



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 449

Date Filmed 9/18/79 Camera No. --- 2

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79010153225

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
American Federation of State,)
County and Municipal Employees)

MUR 449

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 21, 1978, the Commission determined by a vote of 5-1 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find probable cause to believe that AFSCME has violated 2 U.S.C. Section 431(f)(4)(C).
2. Authorize the Office of the General Counsel to file a civil action pursuant to 2 U.S.C. Section 437g(a)(5)(B).

Voting for this determination were Commissioners Harris, Springer, Staebler, Thomson, and Tiernan. Commissioner Aikens dissented.

Attest:

Date

6/22/78

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040153226

BEFORE THE FEDERAL ELECTION COMMISSION
May 24, 1978

In the Matter of)
) MUR 449
American Federation of State,)
County and Municipal Employees)

GENERAL COUNSEL'S REPORT

BACKGROUND

In a letter dated May 10, 1978, Larry P. Weinberg, counsel to AFSCME, advised us that his client persists in its belief that it is not required by 2 U.S.C. §431(f)(4)(C) to report to the Commission the costs attributable to the publication and distribution of the Nixon-Ford poster. (A copy of the letter is attached).

Reiterating those matters raised in his November 2, 1977, letter, Mr. Weinberg concluded that nothing in the Nixon-Ford poster advocates the election or defeat of any candidate for Federal office and, consequently, that the reporting requirements of Section 431(f)(4)(C) never were triggered.

By way of new matter, Mr. Weinberg asserts that the Commission has given an overbroad interpretation to Section 431(f)(4)(C) and has thereby violated the First Amendment rights both of AFSCME and of its members.

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DISCUSSION

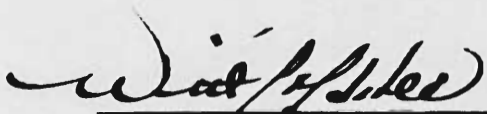
For the reasons set forth in our General Counsel's Report of February 13, 1978, we believe that the Nixon-Ford poster expressly advocated the defeat of a clearly identified Federal candidate and that AFSCME was required to report to the Commission the costs attributable to its production and distribution.

AFSCME's responses to the Commission indicate that it is unwilling to conciliate on this basis.

RECOMMENDATION

Find probable cause to believe that AFSCME has violated 2 U.S.C. §431(f)(4)(C) and authorize this office to file civil action pursuant to 2 U.S.C. §437g(a)(5)(B).

6/5/78
Date



William C. Oldaker
General Counsel

79040153228

Convery

LAW OFFICES
ZWERDLING AND MAURER
1211 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036
(202) 223-8374

A. I. ZWERDLING **
GEORGE M. MAURER, JR. **
LARRY P. WEINBERG **
JANET KOHN *
WENDY L. KAHN *
JOHN C. DEMPSEY **
MICHAEL T. LEBOWITZ **
DONALD H. JANETZKE **
GEORGE D. WASHINGTON **
KENNETH W. KALLS *
JUDITH A. SCOTT **
KAREN L. ZWEIF *
LYLE D. RUSSELL, JR. *

* D. C. * MICH. * OHIO * VA.
* MASS. * ILL. * N.Y.

HAND-DELIVERED

May 10, 1978

MICHIGAN OFFICE
800 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243
(313) 289-1770

OHIO OFFICE
6101 S. KITTERING BLVD.
DAYTON, OHIO 45439
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400 TOTTEN HOND ROAD
WALTHAM, MASSACHUSETTS 02154
(617) 890-1009

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449(77)

Dear Mr. Oldaker:

By letter dated February 24, 1978, you advised us that, on February 15, 1978, the Commission found reasonable cause to believe that our client, the American Federation of State, County and Municipal Employees (AFSCME) had violated Section 431(f)(4)(C) of the Federal Election Campaign Act of 1971, as amended, by failing to report to the Commission its expenditures for the publication and distribution of the "Nixon-Ford poster". That Section requires a labor organization such as AFSCME to report to the Commission certain costs incurred in connection with communications with members of such organization "expressly advocating the election or defeat of a clearly identified candidate" for federal office.

As we stated in our letter of November 2, 1977, we believe the Commission's attempt to impose a reporting requirement with regard to the Nixon-Ford poster goes beyond the authority granted to the Commission by the statute. In addition, we wish to point out here that a statutory provision such as this one, which regulates First Amendment protected activity, must be drawn as narrowly as possible and interpreted in the same manner to avoid constitutional infirmity.

We will not repeat here everything said in our letter of November 2, 1977. However, we wish to remind the Commission that the principal point made in that letter was that in order

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William C. Oldaker, Esquire
May 10, 1978
Page Two

to trigger the reporting requirement, the communication must expressly advocate the election or defeat of a clearly identified candidate for federal office. There is nothing in the Nixon-Ford poster which advocates the election or defeat of any candidate for federal office. Therefore, such advocacy, even if it may be taken as implied by the poster, cannot be express, and the reporting requirements of Section 431(f)(4)(C) do not come into play.

We do not suggest, as you implied in your letter of February 24, that express advocacy is "limited to the application of a test which looks only to the appearance or non-appearance of a particular word, or combination of words...". We do suggest, however, that the proper test of express advocacy requires that the Commission look to whether the communication in question advocates election or defeat of a clearly identified candidate and whether it does so expressly.

We understand that the phrases quoted in Commission Regulation Section 109.1(b)(2), which defines "express advocacy" are merely examples of the types of phrases which fall within this definition. However, we submit that the fact that the phrase "including but not limited to" precedes these phrases, does not permit the Commission to find express advocacy in a publication which contains nothing of similar import. Your underlining of the phrase "including but not limited to" in the Regulation apparently indicates your belief that by inserting this language in its Regulation, the Commission left itself free to ignore the clear meaning of the statute.

We also wish to point out that your reference to 2 U.S.C. Section 431(f)(4)(A) with regard to our discussion of editorials and editorial cartoons in union and commercial newspapers demonstrates only that you totally missed the point of our discussion. We were not suggesting therein that such publications should be required to report as would a corporation or a membership organization under 2 U.S.C. Section 431(f)(4)(C). We were, however, trying to point out to the Commission that when those publications contain editorials or editorial cartoons critical of a particular candidate, similar in nature to the Nixon-Ford poster, they were not necessarily advocating the defeat of such candidate, and certainly not doing so expressly, as became apparent in those cases where such publications either endorsed the candidate criticized or refused to take a position in such election.

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William C. Oldaker, Esquire
May 10, 1978
Page Three

The Commission apparently believes that it can find express advocacy by looking outside the communication in question. Thus, the proposed conciliation agreement which accompanied your letter of February 24 stated in paragraph 3h that:

"In connection with the 1976 general election, AFSCME reported having spent \$40,678.40 in communication costs, including \$23,858.14 in an express advocacy of the election of Jimmy Carter." (Emphasis added.)

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The only relevance this reference to AFSCME's expenditures in support of the election of Jimmy Carter has to this matter is that it demonstrates that the Commission is looking outside the communication in question in order to find the advocacy which the statute requires to be express in the communication itself. It is obvious that if the Commission must look outside the communication in question in order to find advocacy, that advocacy can hardly be expressed in the communication.

In our view, the manner in which the Commission has so far interpreted this provision is barred by the plain language of the statute itself. (Our reasoning in support of this position is fully set forth in our letter of November 2, 1977, a copy of which is attached hereto.) However, if the Commission is still inclined to believe that this statute permits such a broad application, we wish to remind the Commission that it is here attempting to regulate in an area covered by the protections of the First Amendment and that statutes regulating this area must be read as narrowly as possible or their application will be held unconstitutional.

In our view, the position taken by the Commission is constitutionally infirm, in that it violates the First Amendment rights of AFSCME and its members by interpreting the statute too broadly.

The speech engaged in by AFSCME receives dual First Amendment protection.

First, the Union itself has a right to engage in "free discussion of governmental affairs". Mills v. Alabama, 384 U.S. 214, 218 (1966). Whether the actor is a natural person or

William C. Oldaker, Esquire
May 10, 1978
Page Four

organization is irrelevant to the issue of whether the communication is protected First Amendment speech. As the Supreme Court recently stated in First National Bank of Boston v. Bellotti, 46 U.S.L.W. 4371 (Apr. 15, 1978) at 4374:

"If the speakers here were not corporations, no one would suggest that the State could silence their proposed speech. It is the type of speech indispensable to decision making in a democracy, and this is no less true because the speech comes from a corporation rather than an individual. The inherent worth of the speech in terms of its capacity for informing the public does not depend upon the identity of its source, whether corporation, association, union or individual." (Emphasis added.)

Second, the members of the Union are also entitled to First Amendment protection, in their right to freely promote and discuss among themselves their political beliefs. NAACP v. Alabama, 357 U.S. 449 (1958).

As the court recognized in First National Bank of Boston v. Bellotti, supra at 4374, "[t]he Constitution often protects interests broader than those of the party seeking their vindication". Thus, simply because AFSCME is the party involved in this dispute, does not mean it is the only party with First Amendment rights that have been violated. Rather the First Amendment rights of the members of AFSCME have been violated as well.

Since First Amendment rights are involved, the Commission's interpretation of the statute and implementing regulations will only stand if it has construed the law narrowly. "Because First Amendment freedoms need breathing space to survive, government may regulate in the area only with narrow specificity." Keyishian v. Board of Regents, 385 U.S. 589 at 604 (1967). See also Buckley v. Valco, 424, U.S. 1 (1976); NAACP v. Alabama, 357 U.S. 449 (1958); United States Civil Service Commission v. National Association of Letter Carriers, 413 U.S. 548, 580 (1973). This rule applies not only to situations where First Amendment activity is circumscribed by law but also where First Amendment rights are not statutorily limited, but a reporting requirement is imposed. Thus, in Shelton v.

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Tucker, 364 U.S. 479 (1960), the Supreme Court struck down as overbroad an Arkansas statute requiring public school teachers to report all organizations to which he or she belonged during the five preceding years. While the statute did not prohibit any First Amendment activity, and while the Court found that compelled disclosure in and of itself did not impair First Amendment rights, the statute still failed for overbreadth because narrower phraseology would have provided a less drastic means of achieving the same ends.

Thus, the precise question presented is whether the Commission's interpretation of "expressly advocating" as applied to the Nixon-Ford poster, meets this test of "narrow specificity".

In Buckley, supra, at 76-77, the Supreme Court examined the Federal Election Campaign Act, and found that the then existing reporting section of the Act had to be construed narrowly or it would be unconstitutionally overbroad. To save the reporting section, the court construed "for the purpose of...influencing" [language later excised from the Act to bring it into conformity with the Court's decision], through the definition of "expenditure", to mean the following:

To insure that the reach of §434(C) is not impermissibly broad, we construe "expenditure" for purposes of that section...to reach only funds used for communications that expressly advocate the election or defeat of a clearly identified candidate. This reading is directed precisely to that spending that is unambiguously related to the campaign of a particular federal candidate. Buckley, supra at 80. (Emphasis added.)

"As narrowed, §434(e)...does not reach all partisan discussion for it only requires disclosure of those expenditures that expressly advocate a particular election result."
Buckley, supra at 80. (Emphasis added.)

"Unambiguous" means susceptible of only one meaning. ^{1/}

^{1/} Black's Law Dictionary 1693 (4th Ed. 1951)

William C. Oldaker, Esquire
May 10, 1978
Page Six

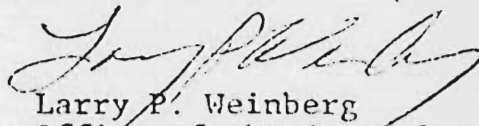
"Express" means exact, precise, explicit, specific.^{2/} If a communication is anything short of "unambiguous" or "express", then the Commission cannot require the reporting of the expenses incurred in the printing and dissemination of that communication, according to the Buckley decision.

