

# Fed Water Committee To Meet With Governor

A special Federation executive council committee on the water problem will meet with Governor Edmund G. Brown in Sacramento January 15, 1960, it was announced this Thursday by C. J. Haggerty, secretary-treasurer of the state AFL-CIO.

The Federation committee, composed of fourteen executive council members, was established at the recent meeting of the council in Santa Barbara for the purpose of discussing with Governor Brown the problem of "unjust enrichment" under the state's proposed \$1.75 billion water bond program, which will be on the ballot next November.

The Federation is seeking protections against unjust enrichment before the bond issue goes to a vote of the people. The San Diego convention of the Federation early in August established this as a condition for labor's support of the giant water program.

Governor Brown also announced recently that his Administration is opposed to any "profiteers" from his water program, which he pushed through the legislature at the 1959 session.

The purpose of the meeting with the Governor is to explore the protections needed for the state's taxpayers against the landed monopolists in the lower end of the San Joaquin Valley, who stand to be enriched by millions and millions of dollars.

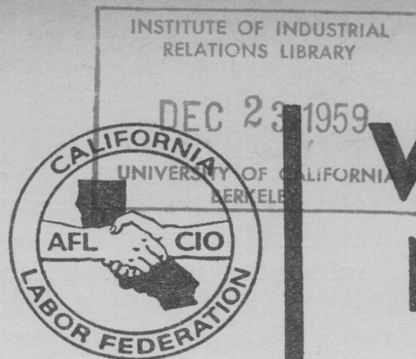
## Mitchell Interprets Bonding Provision

Asserting that Congress was aware of the cost considerations involved, Secretary of Labor James P. Mitchell has issued the following interpretations of the new labor law's bonding provisions:

- Congress did not intend to require "unreasonable, unnecessary or duplicative bonding."

- Since every conceivable possibility of loss cannot be insured against, the bonding provisions are aimed simply at reasonable protection of funds and certain "other properties".

- "Quick assets" such as negotiable securities and property held for swift conversion into cash are considered "other properties" to be covered by bond under the act. Relatively permanent property, such as land, buildings, furniture and



C. J. HAGGERTY  
Executive  
Secretary-Treasurer

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## CHRISTMAS MESSAGE

By C. J. HAGGERTY, Secretary-Treasurer

Peace and Good Will Toward Men, the belief in the brotherhood of man—this is the spirit in which a large portion of the world celebrates this and other Christmas seasons. As such, it is a spirit that often transcends religious faiths, and provides the hope of mankind against the evils of selfishness, greed and the quest for power and status which frequently stir individuals to group and national conflict.

The spirit of Christmas, however, should have special meaning for every trade unionist, for it is the spirit of brotherhood upon which our movement was founded, and it is the only basis upon which the trade union movement can survive as an institution for the improvement of the conditions of life and labor of free workers.

As trade unionists, therefore, it is most important this Christmas season that we look inward to ourselves and through the commercialism which unfortunately has come to obscure the real meaning of Christmas in many of the advanced nations of the world, including these United States.

As we look inward, we cannot escape recognizing that the strength and vitality of the trade union movement is the measure of our belief in the brotherhood of man.

How hollow the spirit of Christmas must be to the many unorganized workers who must face, alone, the mounting power of corporate forms of organization. In agriculture, what is there in the spirit of Christmas that permits the farm worker to rejoice? The starvation wages at which he and his family must work? The miserable housing or the open field in which he must search for shelter? The almost certain knowledge that every effort to improve conditions for himself and family will be met with the threat of cheap imported labor in ever increasing amounts?

What must the spirit of Christmas mean to the Negro and other so-called minority groups who daily face discriminatory practices at different levels of our social and economic structure—in employment, in housing and the use of community facilities?

How hollow, also, the spirit of Christmas must be for half the world which goes to bed hungry each night.

It is the existence of conditions such as these in a twentieth century world with the technical knowledge to destroy itself in a matter of hours that must motivate us and give our movement direction in the year ahead. The brotherhood of man cannot be advanced on the insecurity of others, nor can we as trade unionists rejoice in the gains won

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# Mitchell Interprets Bonding Provision

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ure to discharge their duties faithfully.

- Persons with general responsibility for safekeeping of such funds or "quick assets" would have to be bonded whether or not they physically handled them. Bonding would probably be required for executive boards and similar policy-making bodies only where they exercise day-to-day supervision of persons directly charged with handling funds.

