



THOS L. PITTS  
 Executive  
 Secretary-Treasurer

# Weekly News Letter

November 10, 1961  
 Vol. 3—No. 42

Published by California Labor Federation, AFL-CIO



## PITTS ISSUES FINAL LEGISLATIVE REPORT "THE SACRAMENTO STORY, 1961"

The state AFL-CIO's final report on the 1961 session of the California legislature, "The Sacramento Story," was sent out this week to all affiliates of the California Labor Federation by Secretary-Treasurer Thos. L. Pitts.

In his preface to the detailed report, covering the broad scope of organized labor's interests and activities in the state capitol, Pitts summed up the

session as one which "produced a considerable amount of progressive legislation, but one which also left behind it a large residue of unfinished business in many areas of legislative activity of fundamental importance to the working man and the general public."

The state AFL-CIO executive officer had high praise for Governor Edmund G. Brown in helping to overcome major legislative obstacles which were working against the passage of liberal measures. Speaking of labor's legislative achievements on a broad front, Pitts said:

"... A great deal of credit also goes to the Administration of Governor Edmund G. Brown. In many

areas of legislative activities vital to organized labor, the Administration assumed a leadership role which pulled legislators out of the political doldrums and gave orientation to their efforts. Without this leadership, it is doubtful that organized labor would have been able to survive the session with anything approaching the improvements won."

(The Sacramento Story supplements Pitts' earlier, preliminary report on the legislature printed in the July 7, 1961 issue of the Weekly News Letter.)

Pitts' preface to the report analyzed three "major obstacles" of the session, as follows:

1. The immediate concern of members of the Assembly with their own political survival and future in the reapportionment of Assembly and Congressional districts for the decade ahead, which Pitts described as "an unsettling factor which detracted considerably from sporadic efforts to come to grips with some of the important socio-economic issues facing the state." In the lower house, where liberal legislation is usually initiated, he noted that the "Federation was confronted with a dominant feeling of apathy toward issues in the broad range of labor's legislative program."

2. This factor, The Sacramento Story preface notes, "was compounded many times by the composition of key committees named by the Rules Committee to pass upon basic labor legislation approved in

## Equal Rights Action By Apprentice Council

In a strong move designed to strengthen its long-standing policy of non-discrimination in the crucial area of apprentice training, the California Apprenticeship Council has amended its rules to provide for fair and impartial selection of applicants, regardless of race, creed, color or national origin.

California becomes the first state in the nation to take such a step, according to John F. Henning, Director of Industrial Relations, under whose jurisdiction the apprenticeship program is administered.

Henning said that at its quarterly meeting on October 28, the Apprenticeship Council approved changes in the California Administrative Code establishing a basis for uniform standards in the selection of apprentices. Henning also stated that this forward step had been strongly urged by Governor Edmund G. Brown.

"The new code provision eliminates any ambiguity in the selection program and assures all applicants coming before their local apprenticeship committees that everyone will be judged by the same standard and that the standard will be 'color blind'," Henning said.

"The implications of this program are vast," he added, "and it has the endorsement of top labor and management leaders. Much progress has already been made in California where there are hundreds of minor-

(Continued on Page 4)

## Consumer Association Charts Action Course

California consumers are on the move—organized, and demanding the right to exercise their "sovereignty" in giving direction to our private enterprise economy through informed buying and the elimination of rampant deception in the marketplace.

Some 200 individual and organizational delegates to the second annual convention of the Association of California Consumers, representing hundreds of thousands of consumers throughout the state, convened in San Francisco last weekend to chart an organized course of action on a broad consumer front, including deceptive packaging, consumer gouging in retail credit sales, fair trade law abuses, misleading advertising, conflicting interests of lending and financial agencies, profiteering in drugs and other areas of consumer abuse.

The irate consumer delegates,

intent upon exercising their directive role in the economy, received warm messages of encouragement from President John F. Kennedy, Governor Edmund G. Brown, Lieutenant Governor Glenn M. Anderson, Attorney General Stanley Mosk and other leading public officials.

The convention responded enthusiastically by pledging to work cooperatively with Governor Brown's State Consumer Counsel, Helen E. Nelson and endorsing the creation

(Continued on Page 3)

(Continued on Page 2)

# PITTS ISSUES FINAL LEGISLATIVE REPORT "THE SACRAMENTO STORY, 1961"

(Continued from Page 1)

the Assembly and sent to the upper house." According to Pitts, the Senate labor unit, which was destined to pass on all general Labor Code changes, including minimum wage legislation and basic labor bills affecting labor-management relations, was "thoroughly dominated by conservatives and rural legislators whose determination to block liberal measures was openly recognized."