The Nixon-Ford poster falls far short of explicitly or specifically advising that a person vote one way or another. It is certainly susceptible of many interpretations, including but not limited to interpretations having no relationship whatever to advocating election or defeat of any candidate. It could be interpreted as a post-Watergate comment on our entire political system. It might be viewed as a comment on Nixon. In any event, it is anything but precise, unambiguous, express advocacy.

In conclusion, the Commission has given §431(f)(4)(C) of the Act an overbroad interpretation. Where, as here, First Amendment rights are involved, the Constitution mandates a narrow construction and application of a statute, a principle violated in this case. According to the Supreme Court in Buckley, the governmental interest which permitted the burden placed upon First Amendment expression by reporting requirements such as those of Section 431(f)(4)(C) was that they "shed the light of publicity on spending that is unambiguously campaign-related" (424 U.S. at 81, emphasis added) but would not otherwise be reported. As interpreted by the Commission, however, this provision loses the support of this governmental interest, since it is not "narrowly limited to those situations where the information sought has a substantial connection with the governmental interests sought to be advanced." id at 81.

Thus, we respectfully submit that AFSCME's expenditures for the Nixon-Ford poster are not required to be reported under 2 U.S.C. Section 431(f)(4)(C).

Sincerely yours,



Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j
Enclosure

^{2/} Black's Law Dictionary 691 (4th Ed. 1951)

72010153234



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 9, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: MUR 449 (77) - Interim Report - dated: 5-2-78
Signed by General Counsel: 5-5-78
Received in Office of Commission
Secretary: 5-5-78, 3:20

mwe

The above-mentioned document was circulated on a 24 hour no-objection basis at 3:00 p.m., May 8, 1978.

As of 4:00 p.m., this date, no objections have been received in the Office of Commission Secretary to the Interim Report.

77010153235

May 5, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 449

Please have the attached Interim Report on MUR 449 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION
May 2, 1978

In the Matter of)
) MUR 449
American Federation of State,)
County and Municipal)
Employees)

INTERIM REPORT

On April 18, 1978, we met with Larry P. Weinberg, attorney for the respondent, to discuss the possible conciliation of this matter.

Although conciliation was not specifically ruled out, Mr. Weinberg continued to stress the points raised by AFSCME in its November 2, 1977, response to our reason to believe notification. He requested, and we agreed, that he be given two additional weeks to consult with his clients and to submit additional materials to the Commission.

On May 2, 1978, Mr. Weinberg telephoned this office and requested a one week extension, in light of the Supreme Court's recent decision in the Bellotti case. He assured us that his response would be delivered by Wednesday, May 10, 1978.

5/5/78
Date

William C. Oldaker
General Counsel

79040153237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 28, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry P. Weinberg, Esquire
Office of the General Counsel
AFSCME, AFL-CIO
Zwerdling and Maurer
1211 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: MUR 449(77)

Dear Mr. Weinberg:

This will acknowledge receipt of your letter dated March 9, 1978 in which you request that consultations regarding our proposed conciliation agreement begin after April 10, 1978. The Commission has been apprised of your request with the expectation that we will hear from you by April 15, 1978.

Should you have any questions, you may contact Vincent J. Convery, Jr., at 202-523-4075.

Sincerely yours,

William C. Oldaker
William C. Oldaker
General Counsel

Convery *MUR-449(77)*

75 Form 3811, Rev. 1977

1. SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

☐ Show to whom and date delivered.

☒ Show to whom, date, and address of delivery.

☐ RESTRICTED DELIVERY

☐ RESTRICTED DELIVERY

2. ARTICLE ADDRESSED TO:

Larry Weinberg, Esq.
1211 Connecticut Ave. N.W.
Wash., D.C. 20036

3. ARTICLE DESCRIPTION:

REGISTERED NO. *90338* CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE *C. Gole* ☐ Addressee ☒ Authorized agent

4. DATE OF DELIVERY *3/30/78* POSTMARK *MAR 30 1978*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1977 O-234-337

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry P. Weinberg, Esquire
Office of the General Counsel
AFSCME, AFL-CIO
Zwerdling and Maurer
1211 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: MUR 449(77)

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Should you have any questions, you may contact Vincent J. Convery, Jr., at 202-523-4075.

Sincerely yours,

William C. Oldaker
General Counsel

WJC
3/17/78



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 22, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 449 (77) - Interim Report dated 3-17-78
Signed by General Counsel 3-17-78
Received in Commission Secretary's
Office: 3-17-78, 4:07

The above-mentioned document was circulated to the
Commissioners on a 24 hour no-objection basis at 4:30, March 20,
1978.

As of 9:00 a.m., this date, no objections have been received
in the Office of Commission Secretary to the Interim Report.

79010153240

March 17, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 449

Please have the attached Interim Report on MUR 449 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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INTERIM REPORT

On February 15, 1978, the Commission found reasonable cause to believe that AFSCME was in violation of 2 U.S.C. §431(f)(4)(C) and authorized a proposed conciliation agreement be sent to respondent.

On March 9, 1978, respondent's attorney wrote us to explain the delay encountered in responding to our proposed agreement. (see attachment). We were advised that several top officials of AFSCME, who have to be consulted regarding the proposed agreement, will be out of town until the latter part of this month. Since respondent's attorney will, himself, be out of town until approximately the 10th of April, he states that such consultation would have to be further postponed. He has assured us that a prompt reply to our proposed agreement will be forthcoming upon his return.

We are advising respondent's counsel that, in view of these circumstances, conciliation efforts can resume in the middle of April.

Date _____

William C. Oldaker
General Counsel

Acc 2939

LAW OFFICES
ZWERDLING AND MAURER
1211 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036
(202) 223-6374

FEDERAL ELECTION COMMISSION

78 MAR 13 AM 10:15

A. L. ZWERDLING **
GEORGE M. MAURER, JR. **
LARRY P. WEINBERG **
JANET KOHN *
WENDY L. KAHN *
JOHN C. DEMPSEY **
MICHAEL T. LEIBIO **
RONALD H. JANETZKE **
GEORGE B. WASHINGTON **
KENNETH W. KALLS *
JUDITH A. SCOTT **
KAREN L. ZWEIF *
LYLE D. RUSSELL, JR. +
* D.C. * MICH. * OHIO * VA.
* MASS. * ILL. * NY.

MICHIGAN OFFICE
200 RENAISSANCE CENTER
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400 TOTTEN POND ROAD
WALTHAM, MASSACHUSETTS 02154
(617) 890-1009

March 9, 1978

Vincent J. Convery, Jr., Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449 (77)

Dear Mr. Convery:

This is to confirm our telephone conversation of March 8, 1978 in which I requested that our client, the American Federation of State, County and Municipal Employees, AFL-CIO, be given until approximately the middle of April to respond to the Commission's request that it enter into a conciliation agreement in this matter. As I explained to you over the phone, several of the top officials of our client, who must be consulted with regard to this matter, will be out of town until the latter part of this month. By the time they return, I will have left town and will not be returning until approximately the 10th of April. I am therefore requesting that we be given approximately a week after my return to respond to the Commission's proposed affiliation agreement.

As you know, under 2 U.S.C. Section 437g(a)(5)(A) the Commission is required to attempt conciliation for a period of not less than 30 days. I am requesting only that the minimum period of 30 days be extended for some two to three weeks, since this conciliation proposal was not received by us until February 27, 1978.

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Vincent J. Convery, Jr., Esquire
March 9, 1978
Page Two

If this request is granted, I assure you that I will respond promptly to the Commission's request for conciliation upon my return to Washington.

Sincerely,



Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j

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ACC 3508
NRY

LAW OFFICES
ZWERDLING AND MAURER
1211 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036
(202) 223-8374

A. L. ZWERDLING *
GEORGE M. MAURER, JR. *
LARRY P. WEINBERG *
JANET KOHN *
WENDY L. KAHN *
JOHN C. DEMPSEY *
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GEORGE B. WASHINGTON *
KENNETH W. HALLS *
JUDITH A. SCOTT *
KAREN L. ZWIG *
LYLE D. RUSSELL, JR. *

* D. C. * MICH. * OHIO * VA.
* MASS. * ILL. * NY.

HAND-DELIVERED

May 10, 1978

MICHIGAN OFFICE
800 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243
(313) 269-1770

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3301 S. KETTERING BLVD.
DAYTON, OHIO 45409
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MASSACHUSETTS OFFICE
400 TOTTEN FORD ROAD
WALTHAM, MASSACHUSETTS 02154
(617) 890-1009

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449(77)

Dear Mr. Oldaker:

By letter dated February 24, 1978, you advised us that, on February 15, 1978, the Commission found reasonable cause to believe that our client, the American Federation of State, County and Municipal Employees (AFSCME) had violated Section 431(f)(4)(C) of the Federal Election Campaign Act of 1971, as amended, by failing to report to the Commission its expenditures for the publication and distribution of the "Nixon-Ford poster". That Section requires a labor organization such as AFSCME to report to the Commission certain costs incurred in connection with communications with members of such organization "expressly advocating the election or defeat of a clearly identified candidate" for federal office.

As we stated in our letter of November 2, 1977, we believe the Commission's attempt to impose a reporting requirement with regard to the Nixon-Ford poster goes beyond the authority granted to the Commission by the statute. In addition, we wish to point out here that a statutory provision such as this one, which regulates First Amendment protected activity, must be drawn as narrowly as possible and interpreted in the same manner to avoid constitutional infirmity.

We will not repeat here everything said in our letter of November 2, 1977. However, we wish to remind the Commission that the principal point made in that letter was that in order

72010153245

William C. Oldaker, Esquire
May 10, 1978
Page Two

to trigger the reporting requirement, the communication must expressly advocate the election or defeat of a clearly identified candidate for federal office. There is nothing in the Nixon-Ford poster which advocates the election or defeat of any candidate for federal office. Therefore, such advocacy, even if it may be taken as implied by the poster, cannot be express, and the reporting requirements of Section 431(f)(4)(C) do not come into play.

We do not suggest, as you implied in your letter of February 24, that express advocacy is "limited to the application of a test which looks only to the appearance or non-appearance of a particular word, or combination of words...". We do suggest, however, that the proper test of express advocacy requires that the Commission look to whether the communication in question advocates election or defeat of a clearly identified candidate and whether it does so expressly.

We understand that the phrases quoted in Commission Regulation Section 109.1(b)(2), which defines "express advocacy" are merely examples of the types of phrases which fall within this definition. However, we submit that the fact that the phrase "including but not limited to" precedes these phrases, does not permit the Commission to find express advocacy in a publication which contains nothing of similar import. Your underlining of the phrase "including but not limited to" in the Regulation apparently indicates your belief that by inserting this language in its Regulation, the Commission left itself free to ignore the clear meaning of the statute.

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79010153246

William C. Oldaker, Esquire
May 10, 1978
Page Three

The Commission apparently believes that it can find express advocacy by looking outside the communication in question. Thus, the proposed conciliation agreement which accompanied your letter of February 24 stated in paragraph 3h that:

"In connection with the 1976 general election, AFSCME reported having spent \$40,678.40 in communication costs, including \$23,858.14 in an express advocacy of the election of Jimmy Carter." (Emphasis added.)

7 9 9 1 3 3 2 4 7
The only relevance this reference to AFSCME's expenditures in support of the election of Jimmy Carter has to this matter is that it demonstrates that the Commission is looking outside the communication in question in order to find the advocacy which the statute requires to be express in the communication itself. It is obvious that if the Commission must look outside the communication in question in order to find advocacy, that advocacy can hardly be expressed in the communication.

In our view, the manner in which the Commission has so far interpreted this provision is barred by the plain language of the statute itself. (Our reasoning in support of this position is fully set forth in our letter of November 2, 1977, a copy of which is attached hereto.) However, if the Commission is still inclined to believe that this statute permits such a broad application, we wish to remind the Commission that it is here attempting to regulate in an area covered by the protections of the First Amendment and that statutes regulating this area must be read as narrowly as possible or their application will be held unconstitutional.

In our view, the position taken by the Commission is constitutionally infirm, in that it violates the First Amendment rights of AFSCME and its members by interpreting the statute too broadly.

