

Cope Endorsement Pamphlets Soon Available

Pamphlets carrying the official endorsements of California Labor COPE in the June Primary Election will soon be available to local organizations for distribution to their members in time for the primary, it was announced this week by Secretary-Treasurer Thos. L. Pitts.

Pitts said that an attractive pamphlet breaking down the endorsements for Congress and the State Legislature by eight geographical areas in the state, is just about completed.

In the matter of a few days, a sample of the pamphlet will be mailed to all organizations with an order blank, to be returned to the San Francisco office of California Labor COPE.

Bulk orders will be mailed directly to the affiliates in the amounts requested.

Over 550 to Compete in Scholarship Competition

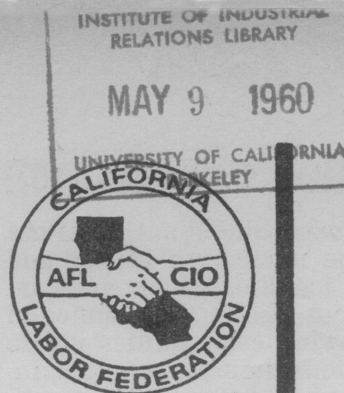
More than 550 of the state's brightest graduating seniors will assemble on Friday, May 20, in various high schools scattered throughout the state to compete in the state AFL-CIO's Tenth Annual High School competition, it was announced this Friday by Vice President Thomas A. Small, chairman of the Federation's Standing Committee on Education.

Applications for participation in the competition were closed last week.

May 20 marks the day for simultaneous administration by school authorities of a two-hour written examination from which winners for six \$500 awards will be selected by an independent committee of outstanding university scholars, Small said.

The examination questions, together with instructions for students and supervising school officials, are presently being sent out to all high schools from which applications have been received.

The number of awards was increased this year from three to six, as the result of the contribution of an additional scholarship award under the Federation program by each of the following organizations: the Los Angeles Building and Construction Trades Council; the California Legislative Board of the Brotherhood of Railroad Trainmen; the Painters District Council 36 of Los Angeles.



THOS. L. PITTS
Executive
Secretary-Treasurer

Weekly News Letter

Vol. 2—No. 15
May 6, 1960

Published by California Labor Federation, AFL-CIO

151

Social Balance Urged in Our Nation's Production

Warning against the dangers of "complacency", in our private production system of seeming "opulence" at the marketplace, Thos. L. Pitts, secretary-treasurer of the of the California Labor Federation, AFL-CIO, this Tuesday called for social balance in our production goals, and a massive attack on the unmet and growing public needs of the nation.

Pitts addressed his warning to an overflow gathering of an evening public session of the national Orange Show in San Bernardino, California.

As the nation's number one producer of private goods and services, the state AFL-CIO leader said, we

have become "content with taking only a passive interest in those community needs which are essential to the survival of the institutions of free men in a growing nation."

The result is that they are not being met in quality or quantity.

Pitts attacked the prevailing psychology which attempts to measure the nation's wealth only in terms of the production of private goods, and which views government expenditures to provide necessary services for an expanding population as non-productive and only to be tolerated as some kind of a necessary evil.

In quoting a nationally recognized economist, Pitts said this rather strange approach "makes education unproductive and the manufacture of school toilet seats productive."

Pointing out that this kind of logic seems to be twisting our sense of proportion, Pitts singled out as examples for special emphasis:

1. Our continuing failure to realistically come to grips with the nation's educational needs, and the "lip service" which we give "to our educational system in a democracy as the essential ingredient for the flourishing and survival of free institutions."

2. The growing deficit in health facilities and the basic housing needs of our exploding population.

3. Our failure to face squarely the problem of "unplanned urban sprawl" and to provide necessary services for orderly, planned and balanced growth.

"Complacency", Pitts warned, "is

Winners may use the \$500 awards at any accredited college or university of their choice, without restrictions on their courses of future study. In addition, winners are to be presented with an expense-free trip to attend the next convention of the California Labor Federation in Sacramento, commencing August 15, 1960.

The committee of judges who will review the examinations and select the winners are as follows: Frederick A. Breier, Ph.D., Associate Professor of Economics, University of San Francisco, San Francisco; Leon F. Lee, Ph.D., Director, Institute of Industrial Relations, San Jose State College, San Jose; and Arthur M. Ross, Ph.D., Director, Institute of Industrial Relations, University of California, Berkeley.