- Bonds must be obtained at the start of the organization's first fiscal year subsequent to enactment of the law on September 14, 1959.

- Although bonds must be fixed at the required amount at the beginning of each fiscal year, this does not prohibit bonds with terms longer than one year.

- The requirement that unions and their personnel may not have an interest in the bonding com-

panies refers to more than mere nominal interest. However, a financial or influential interest which could affect the objectivity of such companies in bonding union personnel prohibited.

- Bonds must amount to at least ten percent of the funds handled by all occupants of the position in the preceding fiscal year. In no case can be bond amount to more than \$500,000.

- Individual bonding is not required. As long as persons who must be bonded are covered in the required amounts, blanket bonding of any or all other positions is permissible. A group charged with responsibility for handling particular funds may be bonded as a group.

- Personnel of banks and other independent institutions performing functions for a trust in which a union is interested do not have to be bonded.

# New Farm Labor Importation Scheme Reported -- And Denied

A program to flood California with cheap imported farm labor from the Philippine Islands was reported last Friday out of Washington.

An Associated Press wire, dated December 11, quoted the Philippine Islands' Secretary of Labor to the effect that an agreement had been reached with U. S. officials for the importation of farm labor under contracts between the two governments.

The report was immediately interpreted as an attempt to undermine Secretary of Labor Mitchell's minimal efforts to crack down on widespread violations of the Mexican National importation program.

An immediate check with the Department of Labor on the West Coast and in Washington revealed no knowledge of any agreement having been reached between the two governments. A further check with the U. S. Immigration Service also brought forth a denial that any

agreement had been reached with the Philippine government.

Immigration Commissioner Swing, however, admitted that a Mr. Castano, the Philippines' Labor Secretary, had been trying to secure U. S. approval of such a program. It is reported that Swing tried to discourage Mr. Castano.

Under U. S. immigration law, Japanese farm workers have been imported under conditions approaching those of indentured servants in the colonial days, except that these Japanese have very little hope of working off their debt.

C. J. Haggerty, secretary-treasurer of the California Labor Federation, AFL-CIO, served notice on all government agencies that California labor will oppose any and all efforts to bring in more cheap labor now that minimal success is being achieved in correcting some of the abuses in the Mexican National program.

# Christmas Message

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for our members so long as large groups of workers live under conditions which dominated earlier centuries of civilization.

Yet this Christmas must have a hollow ring for every trade unionist of this nation as well. Developments during the past year indicate clearly that powerful forces in this nation do not believe in the spirit and brotherhood of man.

In the Landrum-Griffin bill we have seen these forces prostitute the belief of Americans in democratic procedures in order to shackle workers who may look to their brothers and sisters for assistance in their never-ending struggle to improve their conditions of work.

Let there be no mistake about it. The numerous amendments to the Taft-Hartley Act in the new law passed by Congress are designed specifically to forbid the trade union movement from operating on the very principle of brotherhood on which it was established. This is the purpose of the new secondary boycott, picketing and "hot cargo" restrictions in Landrum-Griffin.

At the same time, let us not lose sight of the fact that the corporate giants of this great nation have also launched a campaign to separate trade unionists from the support they must have from the general public. On the one hand, they have used Congress to isolate trade unionist from trade unionist; on the other hand, they are now seeking to isolate the general public for their own exploitation in order to undermine even the narrow legal limits in which they have confined our activities. This is the special significance of the current steel dispute for every trade unionist in the nation.

Obviously, there is only one answer to this kind of a challenge. Since it is a challenge to the brotherhood of workers, let us meet it by individual rededication to the guiding principle of our movement.

This Christmas, therefore, let us clearly understand that a troubled labor movement has only itself to look to for remedial action. Let us answer those who would destroy our brotherhood by demonstrating our determination to extend it to every walk of life in the rightful spirit of Christmas.



## "CLASS WAR" NAM CONFERENCE THEME

The National Association of Manufacturers, meeting in Chicago recently for the 64th annual congress of American industry, put organized labor on notice that the Landrum-Griffin Act was only a starter.

Big industry, it was made clear, is out to ban industry-wide bargaining, rope unions under antitrust laws and clamp down on labor's political activity.

The language of class war dominated the NAM's annual meeting, attended by over 2,000 businessmen delegates.