The speech engaged in by AFSCME receives dual First Amendment protection.

First, the Union itself has a right to engage in "free discussion of governmental affairs". Mills v. Alabama, 384 U.S. 214, 218 (1966). Whether the actor is a natural person or

William C. Oldaker, Esquire
May 10, 1978
Page Four

organization is irrelevant to the issue of whether the communication is protected First Amendment speech. As the Supreme Court recently stated in First National Bank of Boston v. Bellotti, 46 U.S.L.W. 4371 (Apr. 15, 1978) at 4374:

"If the speakers here were not corporations, no one would suggest that the State could silence their proposed speech. It is the type of speech indispensable to decision making in a democracy, and this is no less true because the speech comes from a corporation rather than an individual. The inherent worth of the speech in terms of its capacity for informing the public does not depend upon the identity of its source, whether corporation, association, union or individual." (Emphasis added.)

Second, the members of the Union are also entitled to First Amendment protection, in their right to freely promote and discuss among themselves their political beliefs. NAACP v. Alabama, 357 U.S. 449 (1958).

As the court recognized in First National Bank of Boston v. Bellotti, supra at 4374, "[t]he Constitution often protects interests broader than those of the party seeking their vindication". Thus, simply because AFSCME is the party involved in this dispute, does not mean it is the only party with First Amendment rights that have been violated. Rather the First Amendment rights of the members of AFSCME have been violated as well.

Since First Amendment rights are involved, the Commission's interpretation of the statute and implementing regulations will only stand if it has construed the law narrowly. "Because First Amendment freedoms need breathing space to survive, government may regulate in the area only with narrow specificity." Keyishian v. Board of Regents, 385 U.S. 589 at 604 (1967). See also Buckley v. Valeo, 424, U.S. 1 (1976); NAACP v. Alabama, 357 U.S. 449 (1958); United States Civil Service Commission v. National Association of Letter Carriers, 413 U.S. 548, 580 (1973). This rule applies not only to situations where First Amendment activity is circumscribed by law but also where First Amendment rights are not statutorily limited, but a reporting requirement is imposed. Thus, in Shelton v.

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William C. Oldaker, Esquire
May 10, 1978
Page Five

Tucker, 364 U.S. 479 (1960), the Supreme Court struck down as overbroad an Arkansas statute requiring public school teachers to report all organizations to which he or she belonged during the five preceding years. While the statute did not prohibit any First Amendment activity, and while the Court found that compelled disclosure in and of itself did not impair First Amendment rights, the statute still failed for overbreadth because narrower phraseology would have provided a less drastic means of achieving the same ends.

Thus, the precise question presented is whether the Commission's interpretation of "expressly advocating" as applied to the Nixon-Ford poster, meets this test of "narrow specificity".

In Buckley, supra, at 76-77, the Supreme Court examined the Federal Election Campaign Act, and found that the then existing reporting section of the Act had to be construed narrowly or it would be unconstitutionally overbroad. To save the reporting section, the court construed "for the purpose of...influencing" [language later excised from the Act to bring it into conformity with the Court's decision], through the definition of "expenditure", to mean the following:

To insure that the reach of §434(C) is not impermissibly broad, we construe "expenditure" for purposes of that section...to reach only funds used for communications that expressly advocate the election or defeat of a clearly identified candidate. This reading is directed precisely to that spending that is unambiguously related to the campaign of a particular federal candidate. Buckley, supra at 80. (Emphasis added.)

"As narrowed, §434(e)...does not reach all partisan discussion for it only requires disclosure of those expenditures that expressly advocate a particular election result." Buckley, supra at 80. (Emphasis added.)

"Unambiguous" means susceptible of only one meaning. ^{1/}

^{1/} Black's Law Dictionary 1693 (4th Ed. 1951)

William C. Oldaker, Esquire
May 10, 1978
Page Six

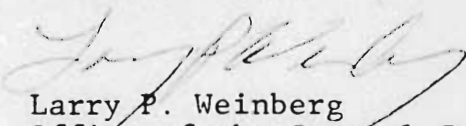
"Express" means exact, precise, explicit, specific.^{2/} If a communication is anything short of "unambiguous" or "express", then the Commission cannot require the reporting of the expenses incurred in the printing and dissemination of that communication, according to the Buckley decision.

The Nixon-Ford poster falls far short of explicitly or specifically advising that a person vote one way or another. It is certainly susceptible of many interpretations, including but not limited to interpretations having no relationship whatever to advocating election or defeat of any candidate. It could be interpreted as a post-Watergate comment on our entire political system. It might be viewed as a comment on Nixon. In any event, it is anything but precise, unambiguous, express advocacy.

In conclusion, the Commission has given §431(f)(4)(C) of the Act an overbroad interpretation. Where, as here, First Amendment rights are involved, the Constitution mandates a narrow construction and application of a statute, a principle violated in this case. According to the Supreme Court in Buckley, the governmental interest which permitted the burden placed upon First Amendment expression by reporting requirements such as those of Section 431(f)(4)(C) was that they "shed the light of publicity on spending that is unambiguously campaign-related" (424 U.S. at 81, emphasis added) but would not otherwise be reported. As interpreted by the Commission, however, this provision loses the support of this governmental interest, since it is not "narrowly limited to those situations where the information sought has a substantial connection with the governmental interests sought to be advanced." id at 81.

Thus, we respectfully submit that AFSCME's expenditures for the Nixon-Ford poster are not required to be reported under 2 U.S.C. Section 431(f)(4)(C).

Sincerely yours,


Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j
Enclosure

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November 2, 1977

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449: The Nixon-Ford
Poster

Dear Mr. Oldaker:

On September 26, 1977, you wrote to us concerning a poster published by our client, the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME). The poster was referred to in your letter and will be referred to herein-after as the "Nixon-Ford poster" (a copy of the poster is enclosed). Your letter stated that "the Commission has found reason to believe that AFSCME has violated Section 431(f) of the Federal Election Campaign Act of 1971, as amended" (2 U.S.C. Section 431(f)). Your letter requested that our client amend its reports filed pursuant to 2 U.S.C. Section 431(f)(4)(C) (FEC Form 7) and "set forth reasons why no actions should be taken against it under the Act". For the reasons set forth below, no action should be taken against our client under the Act. Based on those same reasons, AFSCME declines to amend its previously filed reports under 2 U.S.C. Section 431(f)(4)(C).

Under 2 U.S.C. Section 431(f)(4)(C) AFSCME, as a membership organization, is required to report to the Commission:

"...costs incurred [which are] directly attributable to a communication [to its members] expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate)...if those costs exceed \$2,000 per election..."

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William C. Oldaker, Esquire
November 2, 1977
Page Two

In order to save time, we will not discuss each element necessary to bring into play the reporting requirement of Section 431(f)(4)(C). In this case, it is clear that the issue boils down to whether the Nixon-Ford poster is a communication "expressly advocating the election or defeat" of a candidate (2 U.S.C. Section 431(f)(4)(C)).

We do not dispute that the Nixon-Ford poster was critical of former President Ford, who was then a candidate for President. However, we submit that criticism, by itself, is not "express advocacy" of election or defeat as would be required for the Commission to find a violation in this matter. We also submit that nothing more than criticism can be found in the Nixon-Ford poster. It is possible that "advocacy" of the defeat of Gerald Ford could be implied by the Nixon-Ford poster, but, if it must be implied, as it must, the advocacy is hardly express. As defined in Black's Law Dictionary, Fourth Edition, the word "express" means, inter alia,:

"Clear; definite; explicit; unmistakable; not dubious or ambiguous....Clear, definite, plain, direct...Declared in terms; set forth in words. Directly and distinctly stated. ...explicit...made known distinctly and explicitly, and not left to inference...Manifested by direct and appropriate language, as distinguished from that which is inferred from conduct. The word is usually contrasted with 'implied'."

It is possible that Congress had some other meaning in mind when it used the words "express" and "expressly", but given the common and consistent understanding of these words this hardly seems likely.

Further support for this interpretation of the reporting requirement under 2 U.S.C. Section 431(f)(4)(C) is found in the definition of the phrase "expressly advocating" contained in Section 109.1(2) of the Commission's Rules and Regulations, which states as follows:

"'Expressly advocating' means any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as 'vote for', 'elect', 'support', 'cast your ballot for', and 'Smith for Congress', or 'vote against', 'defeat'

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William C. Oldaker, Esquire
November 2, 1977
Page Three

or 'reject'." ^{1/}

Other than the identification of AFSCME, the only text contained in the poster is the following:

"Vice-President Gerald Ford 'I can say from the bottom of my heart - the President of the U.S. is innocent, and he is right.' July 25, 1974 Muncie, Indiana (Ford speaking of then President Richard M. Nixon.)" and the words "PARDON ME" on a lapel button worn by the pictured character of former President Ford.

These words hardly fit the definition of "expressly advocating" in Section 109.1(2) of the Commission's Rules and Regulations. It seems apparent to us that to be "express advocacy" the communication in question must advocate election or defeat of a candidate and such advocacy must be express, not implied. We submit that no impartial person looking at the Nixon-Ford poster would find within it any "express advocacy" of the defeat of Gerald Ford.

In summary, it is our position that the Nixon-Ford poster is, at most, mere criticism of a candidate for federal office and that it contained no advocacy, express or otherwise, of the defeat of the candidate depicted therein. Even if the Commission were to conclude that there was implied advocacy of the defeat of Gerald Ford, it would require a somewhat irrational leap from this point to then say that implied advocacy and express advocacy may be equated for purposes of this statute.

In support of our position that mere criticism cannot be treated as advocacy, and certainly not express advocacy,

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While this definition is in Part 109 of the Rules and Regulations entitled "Independent Expenditures" and is not by its terms a definition of these words as used in Section 431(f)(4)(C), there is no reason to believe that these words were intended to have different meanings when used in different Sections of the same statute.

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William C. Oldaker, Esquire
November 2, 1977
Page Four

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we commend to the Commission's attention the enclosed xeroxed clippings from the official publication of the AFL-CIO, The AFL-CIO News. These clippings, all from the year 1972, contain numerous articles and political cartoons critical of then President Nixon, some much more critical than the Nixon-Ford poster and much more express in their criticism. Yet, in the last few articles contained in this package, articles which were published within a week of other articles and cartoons critical of Richard Nixon, there appears the official position of strict neutrality taken by the AFL-CIO in the 1972 presidential election. Obviously, given its position of neutrality, the articles and cartoons published by the AFL-CIO criticizing Richard Nixon were not express advocacy of his defeat in the 1972 presidential election.

Similarly, if one were to examine those commercial newspapers which endorsed a particular candidate for President in, for example, 1972 and 1976, one would find in almost all cases that even though those papers that had endorsed a given candidate, at some time during the period relevant to that election, had also published editorials, cartoons, or even articles that were critical of such candidate. Clearly those criticisms were not express advocacy of the defeat of the candidate endorsed by the publications containing the criticism.

In short, we do not believe that the Commission can conclude that because AFSCME endorsed Gerald Ford's opponent in the 1976 election, which it did, that any criticism of Gerald Ford by AFSCME thereby becomes "express advocacy of the...defeat" of Gerald Ford. To be express advocacy of his defeat, it must both advocate his defeat and do it expressly. The Nixon-Ford poster does neither and we submit that the Commission can only require the reporting of the cost of the Nixon-Ford poster under 2 U.S.C. Section 431(f)(4)(C) by reading the words "expressly advocating" out of the statute.

For the reasons set forth above, we respectfully submit that the Commission has erroneously concluded that the Nixon-Ford poster was a communication the cost of which was required to be reported under 2 U.S.C. Section 431(f)(4)(C), and, therefore, no action should be taken against our client

William C. Oldaker, Esquire
November 2, 1977
Page Five

and our client should not be required to amend its previously
filed FEC Form 7. We will await your response with regard
to this matter.

