Committee subsequently refused to commit itself to recommending Federal aid even if the facts proved such aid essential.

The year 1955 witnessed more organized talk on education than ever known before. "Little White House" conferences were held in the 48 states and 5 territories, and, in addition, there were more than 3,500 local, county and regional conferences. By and large, as expected, all of the conferring developed nothing new. Old facts were dragged forth; old prejudices against increased Federal participation in financing schools gained a new setting.

AFL and CIO Delegates Hold Joint Session

Meanwhile, in Washington, the work of the Committee went on. The early revealed prejudice against Federal aid continued, with several members of the Committee's full-time staff publishing material under their personal by-lines designed either to play down the plight of the schools or to attack Federal aid. As late as September, 1955, three months before the White House Conference, the subcommittee on "How Can We Finance Our Schools," one of the six subcommittees set up on Conference topics, was still wrangling over whether or not the subject of Federal aid should be on the agenda. The final decision was in the affirmative, although the questions listed for conference discussion were confusing and not designed to obtain clear-cut answers.

The AFL and the CIO held a joint meeting in Washington, D.C., on November 27, for trade union participants in the White House Conference. This group called for a strong program of general, continuing federal aid to education.

The White House Conference on Education was held on November 28-December 1, 1955, with some 1,800 delegates from the States, Territories and national organizations. Six subjects covering aims of education, organization of school systems, school building needs, obtaining and holding teachers, financing, and stimulating public interest, were discussed by round tables of eleven delegates each, with the group reports "filtering up" through a series of chairmen's meetings to obtain a final report. This process, an interesting one, had one inevitable result: it reduced all discussion to the lowest common denominator and succeeded in filtering out new or different ideas.

Conference Supports Increased Aid

Despite the process, and despite the peculiar manner in which the matter of Federal aid was set for discussion, the Conference went on record two to one in favor of increased Federal financial aid. An overwhelming majority went on record favoring Federal funds for school construction, while the group divided about evenly on the proposition of Federal aid for school operation.

With the State, Territorial and White House Conferences over, the Committee for the White House Conference settled down to draft its report. In many instances, the Committee report was an accurate reflection of sentiments expressed in the report of the White House Conference and the State and Territorial meetings. On the subject of Federal aid, however, the Committee recommended only "that the Federal government provide school building aid to the States and Territories on a short-time emergency basis." This is a far weaker recommendation than that made by the Conference, and is in marked contrast to the Committee's own estimate "that within the next decade the dollars spent on education in this Nation should be approximately doubled."

Four Object to Any Federal Grants

Even this weak statement was too strong for four members of the Committee who filed a minority report suggesting that Federal assistance should be limited to non-interest bearing loans to states which had exhausted, or promised to exhaust, their own financial resources.

But to President Hayes of the Machinists Union, the Committee had skirted the question of how additional funds were to be raised. Noting that the Committee had recommended taxing wealth where wealth exists within a State to educate children where they live, Mr. Hayes commented:

"My dissent is based upon the mental block which prohibits logical progression of thought. If it is proper to tax wealth in a wealthy section in one State to educate children in a less wealthy section of the same State, why is it not equally proper to tax wealth in one section of the Nation to educate children in another section?"

After noting that the school program was national in scope and importance, Mr. Hayes continued:

"Our ability as a people to overcome the current crisis and to meet the future requirements of our public school system as they arise is measured in terms of national income....

Use Federal Tax Sources

"The surest and most equitable method of diverting a proper share of this national income to the support of our schools is through a tax upon that income. While the use of state income taxes is theoretically a means of diverting income to the support of education, it does not offer a practical possibility. Seventeen of the 48 states have no personal income tax law, and those 17 include a number of high-income states. And relative increases in income taxes in the poorer states would injure them competitively at this time.

"Contrary to the feeling expressed by the Committee in its recommendation for school construction aid 'on a short-time emergency basis,' the need for Federal aid is not limited to school construction alone, and it is not a short-time proposition."

Mr. Hayes went on to cite instances of Federal aid to States and localities, business and industry, farmers and even education, all of which have been provided without any of the Federal controls which opponents of increased Federal aid to education purport to fear.