NATIONAL WINNERS SELECTED

Meanwhile, on a national level, it was announced this week that six high school students, scheduled to

(Continued on Page 4)

(Continued on Page 2)

Social Balance Urged in Our Nation's Production

(Continued from Page 1)

the dreaded disease of a prospering society. . . . In complacency, history has recorded the fall of Athens, and the ruins of other great and ancient civilizations which, in their day, were thought indestructible."

In outlining the problem of social imbalance in our production system, he noted that the American genius has solved the technical problems of producing goods, and is spending almost as much of its effort today "engineering" among consumers an artificial demand for products where money income is lagging and basic demand is lacking.

While some nations are still struggling to produce goods to meet the basic needs of their population, in the United States, Pitts said, millions of dollars are being spent annually in advertising and design engineering to create artificial obsolescence in the minds of consumers.

"Every person with a TV set," Pitts added, "has experienced the modern techniques of engineering consumer demand for an increasing array of products, many of which, in the American vernacular, can properly be called 'gadgets'."

These outward symbols of a prosperous nation, were noted as hiding the fact that "many millions of families in the United States, with incomes of less than \$2,000 a year, cannot maintain even a minimum decency standard of living, let alone participate, to any substantial degree, in the present opulence of the marketplace."

But of equal importance, Pitts pointed out, is the effect this seeming abundance is having on the complacency of the public toward meeting the basic unmet needs of the nation, which almost uniformly fall in the area of government services or are dependent for satisfaction upon government programs.

Pitts called for examination of the mental block that exists in the public mind about the relative value of private production and government activity.

The necessity of providing sound community, metropolitan and regional planning was stressed as cutting across many of the problems which individuals and industry alike face in our growing communities.

The building of a community and the measurement or creation of

wealth, it was pointed out, rests not only in the number of houses and industrial facilities which are constructed, but also in the manner in which growing communities utilize their precious limited resources, including human beings who constitute the nation's most basic resource.

Pitts drew a sharp contrast between planned community growth, which means the difference between balanced growth to sustain a population at full employment when growth saturation points are reached, and a speculator's growth, which assures the optimum of speculative profits, a minimum of community services, and an abundance of problems.

According to Pitts:

"The difference means, further, on the one hand, the redevelopment and the renewal of neighborhoods in urban centers as they commence decaying, combined with integrated development of surrounding suburban areas.

"On the other hand, it means the dedication of present urban areas to the slums and ghettos of the future; to a maze of suburban bedroom areas separated from places of employment by miles of crowded, nerve-racking freeways; to an abundance of poverty-stricken and low assessed-valuation school districts, and an assurance that the bulk of recreational lands shall be dedicated to more urban sprawl and less and less to the needs of workers at a very time when the economy is on the threshold of providing ever-increasing amounts of leisure, as productive efficiency is increased and working hours are decreased."

The ramifications of these problems, according to Pitts, are "so broad and so basic to the continued health of our economy, and the growth of our modern industrial society, that if we do not face up to them, we will soon become the world's number one producer of slums, chaos, and a bumper crop of mental casualties from urban fatigue."

Pitts stressed further the importance of balanced industrial growth:

"Growth for the sake of growth is not a virtue but a liability, if it means in the end that when an area reaches its maximum growth point,

D.I. Refund Notice

Workers covered by the state Unemployment Disability Insurance Law, who contributed more than \$36 toward the program last year, are entitled to a refund of the excess, but they must make application for it on a form obtainable at any local office of the state Department of Employment, before June 30, 1960.

Under state law, an employer withholds from the pay of workers covered by the California disability program one percent of the first \$3,600 paid each worker.

Persons who work for two or more employers during the year may pay more than \$36, because each employer, in turn, withholds the statutory one percent, as he is required to do so by law. Any amount collected in excess of this will be refunded, but only if the worker applies for it.

the lack of balanced industrial development makes it impossible to sustain an area population in full employment."

"Yet," Pitts warned, "this is exactly what is happening in many areas in California, and particularly in the southland where a lack of balance in industrial development and the frequent over-dependence on defense industries threatens major economic catastrophe in the future, when development can no longer proceed at its present rate."

Pitts concluded his speech with an appeal for more active involvement on the part of the voting public in developing the issues confronting the state and the nation. He warned that the natural tendency is to take the attitude of "Let George do it". This, he said, is really the crux of the issue, because "George" will do it, but under these circumstances "George" usually turns out to be the special interests which have direct financial stakes that often do not coincide with those of the general public.

The public, Pitts said, must serve notice on "the public relations firms hired to conduct political campaigns, and the politicians themselves, that we refuse to be sold candidates on the same basis as our motivations are manipulated in the sale of a box of detergent soap, or any other piece of merchandise."