Sincerely yours,

Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j

Enclosures

cc: Bill Welsh

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RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAR 13 AM 10:15

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LARRY P. WEINBERG **
JANET KOHN *
WENDY L. KAHN *
JOHN C. DEMPSEY **
MICHAEL T. LEIBIG *
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GEORGE B. WASHINGTON **
KENNETH W. KALLS *
JUDITH A. SCOTT **
KAREN L. ZWEIF *
LYLE D. RUSSELL, JR. *

March 9, 1978

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* D. C. * MICH. * OHIO * VA.
- MASS. - ILL. - NY

Vincent J. Convery, Jr., Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449 (77)

Dear Mr. Convery:

This is to confirm our telephone conversation of March 8, 1978 in which I requested that our client, the American Federation of State, County and Municipal Employees, AFL-CIO, be given until approximately the middle of April to respond to the Commission's request that it enter into a conciliation agreement in this matter. As I explained to you over the phone, several of the top officials of our client, who must be consulted with regard to this matter, will be out of town until the latter part of this month. By the time they return, I will have left town and will not be returning until approximately the 10th of April. I am therefore requesting that we be given approximately a week after my return to respond to the Commission's proposed affiliation agreement.

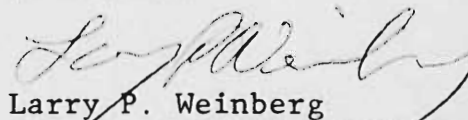
As you know, under 2 U.S.C. Section 437g(a)(5)(A) the Commission is required to attempt conciliation for a period of not less than 30 days. I am requesting only that the minimum period of 30 days be extended for some two to three weeks, since this conciliation proposal was not received by us until February 27, 1978.

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Vincent J. Convery, Jr., Esquire
March 9, 1978
Page Two

If this request is granted, I assure you that I will respond promptly to the Commission's request for conciliation upon my return to Washington.

Sincerely,



Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 24, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry P. Weinberg, Esquire
Zwerdling and Maurer
1211 Connecticut Avenue, N. W.
Washington, D. C. 20036

Re: MUR 449 (77)

Dear Mr. Weinberg:

This is to advise you that on February 15, 1978, the Commission found reasonable cause to believe that your client, the American Federation of State County and Municipal Employees, violated Section 431(f)(4)(C) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

Regarding those matters raised in your letter of November 2, 1977, it is the position of the Commission that a determination of whether or not a communication contains a message of express advocacy is not limited to the application of a test which looks only to the appearance, or non-appearance of a particular word, or combination of words, within the communication. In this connection, please note that Commission Regulation § 109.1(b)(2), which you cited in your letter, defines the term "expressly advocating" as "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as 'vote for,' 'elect,' 'support,' 'cast your ballot for,' and 'Smith for Congress,' or 'vote against,' 'defeat,' or 'reject.'" (Emphasis added).

Additionally, the Commission is of the opinion that an analogy cannot properly be drawn between the circumstances of this case and those surrounding the publication in union or commercial newspapers of material critical of a particular candidate. In this regard, see 2 U.S.C. § 431(f)(4)(A) and Commission Regulations § 100.7(b)(3).

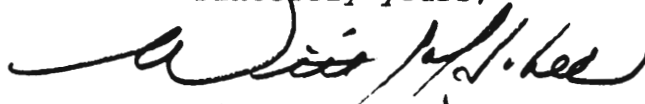


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Under 2 U.S.C. § 437g(a)(5)(A), if the Commission determines that there is reasonable cause to believe that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved. If it is unable to correct any such violation through these informal methods, the Commission may, if it determines that there is probable cause to believe that a violation has occurred, institute a civil action for relief under 2 U.S.C. § 437g(a)(5)(B).

A proposed conciliation agreement is enclosed. Vincent J. Convery, Jr., the Commission attorney assigned to this matter, will contact you with regard to possible conciliation.

Sincerely yours,



William C. Oldaker
General Counsel

Enclosure

VJC
2/27/78

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
American Federation of) MUR 449 (77)
State, County and)
Municipal Employees)

CONCILIATION AGREEMENT

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This matter was initiated by the Federal Election Commission (hereinafter, "the Commission") on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities. An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, American Federation of State, County and Municipal Employees (hereinafter, "AFSCME") has violated Section 431(f) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

Now, therefore, the respondent AFSCME and the Commission the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5)(A), do hereby agree to the following:

1. That the Commission has jurisdiction over the respondent AFSCME and over the subject matter of this proceeding.
2. That the respondent AFSCME has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That the pertinent facts of this matter are as follows:
 - a. AFSCME is a membership organization within the meaning of 2 U.S.C. § 431(f)(4)(C).

b. During the 1976 Presidential Campaign AFSCME caused the preparation of a poster (hereinafter, "the Nixon-Ford poster") which depicted, in caricature, Gerald R. Ford embracing Richard M. Nixon. (Gerald R. Ford was, at the time, a candidate for Federal office). The caricature representing Mr. Ford wore a lapel button with the words "Pardon Me." The poster bore the following caption, which purportedly was excerpted from a speech given by then Vice-President Ford on July 25, 1974: "I can say from the bottom of my heart- the President of the U.S. is innocent, and he is right." (A copy of the Nixon-Ford poster is attached to this Agreement).

c. The cost of preparing the Nixon-Ford poster was Three Hundred Eighty-Three Dollars and Seventy-Three Cents (\$383.73).

d. During the month preceeding the 1976 Presidential election, AFSCME distributed the Nixon-Ford poster to numerous of its officers and staff members.

e. The cost of distribution was approximately Six Hundred Dollars (\$600).

f. The Nixon-Ford poster was a communication which expressly advocated the defeat of a clearly identified Federal candidate.

g. 2 U.S.C. § 431(f)(4)(C) requires that the costs incurred by a membership organization directly

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attributable to a communication expressly advocating the election or defeat of a clearly identified candidate shall, if those costs exceed \$2,000 per election, be reported to the Commission. (These costs will hereinafter be referred as "communications costs").

h. In connection with the 1976 general election, AFSCME reported having spent \$40,678.48 in communications costs, including \$23,858.14 in an express advocacy of the election of Jimmy Carter.

i. Having exceeded the \$2,000 threshold for communications costs in connection with the 1976 general election, AFSCME was required by 2 U.S.C. § 431(f)(4)(C) to report to the Commission the cost of preparing and distributing the Nixon-Ford poster.

j. AFSCME did not report to the Commission the cost of preparing and distributing the Nixon-Ford poster.

WHEREFORE, the respondent American Federation of State, County and Municipal Employees agrees:

4. That the Nixon-Ford poster was a communication which expressly advocated the defeat of a clearly identified Federal candidate.

5. That AFSCME's failure to report the costs of preparing and distributing the poster constituted a violation of 2 U.S.C. § 431(f)(4)(C).

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6. That AFSCME will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

7. That AFSCME will pay to the Treasury of the United States a civil penalty in the amount of Nine Hundred Eighty-Three Dollars and Seventy-Three Cents (\$983.73).

8. That AFSCME will file with the Commission an amended FEC Form 7 which will reflect the costs of preparing and distributing the Nixon-Ford poster.

9. That officers of AFSCME will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue here are relevant.

The Federal Election Commission and the American Federation of State, County and Municipal Employees enter into this conciliation agreement under the following GENERAL CONDITIONS:

10. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

11. This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.

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12. The respondent shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.

FOR THE RESPONDENT;

Date

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLDAKER
GENERAL COUNSEL

Date

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Vice President
Gerald Ford

I can say from the
bottom of my heart—the
President of the U.S.
is innocent, and he
is right.

July 25, 1974

Muncie, Indiana

(Ford speaking of then President Richard M. Nixon)



AFSCME
the union that cares

BEFORE THE FEDERAL ELECTION COMMISSION

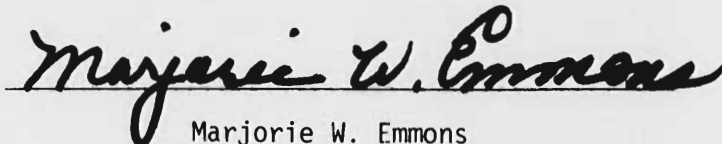
In the Matter of)
)
American Federation of)
State, County and)
Municipal Employees)

MUR 449 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 15, 1978, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that AFSCME has violated 2 U.S.C. Section 431(f), and
2. Authorize the sending of the draft letter and proposed conciliation agreement attached to the General Counsel's report dated February 13, 1978.



Marjorie W. Emmons
Secretary to the Commission

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February 13, 1978

MEMORANDUM TO: MargeEmmons
FROM: Elissa T. Garr
SUBJECT: MUR 449 Team #2 Convery

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Please have the attached General Counsel's Report
on MUR 449 distributed to the Commission and placed on
the Compliance Agenda for the Commission meeting of
February 15, 1978.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
American Federation of) MUR 449 (77)
State, County and)
Municipal Employees)

GENERAL COUNSEL'S REPORT

I. PREVIOUS ACTION:

On September 22, 1977, the Commission found reason to believe that the American Federation of State, County and Municipal Employees (AFSCME) had violated 2 U.S.C. § 431(f) by failing to report the costs it incurred in preparing and distributing a poster which expressly advocated the defeat of a clearly identified candidate. That poster, which was distributed to AFSCME officers in the Fall of 1976, depicted, in caricature, Gerald R. Ford embracing Richard M. Nixon, and bore the following words, which purportedly were taken from a speech given by then Vice-President Ford on July 25, 1974: "I can say from the bottom of my heart - the President of the U.S. is innocent, and he is right." Additionally the caricature representing President Ford wore a lapel button with the words "Pardon Me."

In a letter dated September 26, 1977, AFSCME was informed of this finding, was requested to amend the reports of communication costs which it had filed in connection with the 1976 general election and was invited to submit information which would demonstrate why no further action should be taken.

In its reply through counsel, dated November 2, 1977, the respondent advised us that it would decline to amend its reports of communication costs, as it was of the opinion that the poster

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did not constitute an "express advocacy" of President Ford's defeat. (See Attachment 1).

II. BACKGROUND:

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In connection with our investigation into a related matter,^{1/} we obtained the affidavit of Phillip C. Hubble, who, as Assistant Director of AFSCME's business office, had responsibility for overseeing that Union's printing and mass mailing activities. The affidavit, dated June 2, 1977, established the following: that AFSCME spent \$383.73 to produce the poster; that it was distributed to various AFSCME officials (i.e., to all International Vice-Presidents; to the Chief Executive Officer of each AFSCME Council; to the President of each local; and to the Director of each AFSCME International Union Area) and to certain staff members at AFSCME's Washington headquarters; that the distribution cost was approximately \$600; and that there was no intentional

^{1/} The related matter was MUR 352(77) which involved the Citizens Against Corrupt Government (CACG), of Mauston, Wisconsin. One of CACG's members also served as the president of an AFSCME local, and in that capacity she had received a copy of the Nixon-Ford poster from AFSCME headquarters. Acting on her own initiative and without any suggestion from AFSCME, she made the poster available to CACG, which then had it reproduced as an advertisement in a local newspaper in the week preceeding the presidential election. The Commission determined that the advertisement was a communication which expressly advocated the defeat of a clearly identified candidate, and found reason to believe that CACG had violated 2 U.S.C. § 44ld by failing to include a statement of authorization/non-authorization. (Other findings of RTB had been entered in MUR 352, but later it was determined that they were unsupported by the evidence). After considering all those matters set forth in the response to our notification of RTB, the Commission determined that CACG's failure to include the statement was inadvertent and voted to take no further action in the case.

distribution to members of other unions or to members of the general public. The affidavit also established that the costs of preparing and distributing the poster had not been reported to the Commission.

Examination of the Reports of Communication Costs filed by AFSCME indicated that, in connection with the general election of 1976, the Union had spent \$40,678.48 in support of various candidates for Federal office, including \$23,858.14 in support of the Carter-Mondale candidacy.