There was no resting on past laurels. NAM leaders and the Association's congressional favorites made it clear they felt they had only tasted labor's blood.

- "The battle has just begun," declared Rep. Phil M. Landrum (D-Ga.). The co-author of the Landrum-Griffin Act said that law is "only the foundation for real reform."

- "Great credit" must go to the NAM for creating public support of the Landrum-Griffin Act, said Chairman Graham A. Barden (D-N. C.) of the House Labor Committee. But, he added, "you must get busy again. Just because you gained 30 yards, don't let that hold you from going the other 70 yards for a touchdown."

- "Company-level bargaining is the only way" to safeguard economic freedom, protect the public and stop inflation as "a major crisis" of a renewed steel strike and a rail walkout looms, warned Charles R. Sligh, Jr., NAM executive vice president.

- "After 20 years of signing these (fringe) gimmicks, industry has finally got so loaded up it can no longer function with the so-called work rules," was the comment of incoming Pres. Rudolph F. Bannow on "so-called collective bargaining."

- The Landrum-Griffin Act's passage must not divert industry's attention from "the larger, more basic and threatening problem . . . the unsound economics most labor leaders espouse," said Vice Pres. Millard E. Stone of the Sinclair Oil Corp.

To halt "wage-push inflation," Stone advised, the members of NAM must "be willing to take strikes if necessary."

Sligh set the tone when in a pre-convention press conference, he traced the developing "major crisis" of a renewed steel strike and "the threat of a nationwide railroad strike in early spring" to industrywide bargaining. His solution:

"Company-level bargaining is the only way we can safeguard the principles of economic freedom and at the same time protect the public against crippling strikes on the one hand or continuous wage-price inflation as the alternative."

In a panel on taxes, House Minority Leader Charles A. Halleck (R-Ind.) said the only hope for tax relief was lower government spending. He also warned that over-centralization of authority leads only to socialism. But Pres. Thomas J. Watson of Intl. Business Machines Corp. said frankly that industry must accept higher taxes if America is to maintain world leadership.

However, the convention's accent was on labor. If the industrialists moved organized labor in as the target, the congressmen provided a legislative backdrop.

### 'Problems' Listed

In a panel session entitled "Labor-Management Cooperation and Its Meaning for Economic Growth," Moderator John W. Humphrey, chairman of the NAM's industrial relations committee, listed four major problems: "wage-push" inflation, concentration of power in labor, union intrusion on management functions and the threat of foreign competition.

Stone said the nation "can no longer afford to let management be handcuffed by the archaic work rules" imposed by unions. "There can be no grounds for fruitful discussion," he added, until labor recognizes that job security is rooted fundamentally in the economy and that the economy must be freed of labor's "gimmicks or taboos."

Barden, also on this panel, labeled the Wagner Act "quite far to the left."

Landrum, a most enthusiastically-received speaker, cautioned management not to let its political interest diminish. The Landrum-Griffin Act was limited, he said, adding:

"It does not effectively deal with

## John Holcombe

### Named Commissioner Of Labor-Management Reports Bureau

Secretary of Labor James P. Mitchell this week announced the appointment of John L. Holcombe as Commissioner of the Bureau of Labor-Management Reports, effective January 1, 1960.

The new bureau which Mr. Holcombe will head was created in the Labor Department to implement the Landrum-Griffin Act of 1959. It was signed into law last September 14 by President Eisenhower.

At present Mr. Holcombe is with the Department of Defense where he has been Director of the Office of Programming and Control for the Secretary of Defense. Since 1948 he has also served as Director of Military Assistance Program Evaluation, Deputy Comptroller, and Assistant Director of the Budget Office in the Defense Department.

From 1945 to 1948 he was with the Veterans Administration, where he was Director of the Standards and Operations Division, Director of the Review and Codification Division (involving significant labor issues), and Industrial Relations Liaison Officer to the Director.

Before World War II he was assistant regional representative for the Bureau of Employment Security, a field representative for the Bureau of Unemployment Compensation, and a legal research supervisor for the Works Progress Administration.

the issue of the great sums of money expended by labor organizations in political campaigns, nor does it amend the national emergency provisions of Taft-Hartley."

Turning to the federal wage-hour law and the union-backed Kennedy-Morse-Roosevelt bill to raise the \$1 minimum to \$1.25 and bring millions more under the act, Landrum said with alarm:

"We see a fungus-creating and fungus-spreading bureaucracy which wishes to engulf all business, all enterprise, all employees within its deathlike embrace."