The Committee on Insurance and Financial Institutions, with jurisdiction embracing all social insurance legislation in workmen's compensation, unemployment disability insurance and unemployment compensation, Pitts adds, "contained a

## KERR TO CHAIR AUTOMATION MEET

Dr. Clark Kerr, President of the University of California and nationally recognized industrial relations expert, has been appointed general chairman of the Governor's Conference on Automation, November 27 and 28, Governor Edmund G. Brown announced this week.

The two-day conference at the Biltmore Hotel in Los Angeles, the Governor explained, is being called to define the problems, assess present programs, and formulate policies and recommendations for action by management, labor and government to meet the challenge of automation.

General Chairman Kerr will appoint chairmen of four principal conference divisions: (1) Education and Training for a Changing Technology; (2) The Role of Labor-Management Relations; (3) Economic Development Aspects; (4) Social Implications of Automation.

An attendance of 400 is expected at the conference. Invitations are being extended to persons representing labor, management, government, education, community groups, technical experts, and others who have knowledge of the problems to be discussed and who may be expected to contribute to the formulation of policies and recommendations.

better balance, but, at best, was also conservatively oriented."

3. The effect of the Senate committee structure, with its life-and-death control over legislation, is viewed as having exerted a powerful influence on the lower house against the initiation of liberal legislation. "Almost without exception, legislative programs advanced by the Federation ran smack into this reluctance, which served to fortify the prevailing apathy toward issues stemming from the Assembly's preoccupation with the politics of reapportionment," Pitts points out, adding:

"The real Sacramento Story is that the Federation was able to surmount any (of these obstacles) in the successes finally recorded when the session adjourned."

The Sacramento Story also contains a tabulation of floor roll call votes in the Assembly and Senate designed to "acquaint local movements with the performance of their elected representatives."

The tabulation includes 38 key roll call votes in the lower house, and 11 votes in the upper house covering the full range of labor's interests in legislative activities.

A word of caution, however, is injected by Pitts in the use of these records in connection with labor's non-partisan political activities:

"It is important to recognize that floor votes represent only one phase of the legislative process, and quite frequently not the most important phase. Many bills are severely weakened prior to reaching the floor, either by committee action or by compromise developed behind the scenes. It is not uncommon for legislators, who have worked to kill or weaken a bill in these phases of the legislative process, to cast a record vote in support of the measure on the floor. Further, the casting of a floor vote does not distinguish between those legislators who work actively to influence the outcome of proposed legislation, and those who merely cast their vote."

In a final warning to those using the voting records, Pitts concludes:

"In rewarding our friends and opposing our enemies, therefore, the total record of legislators should be taken into consideration."

## Union Bonding Costs Cut

"The honesty and integrity of the overwhelming majority of trade union officials," according to AFL-CIO President George Meany, is demonstrated in the recent decision of the nation's surety companies to lower the costs of "faithful discharge of duties" bonds required by the Landrum-Griffin Act.

The 50 percent surcharge imposed by the surety companies to meet broadened bonding requirements of Landrum-Griffin has been reduced to 25 percent. The reduction was made effective as of October 4, with proportional refunds in the offing at the next premium anniversary date of coverage for various organizations.

Meany recently sent the announcement of the reduction to international presidents and central labor bodies together with a report by Secretary-Treasurer William F. Schnitzler which showed:

— Replies to a survey from 122 AFL-CIO unions and six affiliated departments reveal that "not a single claim had been filed" under the "faithful discharge of duty" bonding provisions.

— The Surety Association of America, after negotiations with Schnitzler and a committee of AFL-CIO secretary-treasurers, agreed that the heavy charge imposed had not been justified on the basis of experience and should be reduced.

Schnitzler's report noted that the reduction in rates is evidence that "there is no justification for the continued imposition of exceptionally strict and expensive bonding requirements for trade union officers and employees."

Declaring that the higher cost of bonds since Landrum-Griffin has had to be met from "union assets that could be used to promote the well-being of union members," Schnitzler added:

"If unions were allowed to develop, in cooperation with the surety companies, a schedule of rates for commercial blanket fidelity bonds . . . they could obtain greater coverage for a lesser rate, and the assets of the trade union movement would be conserved . . . for the benefit of the members."