Thus, there is here no dispute that AFSCME incurred a cost of \$983.73 in preparing and distributing the Nixon-Ford poster; that the poster clearly identified a candidate; that the poster was a communication to the union's members; that AFSCME had exceeded the \$2,000 threshold in connection with the 1976 general election; or that AFSCME endorsed "Ford's opponent" and spent \$23,858.14 on a communications campaign to its members in support of Carter-Mondale.

III. ANALYSIS:

2 U.S.C. § 431(f)(4)(C) requires that a membership organization report to the Commission those costs which are directly attributable to a communication to its members expressly advocating the election or defeat of a clearly identified candidate, if those costs exceed \$2,000 per election.

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This provision was, in essence, introduced by Senator Packwood during the debates on the 1976 Amendments to the FECA.^{2/} Its purpose was to require that expenditures made by a union or by a corporation in communicating with its members on behalf of a particular candidate, while not subject to limitation, must be reported to the Commission. This case thus squarely presents the Commission with the question of whether, under the circumstances outlined above, the cost of reproducing and sending the poster to AFSCME members is, in the words of the Supreme Court, "Unambiguously campaign related." 424 U.S. at 81.

Respondent asserts that the cost of production and distribution of the poster should not be viewed as part of the cost of the communications campaign it directed to its members on behalf of Carter-Mondale. Rather, it argues, the

^{2/}The Packwood amendment was patterned after Section 304(e)(1) of the 1976 Amendments, now codified as 2 U.S.C. § 434(e). Section 304(e)(1), which was enacted as a substitute for the invalidated 18 U.S.C. § 608(e)(1), provided as follows:

Every person (other than a political committee or candidate) who makes contributions or expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of \$100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

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production and distribution should be viewed as being analogous to the actions of the AFL-CIO during 1972. During 1972 the AFL-CIO frequently printed articles and cartoons in its internal newspaper which were critical of then-candidate Nixon. The AFL-CIO, however, did not endorse any presidential candidate in 1972. The respondent thus argues that its criticism of Ford in the present poster is not express advocacy but only implied advocacy, and consequently is outside the scope of the reporting requirements. AFSCME seems to argue that, unless a particular communication contains one of the "magic" words noted by the Supreme Court in invalidating the expenditure limitations of former Section 608(e)(1),^{3/} the communication does not meet the court's view of express advocacy.

We believe that the respondent's argument is deficient for the following reasons:

First, AFSCME assumes that the preparation and distribution of the Nixon-Ford poster should be treated as if its message had been transmitted in a regularly distributed Union newspaper. Significantly, though, the Conference Report

^{3/} In footnote 52 of the Buckley opinion, 424 U.S. at 44, the Supreme Court stated: "This construction would restrict the application of § 608(e)(1) to communications containing express words of advocacy of election or defeat, such as, 'vote for,' 'elect,' 'support,' 'cast your ballot for,' 'Smith for Congress,' 'vote against,' 'defeat,' 'reject.'"

which accompanied the 1976 Amendments establishes that, while an editorial contained in such a newspaper would be exempted from the reporting requirement, the cost of specially reproducing and distributing that same editorial would not. H. Rep. 94-1057, p. 42. No reason appears that Congress would have expected different treatment to be accorded a cartoon.

Second, while it possibly could be argued that the Supreme Court intended that a message be viewed as an express advocacy only if it contains the "magic words," (see footnote 3, supra), the Commission has rejected that argument. The Regulations (Section 109.1(b)(2)) explicitly state that the term express advocacy means "any communication containing a message advocating election or defeat, including but not limited to" the words listed by the Supreme Court. (Emphasis added).

It would appear, then, that the Commission has taken the position that the determination of whether a communication contains a message of express advocacy cannot be made by a rote test. In short, where the total message is one "unambiguously campaign related," the absence of the particular words does not mean that the communication is not an express advocacy; a committee cannot, by eschewing the particular words, avoid the duty of reporting the costs of the communication.

Here, the poster is admittedly critical of a candidate who is specifically and unambiguously identified; the poster

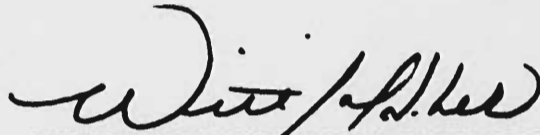
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was distributed and paid for not as part of overall news coverage of a campaign but as a special mailing made during a campaign in which the union already had endorsed and actively campaigned for the depicted candidate's major party opponent. In such circumstances, we think that the poster should be considered as being within the statutory terms of the Packwood amendment. We believe that its costs should have been reported.

IV. RECOMMENDATION:

The Commission should find reasonable cause to believe that AFSCME has violated 2 U.S.C. § 431(f), and should authorize the sending of the attached letter and proposed conciliation agreement.

DATED: 2/13/18



William C. Oldaker
General Counsel

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Attachment 1 to February 13, 1978 General
Counsel's Report consisted of letter from
Larry P. Weinberg, Esq., Counsel to AFSCME,
dated November 2, 1977, with enclosures.

79040153275

Attachment 2 to February 13, 1978 General
Counsel's Report consisted of a draft of
a letter to Larry P. Weinberg and of a
proposed conciliation agreement. These
were forwarded to Mr. Weinberg on
February 24, 1978.

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MCC# 1971

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FEDERAL ELECTION COMMISSION
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703253

November 2, 1977

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William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 449: The Nixon-Ford
Poster

Dear Mr. Oldaker:

On September 26, 1977, you wrote to us concerning a poster published by our client, the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME). The poster was referred to in your letter and will be referred to herein-after as the "Nixon-Ford poster" (a copy of the poster is enclosed). Your letter stated that "the Commission has found reason to believe that AFSCME has violated Section 431(f) of the Federal Election Campaign Act of 1971, as amended" (2 U.S.C. Section 431(f)). Your letter requested that our client amend its reports filed pursuant to 2 U.S.C. Section 431(f)(4)(C) (FEC Form 7) and "set forth reasons why no actions should be taken against it under the Act". For the reasons set forth below, no action should be taken against our client under the Act. Based on those same reasons, AFSCME declines to amend its previously filed reports under 2 U.S.C. Section 431(f)(4)(C).

Under 2 U.S.C. Section 431(f)(4)(C) AFSCME, as a membership organization, is required to report to the Commission:

"...costs incurred [which are] directly attributable to a communication [to its members] expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate)...if those costs exceed \$2,000 per election..."

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William C. Oldaker, Esquire
November 2, 1977
Page Two

In order to save time, we will not discuss each element necessary to bring into play the reporting requirement of Section 431(f)(4)(C). In this case, it is clear that the issue boils down to whether the Nixon-Ford poster is a communication "expressly advocating the election or defeat" of a candidate (2 U.S.C. Section 431(f)(4)(C)).

We do not dispute that the Nixon-Ford poster was critical of former President Ford, who was then a candidate for President. However, we submit that criticism, by itself, is not "express advocacy" of election or defeat as would be required for the Commission to find a violation in this matter. We also submit that nothing more than criticism can be found in the Nixon-Ford poster. It is possible that "advocacy" of the defeat of Gerald Ford could be implied by the Nixon-Ford poster, but, if it must be implied, as it must, the advocacy is hardly express. As defined in Black's Law Dictionary, Fourth Edition, the word "express" means, inter alia,:

"Clear; definite; explicit; unmistakable; not dubious or ambiguous....Clear, definite, plain, direct...Declared in terms; set forth in words. Directly and distinctly stated. ...explicit...made known distinctly and explicitly, and not left to inference...Manifested by direct and appropriate language, as distinguished from that which is inferred from conduct. The word is usually contrasted with 'implied'."

It is possible that Congress had some other meaning in mind when it used the words "express" and "expressly", but given the common and consistent understanding of these words this hardly seems likely.

Further support for this interpretation of the reporting requirement under 2 U.S.C. Section 431(f)(4)(C) is found in the definition of the phrase "expressly advocating" contained in Section 109.1(2) of the Commission's Rules and Regulations, which states as follows:

"'Expressly advocating' means any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as 'vote for', 'elect', 'support', 'cast your ballot for', and 'Smith for Congress', or 'vote against', 'defeat'

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Page Three

or 'reject'." ^{1/}

Other than the identification of AFSCME, the only text contained in the poster is the following:

"Vice-President Gerald Ford 'I can say from the bottom of my heart - the President of the U.S. is innocent, and he is right.' July 25, 1974 Muncie, Indiana (Ford speaking of then President Richard M. Nixon.)" and the words "PARDON ME" on a lapel button worn by the pictured character of former President Ford.

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These words hardly fit the definition of "expressly advocating" in Section 109.1(2) of the Commission's Rules and Regulations. It seems apparent to us that to be "express advocacy" the communication in question must advocate election or defeat of a candidate and such advocacy must be express, not implied. We submit that no impartial person looking at the Nixon-Ford poster would find within it any "express advocacy" of the defeat of Gerald Ford.

In summary, it is our position that the Nixon-Ford poster is, at most, mere criticism of a candidate for federal office and that it contained no advocacy, express or otherwise, of the defeat of the candidate depicted therein. Even if the Commission were to conclude that there was implied advocacy of the defeat of Gerald Ford, it would require a somewhat irrational leap from this point to then say that implied advocacy and express advocacy may be equated for purposes of this statute.

In support of our position that mere criticism cannot be treated as advocacy, and certainly not express advocacy,

1/

While this definition is in Part 109 of the Rules and Regulations entitled "Independent Expenditures" and is not by its terms a definition of these words as used in Section 431(f)(4)(C), there is no reason to believe that these words were intended to have different meanings when used in different Sections of the same statute.

William C. Oldaker, Esquire
November 2, 1977
Page Four

we commend to the Commission's attention the enclosed xeroxed clippings from the official publication of the AFL-CIO, The AFL-CIO News. These clippings, all from the year 1972, contain numerous articles and political cartoons critical of then President Nixon, some much more critical than the Nixon-Ford poster and much more express in their criticism. Yet, in the last few articles contained in this package, articles which were published within a week of other articles and cartoons critical of Richard Nixon, there appears the official position of strict neutrality taken by the AFL-CIO in the 1972 presidential election. Obviously, given its position of neutrality, the articles and cartoons published by the AFL-CIO criticizing Richard Nixon were not express advocacy of his defeat in the 1972 presidential election.

Similarly, if one were to examine those commercial newspapers which endorsed a particular candidate for President in, for example, 1972 and 1976, one would find in almost all cases that even though those papers that had endorsed a given candidate, at some time during the period relevant to that election, had also published editorials, cartoons, or even articles that were critical of such candidate. Clearly those criticisms were not express advocacy of the defeat of the candidate endorsed by the publications containing the criticism.

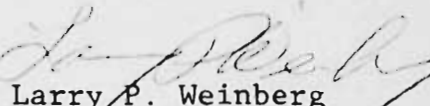
In short, we do not believe that the Commission can conclude that because AFSCME endorsed Gerald Ford's opponent in the 1976 election, which it did, that any criticism of Gerald Ford by AFSCME thereby becomes "express advocacy of the...defeat" of Gerald Ford. To be express advocacy of his defeat, it must both advocate his defeat and do it expressly. The Nixon-Ford poster does neither and we submit that the Commission can only require the reporting of the cost of the Nixon-Ford poster under 2 U.S.C. Section 431(f)(4)(C) by reading the words "expressly advocating" out of the statute.

For the reasons set forth above, we respectfully submit that the Commission has erroneously concluded that the Nixon-Ford poster was a communication the cost of which was required to be reported under 2 U.S.C. Section 431(f)(4)(C), and, therefore, no action should be taken against our client

William C. Oldaker, Esquire
November 2, 1977
Page Five

and our client should not be required to amend its previously
filed FEC Form 7. We will await your response with regard
to this matter.

Sincerely yours,


Larry P. Weinberg
Office of the General Counsel
AFSCME, AFL-CIO

LPW:j

Enclosures

cc: Bill Welsh

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AFL-CIO NEWS

Vol. XVII

Issued weekly at 335 Seventh St., N.W.
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Saturday, January 11, 1972

Pay Board Aerospace Termed 'Tragic' by 1

Meany Hits Blunders of Nixon Policy

AFL-CIO Pres. George Meany summoned the labor movement to "a year of decisive, effective hard work" to win "a victory for all America" next Election Day.