California Labor Federation, AFL-CIO  
995 Market St.  
San Francisco 3, Calif.

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

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## The Story of "Fair Trade"

*(The following was recently issued by the Consumers Information Bureau in Washington, D. C. The California Labor Federation testified a few weeks ago before an Assembly interim committee urging the repeal of California's "fair trade" law. The national AFL-CIO is also working to block fair trade laws in Congress.)*

"Fair trade" is a depression baby. In 1931, California druggists steam rolled the California Fair Trade Act through the state legislature, claiming that it would revive small business. Thirty-one other states followed suit. Of the first 32 states that adopted "fair trade," only three held public hearings on bills. As further evidence of the hate accompanying legislation of the bills, a stenographic error in the California law, which made an important section of the bill unintelligible, was copied in the laws of 11 other states.

The California Fair Trade Act permitted a brand manufacturer to sign a contract with a retailer compelling sales of the brand at a designated price. However, manufacturers found it impossible to sign up enough retailers to give the law any teeth. A 1933 amendment remedied this, binding every retailer selling the brand in California to the designated price, even though the manufacturer had signed a price-fixing contract with only one retailer in the state.

The widely publicized "non-signer" clause really started "fair trade" rolling. By 1938, "fair trade" was on the books in 45 states and Congress had passed the Miller-Tydings Act. This national law exempted "fair trade" contracts from the provisions of the Sherman Antitrust Act. The Miller-Tydings Act skillfully resolved the problem of the conflict of state "fair trade" laws and federal antitrust laws when goods moved across state lines.

Between 1938 and 1951, supermarket operators, department stores and discount houses tried to knock out "fair trade." These court actions almost ended "fair trade" in 1951, when "non-signer" clauses were declared unconstitutional by the United States Supreme Court. However, over vigorous opposition of the Antitrust Division of the Justice Department, a second federal law, the McGuire Act, was railroaded through Congress in 1952.

The McGuire Act permitted all states to bind retailers to "fair trade" prices whether retailers agreed to them or not. Again in 1953, "fair trade" laws were operative in 45 states. Since then, state court decisions have voided entire "fair trade" acts or killed "non-signer" clauses in 15 states. Four others—Missouri, Texas, Oklahoma and Alaska—have never enacted "fair trade" regulations. These state court decisions against "fair trade" in the last six years have caused retail druggists to pressure Congress for another federal price-fixing law.

Reputable economists testified at House hearings in 1958 and 1959 that federal "fair trade" will cost consumers \$10 billion—about \$250 extra for each family each year. These estimates are based on facts from shopping surveys conducted in "fair trade" and non-"fair-trade" areas. At today's inflated prices, consumers can ill afford to pay 20 per cent or 30 per cent more for regular family needs.

1960 will be a presidential election year; a year when Congress is pressing to adjourn as soon as possible. The McGuire Act had been tacked on as a rider to a District of Columbia appropriations bill. In spite of serious reservations about "fair trade," President Truman was forced to sign the bill into law. The District of Columbia needed the ap-

## Big Business And Politics

A new booklet on big business and politics is now ready for distribution, it was announced this week by the AFL-CIO Committee on Political Education in Washington, D. C.

The handy booklet outlining the activities of big business in the political arena is available in limited quantities, free of charge.

In writing for the booklet, simply ask for COPE publication No. 16. Address all requests to Public Relations, COPE, 815 - 16th Street, N.W., Washington 6, D.C.

## Demo Wins Close Race for Assembly

Democrat Tom C. Carrell was this week declared the victor in the special election held on December 8 to fill the vacancy in the 41st Assembly District. Carrell had the endorsement of the Los Angeles County Council on Political Education.

The margin of Carrell's victory was so narrow that backers of the Republican candidate, Willard Cross, refused to concede defeat until some 500 absentee ballots were counted.

Los Angeles Democrats were shocked by the closeness of the vote in this traditionally Democratic district. It was also noted that only 32.8 per cent of the registered voters cast ballots in this election.

Carrell will succeed Democrat Allen Miller who was appointed to the Superior Court.

appropriations and the McGuire Act got a free ride.

Consumers must act now against pending federal "fair trade" legislation (H. R. 1253 and S. 1083) to prevent a similar lobbyist double play from sharply curtailing consumer purchasing power in 1960.