Inflation Note:

Advertising Bite Up 100 Percent

The Consumers Union of the United States, a non-profit subscriber organization, has published some advertising cost figures which the "tight-money," Eisenhower Administration might study in its preoccupation with "creeping inflation."

In an article pointing out how the consumer is supposed to respond to advertising "Like Pavlov's dog", this month's **Consumer Reports** quotes findings of the National Industrial Conference Board that 11.1 billion dollars were spent in 1959 to manipulate consumers. A total of \$86 billion was spent on advertising in the 1950's.

Consumers Union noted:

"During that span of ten years, while the annual outlays for persuasion to buy goods almost doubled, the wherewithal to pay for the highly touted products (disposable income of workers) increased only 60 percent."

Like the inflationary costs of fancy packaging and other expensive marketing procedures, the evidence is clear that the great bulk of the creeping inflation is coming from the disproportionately increasing amounts being spent to influence consumer purchases at the expense of the purchasing power of workers.

Consumers Union noted also that logic should have the advertising fraternity "glowing with contentment over its growing share of the national pie."

Madison Avenue houses, however, are "uneasy", Consumers' Union adds. But it is not "public reaction to TV quiz scandals, payola, plugola, or the high cost of advertising drugs to doctor that troubles these troubadors of trade."

"It is, rather, the unpredictability of the consumers," according to the consumers organization. The big question troubling the advertisers is "how can the consumer, like Pavlov's dog, be taught the habit of buying a specific brand?"

Federation -- State Government Cooperation In Community Services

New avenues for practical cooperation between California labor and state government in the broad field of community services have been opened up as a result of a recent meeting between Governor Edmund G. Brown, and members of his Governor's Council with the Federation's Standing Committee on Community Services, headed by Vice President Sam Eubanks.

At a first "get-acquainted" meeting of the state AFL-CIO Community Services group with the Governor's Council Committee on Rehabilitation, held in Sacramento April 11, Governor Brown asked the groups to discuss "ways and means of developing an improved two-way liaison between the Federation's vast membership with its million or so families and the everyday functions of related state governments."

The Governor said that he was sure that community services of the type already extended by organized labor to the state in a number of areas would be of great mutual benefit in many other areas of government.

Eubanks assured the Governor of the Federation's established policy of extending full cooperation, which, in turn, brought similar assurances from top state officials present.

These include Heman G. Stark, Director of the State Youth Authority; Doctor Daniel Blain, Director of Mental Hygiene; Fred Finsley, Chairman of the Adult Authority; Charles Johnson, Departmental Secretary to Governor Brown; Richard A. McGee, Director of Department of Corrections; Doctor Malcolm H. Merrill, Director of Public Health;

Doctor Roy E. Simpson, State Superintendent of Public Instruction; and J. M. Wedemeyer, Director of Social Welfare.

Labor representatives present in addition to Eubanks, were H. D. Lackey, secretary of the Kern County Building and Construction Trades Council; Howard Reed, secretary of the Contra Costa Building and Construction Trades Council; Emmett P. O'Malley, secretary of the Long Beach local of the Oil Chemical and Atomic Workers. All three are vice presidents of the Federation, and members of the Community Services Committee.

Accompanying them were Berkeley Watterson, Western Regional Representative of the AFL-CIO Community Services Activities, and Arthur Hellender, assistant secretary of the Alameda County Central Labor Council.

Among the "programs for the people" discussed at this first meeting were:

— New efforts of the Brown Administration to solve the narcotics problem, including keeping former addicts under control in the community through intensive parole supervision and Nalline testing. Corrections Director McGee indicated such a system would be far superior to longer prison terms and would provide a new approach to halting the narcotics traffic through strict control of the market for drugs.

— The new trend toward treating the mentally ill without either physically or psychologically dislocating them. Mental Hygiene Director Blain said treatment should be near the home and job, and the patient kept working if possible.

National "Fair Trade" Measure Tabled in House

The House of Representatives Rules Committee, in one of its few liberal actions recently, cast a decisive vote in favor of the nation's 170 million consumers.

A so-called "national fair trade" bill, designed to let manufacturers fix retail prices for their products throughout the country was buried by a narrow 6-4 margin. The principle behind the bill was to rig prices nationally to prevent competitive pricing between retailers.

In the past the issue has been considered one for state law. Some time ago, Congress passed legislation exempting from the anti-trust laws, any price-fixing under "fair trade" in states that have them.

(Repeal of such a California "fair trade" law was urged earlier this year by California Labor Federation Secretary-Treasurer Thos. L. Pitts, before a state legislative interim committee studying the matter.