The federation president's New Year's statement coupled a blistering indictment of the Nixon Administration with optimism that its policies can be reversed at the polls.

Political action will be organized labor's "most important undertaking" during 1972, Meany declared.

He charged the Administration with lack of competence in dealing with economic problems, social issues and world affairs.

Unemployment remains unchecked, Meany noted, while "throughout America, the fear of losing their jobs haunts workers."

Prices workers must pay continue to rise under a price control program that lacks effective enforcement machinery. At the same time, Meany stressed, wages are "rigidly controlled" and "are not even catching up with past increases in the cost of living."

Welfare rolls are swollen, school systems stagger under financial and social burdens, the aged have little financial security, and there are few day care centers for the children of the poor.

For all Americans, Meany noted, "the cost of medical care in the nation has grown astronomically while the delivery system for medical care has virtually collapsed."

Despite "hollow campaign promises," crime in America has reached

(Continued on Page 2)

N. Y. Transit Unions Win Gains for 40,000

New York—Two unions representing 40,000 New York City transit workers won new contracts with the Metropolitan Transit Authority providing wage increases totaling 18 percent over 27 months.

The agreements, negotiated by the Transport Workers Union and the Amalgamated Transit Union, were announced at 3 a.m. New Year's Day, just two hours before a scheduled strike deadline.

Meanwhile, members of Fire Fighters Local 94 ratified a 30-month agreement with the city that



NEWARK SCHOOL TEACHER Robert Hirschfeld is reunited with his wife and daughter after spending eight days behind bars for participating in a 1970 strike. Hirschfeld later joined a demonstration of nearly 1,000 New York City trade unionists bringing "season's greetings" to another 136 teachers who were forced to spend the Christmas holidays in the Essex County Correctional Center. (Story, Page 3)

Two New Programs:

Long-Term Jobless Get Added Benefits

By David L. Perlman

More than a million jobless persons who have used up their unemployment benefits are entitled to a new round of payments this year.

Most of them don't know about it. And unless someone tells them, they won't get it.

Newspaper, radio and television coverage has been skimpy, at best. And despite a prod from the Labor

Dept., many state employment services have not yet made an effort to track down persons who have been dropped from the unemployment rolls—and who may be eligible for an additional 13 weeks of payments.

To help close the information gap, the AFL-CIO has called on its affiliates and central bodies to do the job the states should have done.

"Do everything possible to immediately inform jobless workers in your state of the availability of this program," AFL-CIO Social Security Director Bert Seidman urged in telegrams and follow-up letters to affiliated unions and AFL-CIO state labor councils.

(Continued on Page 7)

Machinists Set Strain

The five labor unions rejected the decision by other unions covering more than 200 plants actually were won.

The contracts were rejected by the Auto Workers and the unions promptly scheduled a strategy session in St. Louis, 8, to deal with the matter.

The three-year agreements have provided 12 percent hourly increase, 10 percent year, and the four public unions who voted with five business members for rejection said the board's 5.5 percent gain was

The board subsequently voted 12-0, postponing action on a resolution to members to set guidelines for renegotiated settlements with two unions and the two companies.

The five firms involved are McDonnell-Douglas, American Rockwell, LTV, the LTV Aerospace Corp.

The labor members, in a statement read to the press by Seidman, said they were "certain business and social public" members of this board are attempting to use this board to "stratify and destroy the bargaining process. In that they are threatening to destroy the board."

The statement pointed out that 34 cents of the increase was a catch-up, cost-of-living increase agreed to by the aerospace

Labor Spurns Of All Price

AFL-CIO price watchdogs said price increases to the IRS and ineffectual IRS policies.

In a letter to all local union directors Leo Perlman urged a report to IRS of every price increase in stores not posting information.

"No retail store may legally raise any price unless it has posted base price information to consumers," Perlman said citing a Price Commission ruling of last Nov. 11.

AFL-CIO NEWS, WASHINGTON, D. C., JANUARY 8, 1972

Public Confidence Corroded:**Administration's Failings Mar Prospects for Nation in 1972**

AFL-CIO Pres. George Meany made the following New Year's statement:

FOR THE WORKERS and unions of the United States, 1972 will be a difficult and challenging year. The economic road signs are not encouraging; the social problems grave; the foreign outlook bleak. The present leadership of America has shown no competence for dealing with these problems which spell suffering and hardship to millions of our citizens.

To itemize America's problems is to demonstrate the magnitude of the tasks ahead:

Unemployment remains unchecked with 5 million jobless, millions more underemployed and accounted thousands too discouraged to even seek gainful employment. Throughout America, the fear of losing their job haunts workers.

The prices workers must pay for everything they buy continue to mount while the much publicized price control program, with no effective enforcement mechanism, promises much and delivers little.

Workers' wages are rigidly controlled by a governmental mechanism which provides no elasticity meet inequitable situations and which is undermining collective bargaining. As a result, wages are not even catching up with past increases in the cost of living.

The ranks of the poverty stricken continue to swell at an alarming rate. Welfare rolls are at the highest level in history, sapping the financial strength of the already over-burdened states and which continue to underpay their employees.

School systems stagger under the burden of trying to meet the equally vital needs for quality education, equal opportunity for children without regard to any barrier of race, creed or color and the rights of teachers and other school personnel decent salaries and proper status.

The aged in America have little financial security in their twilight years as social security benefits fail to match the economic needs of the time.

The children of the poor face the prospect of years ahead because the nation fails to provide jobs for mothers who would work and day centers for the young while their mothers are working.

Everyone in America fears illness of any sort

Benefits Inadequate:**Little Relief for Elderly Poor Expected from Nixon Programs**

FIVE MILLION elderly Americans now living in poverty can expect little if any help from Nixon's programs, policies and proposals advanced by the President, AFL-CIO Social Security Director William E. Miller declared.

Miller said that the recent White House Conference on Aging, to which he was a labor delegate, was sharply on the two most acute problems of older Americans today and in the years ahead—low income and inadequate health care. He said that the conference "did shape some important recommendations" that will be adopted by the Congress and by others who have policy in this country.

Speaking on the network radio interview Labor News Conference, Seidman said that the \$4,000 minimum yearly income for a couple "is a minimum objective," noting that "one-third of the retired population now lives on less."

But once that level is reached, he noted, there must be continual improvement, "not just to offset increases in the cost of living, but in real terms . . . of what that income can purchase." Seidman said he doubts that "the President's new economic policies will help the older people by holding down living costs."

Because of the way the Phase 2 programs have been set up, Seidman said that "it's almost impossible for consumers, including elderly consumers, to monitor prices."

for the cost of medical care in the nation has grown astronomically while the delivery system for medical care has virtually collapsed.

Crime in America has reached epidemic proportions despite the hollow campaign promises of the current Administration. In the year just passed, fatal assaults on peace officers hit a record high, demonstrating the crying need for law, order and justice in the nation.

The Administration's abrupt, unexplained shifts in foreign policy confuse the people of America who no longer know what, if any, principles govern the international policies of the United States.

And, most serious of all, the public's confidence in its government has been seriously corroded as a result of sudden and disconcerting changes in policies, abandonment of principles for momentary political gain and the reliance on gimmickry, government by surprise and the wholesale destruction of candor by an Administration that cannot resist politicizing even its statistical-gathering agencies.

YET AMERICAN WORKERS and their unions face the uncertain year ahead with a marked degree of confidence born from the knowledge that self-delivery is available through the most precious possession of free people—the ballot.

That is why the organized labor movement of the United States will make political action our most important undertaking of the coming year.

Through our votes, we are firmly convinced we can achieve a fully-employed nation, dedicated to improving the life of her ordinary citizens, protected against the virus of inflation, secure in the knowledge that both the young and the old will be governed with compassion, understanding and concern.

We are convinced we can achieve a government whose policies will be based on equity, dedicated to peace, determined to end the misery, privation and suffering of her people.

All this we are confident we can do with our votes in November. And to assure that result, we dedicate ourselves to a year of decisive, effective hard work.

The victory which we are certain we will achieve will be a victory for all America. And that is the goal of organized labor for 1972.



By Press Associates, Inc.

SHORTLY AFTER the second session of the 92nd Congress convenes on Jan. 18, Pres. Nixon will appear before the nation and deliver his fourth State of the Union address.

One year ago when the President delivered his State of the Union message he proposed "six great goals" which he said would turn the government's power back to the people about a "new American Revolution."

The "new American Revolution" died with hardly a whimper.

Nixon's "six great goals" should be recalled, the reasons: One, so that history will not be distorted and understand a little more about the occupant in the White House.

Here, are the "six great goals" and how they disappeared.

Revenue Sharing—The President, noting that our states are financially starving, proposed sharing \$16 billion with them in fiscal 1972. A total of \$11 billion would be for urban development, rural development, education, job training and law enforcement. However, only \$10 billion would be in new funds. The \$10 billion would be by abolishing or consolidating some 105 programs, essentially the same things.

And when Phase I of the new Nixon economic program, the President, himself, put revenue sharing on the back burner.

Government Reorganization—The President proposed to reduce the present 12 Cabinet departments to eight. Only the State, Treasury, Defense and Justice would remain.

Labor, business, and many sections of agriculture and the plan and they had strong support in Congress. It was begun, but no action was ever taken.

Environment—The President said he would promote new set of initiatives to clean up our air and water, and to preserve and restore our surroundings.

New water pollution control legislation, to replace the federal programs, formed a major part of the Nixon message. However, when the Senate passed by an 80-19 vote a strong, four-year \$16.9 billion bill aimed at cleaning up the nation's waterways virtually pollution-free by 1985, the President opposed it.

Now, the White House wants a far weaker bill in 1972.

Welfare Reform—The President called on Congress to reform the Family Assistance Plan which placed a floor of \$1,600 a year for a family of four.

After extensive hearings by the House Ways & Means Committee, the House reported out a bill which would set a federal floor of \$2,400 a year for a family of four with no income.

The Senate Finance Committee completed hearings on the bill but all this was halted when the White House decided to give priority from welfare reform to its new economic program.

Health Insurance Reform—When the public outcry over the medical care system reached a fever pitch, the President finally included health insurance reform in his "great goals."

However, rather than support a basic reorganization of the medical care delivery—as provided in the Kennedy-Griffiths bill—Congress a proposal that would require employers to provide health insurance coverage for their workers, federal health insurance for the poor and approval of health services.

Full Employment—At the time that the President set the goal of 4 percent unemployment, the rate of unemployment was 6 percent. It varied far from this figure throughout the year.

The President vetoed three measures which would have reduced the unemployment problem: a \$5.7 billion public works program to create jobs; a \$6.3 billion Office of Economic Opportunity extension and a \$2.1 billion child care program.

This, then, is the "new American Revolution" for which the President has promised to turn the government's power back to the people. It has scant tie to the new "goals" we hear about today.



LITTLE IF ANY HELP for America's poor can be found in President Nixon's new economic program. AFL-CIO Social Security Director William E. Miller declared.

**Exposes
Intention**

It is, and has been, a political operative engaged in what is known as "dirty politics."

T. Bell, Special Assistant to President Nixon, took a special interest in making sure the file. On Nov. 1, 1971, he issued to other intelligence agencies a report on the file. Pasquale (Philly) Philadelphia.

He is at the AF of L. Nixon is going to chastise him; a "could happen. George Meany himself look at it. He will see the special interest on the merit. Mr. Julianio will be when he invited George Meany to speak at the AF of L. It was television. Romney a rough trip.

Mr. Bell a full report. He thinks he has greater in it.

Juliano to call him at the AF of L. He knows how things were. He got the reaction.

uch, in my capacity as a union leader, I violate the first principle of the union: no tracks.

Money's Worth!
UNION DOLLARS
FOR
UNION PRODUCTS

AFL-CIO NEWS, WASHINGTON, D.C., JANUARY 15, 1972

Jumps Percent

White workers, however, rose from 5.7 to 5.4 percent.