# Consumer Association Charts Action Course

(Continued from Page 1)

of a new federal department of consumers with cabinet standing and full authority to protect consumer interests. Convention action on the federal consumer department, which delegates noted would "greatly enhance" the work of the State Consumer Counsel, was immediately wired back to President Kennedy.

Helen Nelson, a member of the California Consumers Association, was one of the featured speakers of the convention, together with Dr. Mildred E. Brady of Consumers Union, Inc., state AFL-CIO President Albin J. Gruhn, and Charles James, head of the Consumer Frauds Section of the Attorney General's office.

Labor participation in the consumer meet was strongly in evidence, among other delegates from consumer cooperatives, credit unions, home economics and dietetic groups, university and college professors, and many individual consumer members from all parts of the state who traveled to San Francisco for the convention.

Jackie Walsh of the San Francisco Joint Culinary Board was elected Association president. George Brunn, a San Francisco attorney, was elected secretary along with the election of three vice presidents, a treasurer and a 30-member executive board.

In her Saturday address before the convention, Consumer Counsel Helen Nelson reviewed the impressive victories won in Sacramento during the past two years since the creation of her office, but warned that in many areas of major consumer abuses corrective legislative proposals have failed even to gain consideration in Sacramento. The education and organization of consumers was recognized as essential to the functioning of the state consumer office. Mrs. Nelson welcomed the support and assistance she has received from the Association of California Consumers.

Mildred Brady, editor of Consumers Reports, for CU in New York, told delegates at a luncheon session that the eyes of the entire nation are focused on the growing consumer movement in California. The direction of our growth, she

said, will have an important influence on other states which are contemplating action on the consumer front. Citing example after example where the regulated have taken over the regulators in government, Dr. Brady urged delegates to be on guard against trade associations moving in and subverting the work of the Association and the office of state consumer counsel.

Assistant Attorney General Charles James, in a Sunday morning address, urged consumers to fight back instead of "shrugging off" unfortunate experiences. The state Consumer Fraud Section head said that the hucksters who offer "peace, comfort, and satisfaction in little jars and big cars" often succeed only because victims won't fight back.

Even the most efficient law enforcement agency is helpless without sufficient evidence, James told delegates.

Convention action on resolutions assigned "high priority" among activities of the Association to the correction of deceptive practices in weights and measures and the packaging of products. A resolution on this subject instructed the Association's officers to embark upon a state and federal legislative program designed to "terminate or bring under control" the following undesirable conditions:

- Existing authority granted to the California Department of Agriculture in 1957 permitting net weight negative tolerances on packaged commodities in grocery stores.

- Use of visually deceptive containers designed to give the illusion of containing more than the actual contents.

- Use of odd sizes aimed at making price comparisons difficult.

- Employment of misleading quantity terminology such as "jumbo quart".

- Inconspicuous printing and placement of net weight declarations on packages and containers.

- Unfounded claims on containers and the use of graphics to exaggerate the nature of the merchandise.

- False designation of a sale price through the month-after-month use of a printed "cents off" sales legend as an integral part of the package.

A "truth-in-lending" resolution adopted by the convention endorses the provisions of the Douglas bill in Congress which would require full disclosure of charges involved in credit purchases so that consumers may be afforded the opportunity to make intelligent decisions on the use of credit.

Among the major provisions of the Douglas bill enumerated in the resolution were those requiring the following:

- The finance costs expressed as a simple annual interest rate on the outstanding unpaid balance.

- The finance charge expressed in dollars and cents, including all interest, service charges, discounts, and other charges incidental to extension of credit.

- The listing of all charges in connection with the transaction not directly resulting from extension of credit, as, for example, insurance charges.

The "truth-in-lending" resolution also directed the Association to press for similar protections in the state Unruh Act and other California legislation regulating consumer financing and credit.

Still another resolution on the subject of retail credit sales calls for state action to prohibit a purchaser's rights from being reduced by the assignment of a sales contract to a third party, and prevent the use of "deficiency judgments" as a means of milking the consumer. Retail sales credit in automobiles were singled out for particular attention in this regard.