(Continued on Page 4)

FORM 3547 REQUESTED

Arthur M. Ross, Dir.
Institute of Industrial Relations
University of California
Berkeley, Calif.

NON-PROFIT
ORGANIZATION
U. S. POSTAGE
PAID
Permit No. 7085
San Francisco, Cal.

National "Fair Trade" Measure Tabled in House

(Continued from Page 3)

But as the result of court decisions, the effectiveness of "fair trade" has been diminished considerably in recent years. Nineteen states now have no effective "fair trade" laws, and such big manufacturers as General Electric have given up their efforts to enforce fixed retail prices.

The "fair trade" bill killed by the House Rules Committee was designed to overcome this situation. It would have eliminated the problem of state law, and would, further, have dropped the requirement found in state laws that manufacturers make a price agreement with at least one distributor.

Under the defeated bill, any manufacturer of branded merchandise could fix minimum retail sale prices by merely notifying his distributors. If a substantial part of his output crossed state lines, those prices would apply in all states. And the manufacturer could enforce them by suits in federal or state courts.

The defeated bill was supported by one of the largest and most effective lobbying campaigns of recent years. The National Association of Retail Druggists spearheaded the drive for the anti-consumer measure, with support from other retailers and from oil companies desirous of fixing retail gasoline prices.

BROWN TAKES LIBERAL TACK

California's Governor Edmund G. Brown this week threw his weight behind the liberal-labor drive to force action on the Forand Bill by this session of Congress.

The Governor's action preceded by a few days the release of President Eisenhower's federal-state subsidy program to provide limited aid for major illnesses on a "deductible system," endorsed by private insurance carriers.

(Preliminary review of the program as reported in the press indicates that the average aged person over 65, whose income is far less than \$1,000 a year, would have to shell out \$250 for medical care—better than 25 percent of his income—before he is permitted to realize any benefits from Ike's program which would cost the aged person an additional \$25 a year.)

In letters to United States Senator Clair Engle and Representative Harry Sheppard, democratic chairman of the state's congressional delegation, Governor Brown outlined the pressing health needs of the state's senior citizens, and urged Congress to approve a "medical and hospital plan for citizens

over 65, based on the insurance principles of the Social Security Act, and allowing for a free choice in the selection of individual care."

Brown said he found the Forand Medical Care bill now before Congress "sound in principle."

The Governor's appeal to Congress on the Forand bill followed a weekend speech before the Steelworkers Biennial Conference of Western Districts, in San Francisco, where the Governor called for the application of Franklin Delano Roosevelt's "standards of liberalism to all the great issues of the present."

Brown described the Roosevelt standards as a "philosophy which gave priority to human needs; a philosophy which said that no economic system could long prosper or survive at the expense of the working people."

In reviewing the accomplishments of the New Deal under this philosophy, the Governor brought into sharp focus the prevailing "tight-money" philosophy of the Eisenhower Administration.

Summing up, the Governor said: "Workers are in the predicament

Over 550 to Compete

(Continued from Page 1)

graduate in June, have been awarded AFL-CIO Merit Scholarships.

Two girls and four boys will get full four-year scholarships to the accredited college or university of their choice.

The winners, from union and non-union families, are: Mary E. Blakely, Rock Hill, South Carolina; Gene F. Cain, Panorama City, Florida; Joseph F. Cullen, Bozeman, Montana; Roberta J. Middleton, Pueblo, Colorado; Kenneth E. Schultz, Stevensville, Michigan; and Wesley C. Green, Pawtucket, Rhode Island.

AFL-CIO Merit Scholarships were awarded for the first time last year. They are designed to call attention to the Federation's educational policies.

The AFL-CIO awards are viewed as part of a larger program by U.S. trade unions. It is estimated that unions give more than \$500,000 a year to help gifted students.

Final selections were made by AFL-CIO representatives from among students who qualified for final consideration in National Merit Scholarship examinations.

of having achieved hard-won wage increases only to have their gains eroded by the policies of an Administration much more sensitive to the wishes of bankers than to the well-being of workingmen."

Referring to the warnings of Federation Secretary-Treasurer Thos. L. Pitts, Brown focused his attack on the housing effect of the Eisenhower "tight-money" philosophy.

"A \$15,000 FHA 25-year mortgage costs nearly \$4,000 more than in 1952," the Governor pointed out, adding:

"I hope—I am confident—the country will take action this year to return the direction of our federal government to the Democratic Party and to the philosophy that people, not profits, are the first responsibility of government."