Workers were hit by a 11.3 week increase in unemployment from 8.9 to 11.2 percent.

The duration of unemployment rose to 11.3 weeks in 1970, adjusted, and 11.2 weeks in 1969. The unemployed were paid \$10.5 million in unemployment benefits since April.

Workers employed in the 20-29 age group had suffered a 1.4 million—more than 1.4 million—loss in 1970, not far from the 1.6 million loss in 1969.

The rate for Vietnam veterans in the 20-29 age group rose to 11.2 percent in December 1970, returning to the 1969 level.

The number of Vietnam veterans in the civilian labor force rose to 1,000,000 in December 1970.

Workweek for all workers in private industry remained unchanged at 37.2 hours in November.

The number of workers in the manufacturing sector rose by 1.4 million in December 1970, to 14.6 million.

In December 1970, the number of workers was up 1.4 million. Consumer confidence for the 12 months ended in November.

In a review of the year, the number of job openings among employers fell 10 percent in the last of the year and remained at a level 1.8 times the unemployment rate for 1969.

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Widespread Distrust in Economic Policy

American do not trust the government's ability to control inflation, Michigan concluded from a sampling of consumers.

Interviews, has been run since 1951. The latest survey found that 61 percent of consumers see no hope of improvement.

The survey, conducted by the University of Michigan, found that 84.6 percent of families with incomes of \$10,000. That is "about half way back" from the doldrums of April and November of 1970, when the index hit levels of 72 and 76. The index stood at 95.5 in February 1969.

"Consumer sentiment has changed little in response to Phase 2," the university economists said. "Many Americans continue to have doubts about the eventual success of the new economic policy."

"While the new economic policy was greeted by most consumers as good news, earlier data suggested that this would not be translated into improved sentiment or spending behavior, except for much more favorable attitudes toward buying a car and the greatly improved outlook for auto sales," the report concluded. "Data from the new (October-November) survey...

The survey, conducted by the University of Michigan, found that 84.6 percent of families with incomes of \$10,000. That is "about half way back" from the doldrums of April and November of 1970, when the index hit levels of 72 and 76. The index stood at 95.5 in February 1969.

"Consumer sentiment has changed little in response to Phase 2," the university economists said. "Many Americans continue to have doubts about the eventual success of the new economic policy."

"While the new economic policy was greeted by most consumers as good news, earlier data suggested that this would not be translated into improved sentiment or spending behavior, except for much more favorable attitudes toward buying a car and the greatly improved outlook for auto sales," the report concluded. "Data from the new (October-November) survey...

The survey, conducted by the University of Michigan, found that 84.6 percent of families with incomes of \$10,000. That is "about half way back" from the doldrums of April and November of 1970, when the index hit levels of 72 and 76. The index stood at 95.5 in February 1969.

'I'll Remember ...'



Slump Triggers Drop In Full-Time Workers

The Nixon economic slowdown in 1970 not only boosted the unemployment rate from 3.5 percent to 6 percent, but also triggered in first decrease since 1958 in the number of workers who worked full time.

An analysis of the employment situation by Bureau of Labor Statistics researchers found that 52 million Americans worked at full-time year-round jobs in 1970—a drop of 800,000 from 1969. The decline was entirely among men.

BLS Economist Anne M. Young and Research Analyst Kopp Michellotti reported that the impact was greatest among men in the 24 to 44 age group. It also affected white men more than blacks.

The findings, published in the December issue of the Labor Dept.'s Monthly Labor Review, also show that while unemployment never rose above 4.7 million during the year, the number of workers who were jobless at some time in 1970 was 14.6 million—a rise of 2.8 million over 1969.

Other grim findings reported by Young and Michellotti show:

- The increase in the 1970 labor force was proportionately less than the population increase, a reversal of the trend in 1968 and

1969 when the labor force grew at a greater pace than the population.

- 15.3 percent of all who worked or looked for work were unemployed at some time during the year, the largest proportion in several years.

- The increase among those with some unemployment was greater for whites than for Negroes, for men than for women and for craftsmen than for laborers.

- 4.5 million persons were jobless for a total of 15 weeks or more during the year, up 2 million over 1969.

What the 1971 statistics will show has not yet been tabulated, but they could well be even more grim since unemployment, at a high of 4.7 million in June 1970, reached a high of 5.5 million in June 1971.

The 1970 drop in full-time employment was largely due to cutbacks in aerospace and defense-related industries. About 36.3 million men worked all year at full-time jobs, 865,000 fewer than a year earlier. Most of those who lost full-time jobs worked between 27 and 49 weeks during the year. Full-time women workers, on the other hand, showed little change.

Among married men, only 77 percent held full-time jobs, down from 80 percent in 1969.

The job picture for young people was particularly grim. The number of 16 to 20-year-olds increased by 750,000 during the year, but the number who actually worked—14.6 million—showed little change, leaving a job deficit of about 750,000.

The decline in full-time work was primarily in manufacturing. Service and trades workers were less subject to cyclical fluctuations and had the best record for steady employment. The worst record was among factory operatives where employment dropped by 1.2 million.

The BLS study further noted that the looser labor market in 1970 resulted not only in a rise in the number of workers who experience unemployment, but also a sharp increase in the number who were jobless 15 weeks or longer.

About 4.5 million persons were affected by this long-term unemployment, which was an increase of 7.9 million or 73 percent over 1969, the BLS researchers said. Within this group, the proportion of men who were jobless 27 weeks or more rose slightly higher than

Tariff Panel Sued by IUE On TV Imports

Tariff cuts by the United States have virtually destroyed the domestic television set industry, the Electrical, Radio & Machine Workers contended in a federal court suit.

The union is challenging the Tariff Commission interpretation of the 1962 Trade Expansion Act.

It told the court that the commission has misread a provision requiring it to determine whether increased imports that damage a domestic industry were largely caused by trade concessions made by the United States.

A majority of the commission, the IUE protested, has narrowly construed the language to mean that the rise in imports in a given year "must be caused by tariff reductions immediately preceding the increase."

The union contended that the language and legislative history of the law requires that the impact of all tariff concessions made over the years be considered in evaluating the impact on imports.

On this basis, the IUE said, the Tariff Commission should recommend to the President either more stringent enough to revive the industry or restoration of a tariff that was once 35 percent and now down to 5 percent.

The IUE also asked reversal of a commission ruling that denied benefits to workers who lost their jobs when the Warwick Electronic plant at Zion, Ill., was closed.

The union said the action was "inconsistent and arbitrary" since workers at a New Jersey firm were approved for benefits "in the same situation."

22-11-1

Price, Rent Exemptions Hit as Unfair

By Mike Bosch

The Cost of Living Council's exemption from price controls of 14 percent of the nation's retail units and nearly 50 percent of all multi-unit dwellings was denounced by AFL-CIO Sec.-Treas. Lane Kirkland as taking "the easy way out" at the expense of the workers and consumers.

"The inequality is self-evident," declared Kirkland. "The wages of the workers in these stores and the renters in these homes remain controlled. The profits they pay and the price tags on the goods they buy are not."

The new ruling by the COL Council added a number of loopholes and exemptions to the Administration's Phase 2 program.

The council said it was decontrolling dwellings of four units or less and landlords who own four units or less, effective Jan. 19. It also exempted about 10 million of the 23.6 million rental units in the United States were exempted as a result of the ruling.

It took the action, the council said, because complaints from renters in these categories accounted for more than 25 percent of the total Internal Revenue Service workload so far in Phase 2.

Owners of these units, the council added, do not have the accounting and legal support to guide them with guidance in interpreting the rent regulations of the Price Commission.

The council action also exempted from controls apartments which rent for \$500 or more a month.

Kirkland commented that "stripping of its rationalizations, it means the Administration has no intention of really controlling prices. It is not a job that can be done with partial enforcement of halfway measures."

"The explanation that this is necessary to reduce the workload on the IRS enforcers strikes us as nonsense. If there are going to be controls there has to be enforcement to protect the public."

In exempting small retail outlets from sales of less than \$100,000 from all price regulations, the COL council went beyond the Price Commission ruling that would have merely waived the price control requirements for such outlets.

The exempt firms represent 75 percent of the nation's retailers and 90 percent of total sales.

The council maintained that such prices will be allowed to rise freely, competition will ensure the freedom to increase prices. It used the same (Continued on Page 2)

W. E. Strader, Grain Millers Officer, Dies

Dallas—Wayne E. Strader died Jan. 9, less than a month after he was appointed secretary-treasurer of the Grain Millers by the union executive board.

Strader, 53, had succeeded Harold A. Schneider, who died in December. Before becoming secretary-treasurer, Strader was an international vice president and assistant to Pres. Roy O. Wellborn of the AFGM.

In a message to Wellborn, AFL-CIO Pres. George Meany and Sec.-Treas. Lane Kirkland said that the death of Strader "must come as a severe shock to you and your fellow officers, especially so soon after the death of Sec.-Treas. H. Schneider."

A message was also sent to Strader's wife Robbie Joe, who survives with one son, Serv...

Nixon Message S Devoid of Substance

Labor took a dim view of Pres. Nixon's latest message on the verge of "a new prosperity" de...

The President's State of the Union message to the Congress was virtually devoid of new initiatives, other than...

record of keeping very poor. And keep a promise forget he ever...

Thus, Meany Americans who played heard the use when he to program to slow wouldn't cost th...

Meany termed the President's (Continued)

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AFL-CIO NEWS, WASHINGTON, D. C., JANUARY 29, 1972

Its Groups Win EEOC Power

...of a labor-supported bill giving the Equal Employment Opportunity Commission the law forbidding job discrimination because of race,

...that would have gravely weakened the bill by re-

...the honest answer was that every vote was needed.

Not until minutes before the vote—when the last of the senators filed in, including several who had gotten up before dawn to make plane connections—did the tension ease.

The Senate-approved provision would give the EEOC powers comparable to those of the National Labor Relations Board in its jurisdiction.

Administration forces subsequently succeeded in nibbling away at another section of the bill, intended to eliminate contradictions and overlapping jurisdiction in the government's administration of equal employment programs.

By a 49-36 vote, the Senate killed a section of the bill that would have transferred the Office of Federal Contract Compliance from the Dept. of Labor to the Equal Employment Opportunity Commission.

Still ahead was a key vote on a Southern-led effort to eliminate from the bill an extension of coverage to employees of cities, counties and states. The Administration, as well as the labor-civil rights coalition, supports the expanded coverage.

While the Senate continued debate on the EEOC bill, the House completed final congressional action on a compromise bill authorizing continuation of the nation's foreign aid program.

The new authorization bill—which must be enacted before appropriations can be voted—sets a spending ceiling of \$2.76 billion for the current fiscal year, of which \$1.5 billion is for military aid and the balance for economic and humanitarian aid. It also authorizes up to \$984 million in economic and humanitarian aid for the fiscal year starting July 1.

The authorization for the current year is close to \$800 million less than Pres. Nixon had requested.

The long delay in action on the foreign aid authorization resulted from the surprise action of the Senate last fall in defeating a much-amended bill and efforts to reach agreement on a new version.

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AFL-CIO Statement on Presidential Election

AFL-CIO Pres. George Meany has issued the following statement:

To clarify the position of the AFL-CIO on the 1972 presidential election, the following points should be noted:

1. At this time, the AFL-CIO has taken no official action and made no official decision that it would oppose any candidate or support any candidate.

2. Any recent statements made by individuals connected with the AFL-CIO represent their own personal opinions and do not in any way represent official AFL-CIO policy.

3. Endorsement of presidential and vice presidential candidates are, under our traditional practice, a matter for decision by the General Board, which meets for such purpose after the major parties have chosen their candidates. The decision of the General Board is always official and publicly announced.

4. Until that decision, the political activities of the AFL-CIO will include a vigorous pursuit of our registration campaign, a major drive to inform union members about the issues and the voting and performance records of public officials, and plans for a massive get-out-the-vote drive on Election Day.