Among other resolutions, the Association pledged itself to work for repeal of so-called fair trade legislation whereby manufacturers set prices, enactment of state legislation to give an effective remedy at law against misleading advertising, mobilization of public support for enactment of the provisions of the Kefauver bill in Congress (S 1552) designed to reduce consumer drug prices by injecting an element of competition into the drug industry, and development of consumer protective legislation in the area of housing financing.

In virtually all of the areas of convention action, the AFL-CIO was described by Federation President Albin J. Gruhn as leading the fight for legislative action.

FORM 3547 REQUESTED

## Equal Rights Action

(Continued from Page 1)

ity-group apprentices. California received high praise before a Congressional Committee on Education and Labor last summer for its progressive achievements in promoting equal apprenticeship opportunities."

To develop and carry out the program, the Apprenticeship Council approved the formation of a state-wide Committee for Equal Opportunity in Apprenticeship and Training which will include representation from management, labor, minority group organizations and consultants from interested governmental bodies.

The effect of the action is to give formal recognition to the apprenticeship opportunities committee of the California Conference on Apprenticeship, which organized labor was instrumental in forming better than a year ago. Already, two demonstration projects on "clearing houses for apprenticeship" have been established, in Fresno and Los Angeles. (See Newsletter, Oct. 20, 1961.)

The committee, according to Henning, will cooperate with local apprenticeship committees, counseling young job seekers of the opportunities in apprenticeship and advising them that to become apprentices they must prepare themselves to meet apprenticeship standards. It is recognized that many youths, including those from the minority groups, lack adequate high school training to become apprentices. In addition, the committee will serve in an advisory capacity to education, management, labor and minority groups to increase understanding and cooperation and to encourage young people to prepare for entrance into the apprenticeship program.

Henning said that, at present, there are more than 600 local apprenticeship committees throughout California, made up of labor and management representatives which

## "Parade of Progress" Put on Film

The AFL-CIO Union Label and Service Trades Department is producing a new 16 mm. color sound movie of the 1961 AFL-CIO Union-Industries Show which was held in Detroit Michigan, in April this year. The movie, titled "Parade of Progress," takes its name from the exhibition and has a running time of approximately thirty minutes.

According to the Department, the movie version of "Parade of Progress," when completed, will be available for showings for local and state labor groups, at conventions and other labor gatherings and in future show cities to acquaint the local labor movement with the scope and purposes of the exhibition. Showings will also be arranged for union employer groups contemplating taking part in future Union-Industries Shows.

Joseph Lewis, Secretary-Treasurer of the Department, also stated that consideration is being given to using the new film on public service television broadcasts to give the general public an insight into the year 'round operation of the Union Label and Service Trades Department.

select and supervise the training of more than 20,000 apprentices in training. The local committees, in turn, will operate under policies established by the Apprenticeship Council whose 14 members are approved by the Governor.

Other Administrative Code changes made by the Council on October 28 are: provision for joint apprenticeship committees as non-profit organizations to receive and safeguard monetary contributions; recognition of the California Conference on Apprenticeship under the Administrative Code; broadening the base for issuance of merit certificates to persons other than joint apprenticeship committee members.

## Profits Soar Despite Employment Lag

Government reports and forecasts of leading business publications in recent weeks indicate that corporate profits are zooming toward the second highest year on record in 1961, and may come close to matching the all-time record of \$46.4 billion set in 1959.

The rosy profit picture is in sharp contrast with the high level of unemployment which has continued at nearly seven percent of the nation's labor force for the past ten months.

Department of Commerce profit reports covering the July-September quarter reveal that profits before taxes are running at an annual seasonally adjusted rate of about \$46 billion. In the second quarter of this year the rate was about \$45 billion.

According to Business Week magazine, if the trend continues, the outlook for the current quarter is an annual profit rate of "\$49 billion or better," which should make 1961 profits "at least the second best year on record, slightly topping last year's \$45 billion."

The Wall Street Journal reports, "Prospects are that the current quarter will show a larger gain from the like period of 1960." The paper's profit score card covering 440 corporations in 30 industrial groups showed a third quarter gain of 9.3 percent over the same period a year ago.

The Department of Commerce, in turn, reports that for the first half of 1961, profits jumped 14 percent between the first and second quarters of the year.

The profit boom is attributed to a number of factors: a sharp rise in productivity with advances in the economy since the depth of the recession; an increase in the volume of sales; and a reduction in overhead costs per unit as production has increased.