Mr. Hayes was joined in his dissent by Miss Martha A. Shull, a classroom teacher from Portland, Oregon. Miss Schull stated in part:

"I wish that the majority of the Committee for the White House Conference had defined what it believed to be the responsibility of the Federal government for helping finance public education. That it did not do so is one of the reasons for Mr. Hayes' dissent. I have associated myself with the views of Mr. Hayes in order to underline the need for a clearly stated national policy on education."

Thus, after millions of words of talk in every State and Territory, after nearly 2,000 men and women have travelled to Washington, after nearly three-quarters of a million dollars had been spent by Uncle Sam, the Committee for the White House Conference on Education ducked the one big issue in education today. It remained for a representative of organized labor, backed up by a classroom teacher, to face the issue of Federal aid to education in a forthright and rational manner.

* * *

And then there was the fellow who got so excited about this Bridey Murphy business that he changed his will and made himself the sole heir!

Economy Still "Managed"...

(Continued from page 3)

ments to home building; commercial atomic power; additional air traffic control facilities for safer air travel; construction of the great national highway program, and other plans for building a prosperous future.

"We welcome the vigorous cooperation of business in our fight to maintain a climate in which business will continue to flourish, employment will expand, and other fruits of healthy economic growth will be harvested by all of the American people."

Truly, we have all come a long way since 1929.

MITCHELL ATTACKS SNEAK AMENDMENT TO HIGHWAY BILL...

Labor Secretary James P. Mitchell charged at a press conference that a provision slipped into the highway construction bill would be "administratively impossible to operate." *The provision jeopardizes wage scales on highway projects which will be partially financed by the federal government under terms of the new bill.*

Under the Davis-Bacon Act, the Secretary of Labor is empowered to determine prevailing wages in a given industry. Businessmen wishing to participate in fedeerally-aided contracts must agree to pay the determined wage rate or more. Congress voted to bring the highway construction program under this provision.

However, a sneak amendment, tacked on the bill by Senator J. William Fulbright (D-Ark.), weakens the Department of Labor's hand, making it possible for contractors to challenge its wage determination in court.

Could Wreak Havoc

Such court review in the highway bill, in a mobile and a seasonal industry which relies on a large work force for relatively short periods of time, could wreak havoc as far as pay systems are concerned. There is also the question of the effect on bidding. A contractor could scale down a bid with the intention of later seeking a court injunction so he would not have to pay the federally-set wage scales until a court so ordered.

With such an initial advantage, a contractor could probably successfully underbid on other projects.

Queried about the highway program at his regular press conference, Mitchell said the Labor Department favored inclusion of the Davis-Bacon provision. He said he did not believe the Administration has taken any position against it.

"Impossible"—Mitchell

Asked if he favored the Fulbright court review provision, Mitchell answered sharply:

"No. I think it would be administratively impossible to operate in the construction industry. I am against it."

The fight to bring the program under the Davis-Bacon wage safeguards had to overcome strong opposition from Sen. William Knowland and Vice-President Richard Nixon.

Knowland submitted an amendment placing the determination of prevailing rates in the hands of the states. With 17 senators absent or not voting, the vote resulted in a 39 to 39 tie. Vice-President Nixon, acting as president of the upper house, cast a deciding vote in favor of Knowland's move.

Under a peculiar parliamentary provision, however, the Knowland motion was superseded by one introduced by Sen. Dennis Chavez (D-N. M.) which brought the bill under the protective umbrella of the Davis-Bacon Act, giving the Department of Labor the crucial wage-setting power. This was in line with labor's recommendations.

The Chavez amendment passed 42 to 37.

Joker in Deck

It was then that the Senator slipped a joker into the deck by passing the Fulbright court review provision as an amendment to Chavez' amendment without a record vote and without discussion.

A few minutes later some of the liberal senators woke up to what had happened. One of them, Sen. Paul Douglas (D-Ill.), immediately moved to reconsider the vote.

At that point Sen. Knowland, Republican leader, won his triumph of the day. He moved to table the Douglas motion and won his point by a vote of 36 to 33, with 26 Senators absent or not voting.

A House-Senate Conference Committee will decide whether the amendment remains in the bill.