Price Rise, Job Slump Close Books on 1971

(Continued from Page 1)

and services which cost him \$10 in 1967. About two-thirds of the rise was attributed to food items exempt from the price control program.

Taken on the basis of 1957-59 dollars, the consumer was paying \$14.31 for what cost \$10 then, the Bureau of Labor Statistics said.

Labor Sec. James D. Hodgson read the BLS report on real spendable earnings as meaning "the working man is surmounting inflation."

For the average worker with three dependents, real spendable earnings—pay adjusted for the increase in living costs since 1967—stood at \$93.41 a week. Hodgson declared that this represented an increase of "more than 3 percent over a year ago."

But real spendable earnings in December were only 56 cents more than in September of 1968 when they set the last previous high of \$92.85.

Hodgson also said that with the Nixon Phase 2 stabilization machinery in gear, "we see an even better 1972 for labor and the supermarket shopper."

But Herbert Stein, chairman of the President's Council of Economic Advisers, cautioned that the post-freeze "bulge" in prices would continue as controls are relaxed, implying that January's CPI increase could be greater than December's.

The BLS said that "the November to December change on the index reflects changes in some prices that are collected only every 3 months, or less frequently, and thus does not exclusively represent changes in Phase 2."

The December index for food purchased in grocery stores rose 1.3 percent in December, more

Training Plan Set For Detroit Crafts

Detroit—The Labor Dept. has awarded a \$422,000 contract to launch a voluntary hometown training and hiring project for the building and construction trades.

The contract with the Detroit Plan Group is designed to assist 162 training and employment

than twice as much as it usually does at that time of year.

Prices of raw farm products according to the BLS, accounted for about 85 percent of the increase.

The price of nonfood commodities was unchanged in December instead of declining as it usually does.

New car prices rose seven-tenths of 1 percent and prices also increased for gasoline, reading materials and a few other items.

The price of utilities and public transportation increased a full per-

22-52-1

Medical Cost Increase Laid To Violations

A December increase in the of medical services "can only be that providers of medical services are flagrantly violating the stabilization regulations applicable to them," AFL-CIO Social Security Director Bert Seidman warned.

In a letter to an advisory

Lockout A \$6 Million Due Airline Machinists

Six million dollars in back pay—wages lost in a 53-week illegal lockout by National Airlines—will be paid soon to nearly 1,000 mechanics and ground service workers.

The settlement negotiated by the Machinists union was described as the largest back pay award in U.S. labor history.

The company locked out its employees on Jan. 24, 1969, three days after a dispute erupted over changed working conditions. National's main bases are at Miami International Airport and New York's Kennedy International Airport.

IAM Vice Pres. William W. Winnings said union members will receive checks ranging from \$500 up to nearly \$10,000. The average will be more than \$6,000.

The settlement became a reality when the final count on a mail ballot showed that union members had ratified the agreement by a margin greater than 7 to 1.

The settlement was worked out almost a year of negotiating between the airline management and union officials.

Winnings explained that the settlement will now be submitted for formal approval to U.S. District Judge C. Clyde Atkins in Miami, whose aegis it was worked

"This is a \$6 million reminder to the airline industry that, under the law, an airline cannot arbitrarily change working conditions during contract negotiations," the IAM vice president declared.

Union members are expected to receive their checks three to four weeks after Judge Atkins gives his approval of the settlement. The union is bound by a decision of the 5th Circuit Court of Appeals which found the lockout a violation of the Railway Labor Act that governs all negotiations on the airlines as well as the railroads.

The Supreme Court refused to hear an appeal by National Airlines from the decision. After the court's action, the appeals court ruled the case to Judge Atkins.

The union has been going on for several years.

(Continued on Page 3)

Consumers Ask On Price Comm

Consumer Federation of America has urged a "consumer specialist" to the vacancy created by the appointment of Dr. Martin Luther King Jr. to the Council of Economic Advisers.

Helen Nelson to the commission and said this will restore confidence in the government's complex anti-inflation stabilization program. Nelson is well qualified to work constructively with the President's Council of Economic

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Nixon Cong Strike

Pres. Nixon West Coast de the pressure of a sweeping c tion law that bar major st tion-linked in

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AFL-CIO NEWS

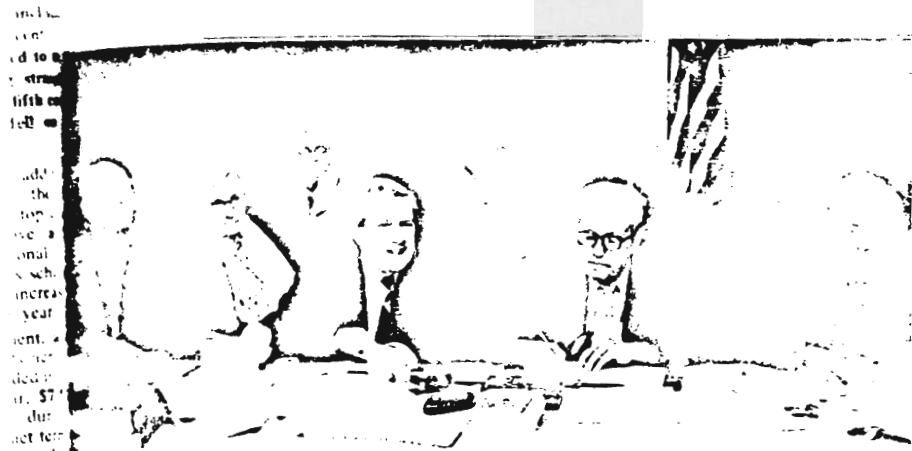
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No. 2

Council Spurs Mobilization For Crucial Election Battle



Support for COPE Stressed as Vital

By Saul Miller

Bal Harbour, Fla.—The AFL-CIO summoned the labor movement to do battle in the November elections with a call for "total mobilization" to meet the "most serious challenge the trade union movement has ever faced."

There is a clear and pressing need, the Executive Council declared, "to elect progressive, liberal men and women" at every level of government. With an all-out effort through COPE "we can win the most important election of the century," the federation said.

The election call-to-arms highlighted the mid-winter meeting of the council here in its opening days and was supplemented by a number of statements dealing with critical national problems and failures of the Nixon Administration.

AFL-CIO Pres. George Meany, in a series of press conferences, made it clear that the federation would make no choice of presidential candidates until after the nominating conventions. A major federation goal is to have as many trade unionists as possible at the major party conventions so that labor would have a voice in the decisions.

Meany commented that there is a long way to go until November and that many things can happen. He said he doesn't believe that Pres. Nixon is a "shoo-in" for re-election and that he could not foresee how the President would win this year any of the states he lost in 1968.

The AFL-CIO president said the federation's endorsement would come at a meeting of the General Board after the nominating conventions, but he ruled out any possible backing of Alabama Gov. George Wallace, whom he termed a "bigot and racist and anti-labor down to the soles of his feet."

The council's statement calling for full support of COPE said that while there were many candidates who deserved support on the basis of their liberal, progressive records, many incumbents are proven allies of big business "dedicated to the disproven 'trickle-down' system of economics, uninterested in the plight of the poor and minorities and opposed to the programs of progress essential to the well-being of workers." They deserve defeat, the council said.

The council called for "the total mobilization of the labor movement at every level for a commitment by all members and all union officials to join in the COPE program to the fullest possible extent."

This involves registration drives, educational programs, assignment of staff to help with various programs, involvement of retired and young family members and the strengthening of the labor minorities coalition.

(Continued on Page 3)

Equity Demanded:

One-Sided Controls Seen Victimizing Workers, Poor

This "flagrant favoritism" that puts the burden of wage-price controls on workers "is actually destroying public support" for the economic stabilization program, the AFL-CIO council declared.

the semblance of fairness and equity in the Nixon program, the federation called for a tax that will insure justice for the working poor. The council statement called

to the Board to
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unions which are taking such steps and pledging to back them.

- Support of workers who "will be forced to strike against these regulations."

- Opening of oversight hearings by congressional committees so that the mandate of Congress will not be flouted and, if necessary, enactment

of new legislation.

The Executive Council reviewed the operations of the controls program and found them "completely inequitable."

The unanimously adopted resolution declared that "to the worker at the bottom of the economic ladder the control program means his wages are strictly regulated but the rest

The statement emphasized that about 75 percent of the nation's retail stores are exempt from price

controls as well as nearly 50 percent of all rental units. Interest rates were never controlled and neither were prices of fresh foods, many used items, life insurance premiums, state and local taxes and the price of homes and loans.

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3 New Vice Presidents Fill Council Vacancies

Bal Harbour, Fla.—Presidents of three large unions met and to the AFL-CIO Executive Council at its mid winter meeting to fill vacancies left by the retirement of their predecessors.

The new council members, who also become the AFL-CIO are: James T. Housewright, president of the Clerks; George Hardy, president of the Service Employees; and Al H. Chesser, president of the United Transportation Union.

Resigning from the council were James A. Suffridge, president emeritus of the Retail Clerks, David Sullivan, president emeritus of the Sullivan Amalgamates, and Charles the

Suffridge had worked as a
AFL-CIO the previous year.
1957. Sullivan was last seen
in 1958.

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POLICY RESOLUTIONS charting the position of the AFL-CIO on major issues were studied, discussed and acted on at this meeting of the federation's Executive Council at Bal Harbour, Fla.

Direct Government Share Sought To Finance Social Security Costs

Bal Harbour, Fla.—One-third of the total cost of the social security system should be covered by general tax revenues to achieve a more equitable system and a decent standard for the elderly, the AFL-CIO declared.

The current method of contributory financing by workers and employers has been of key importance in achieving the present level of benefits while maintaining the right to the benefits, the federation's Executive Council said in a statement.

But, it added, to extend and improve benefits exclusively through the present system "would place too heavy a tax burden on low and middle income workers." These workers, the council said, "are rightly concerned that the social security tax rate is already quite high and is scheduled to rise still higher."

The federation recommended an increase in the earnings base on which benefits are paid from the present \$9,000 to eventually \$15,000 and a general revenue contribution gradually reaching one-third of the cost of the program.

This combination would increase

benefits by approximately 50 percent from the present inadequate level of payments, the statement said.

The concept of a general revenue contribution to the social security system is "not a radical new idea but only an old proposal that has never been properly implemented," the council said as it traced the history of the concept.

The original social security legislation submitted to Congress in 1935 contemplated an eventual government contribution to reach one-third of the total cost of the program, and 1965 was mentioned as the likely year when an initial government contribution might be required.

A provision contemplating such

a contribution was included in the Social Security Act in 1944 through 1950 and then dropped despite the recommendations of the Advisory Council on Social Security.

The use of general revenue funds would help reduce the cost of public welfare programs by increasing social security benefits; a large part of present contributions are now being used to cover past service liability; general funds could be used to cover prior service costs; and the principle of general revenue payments has already been accepted by the system in a number of specific areas—military service, hospital insurance benefits for non-insured persons, special age 72 benefits and half of the Part B Medicare cost.

The AFL-CIO, the statement pointed out, has long advocated that the wage base be increased to cover the same proportion of wages and salaries as was covered in 1935.

When the program began, about 97 percent of the persons in the social security system had their full earnings covered; that proportion is now about 77 percent.

"We recommend," the council said, "raising the earnings base to at least \$15,000 so that a larger proportion of the earnings of high income workers will be covered. Thereafter there should be subsequent periodic adjustments in line with increases in workers' wages."

Nixon Assailed on Veto Of Day Care Program

Bal Harbour, Fla.—Pres. Nixon was sharply condemned by the AFL-CIO for vetoing a dramatic new national program of day care centers and placing political strategy above the needs of the country's children.

The federation's Executive Council accused the President of playing "cruel politics with the welfare of pre-school children and their working parents" and filling a veto message with "right-wing rhetoric pleasing only to ultra-conservatives."

The council pointed out that there are 3.7 million working mothers with children under the age of 5 and day care facilities for only 700,000 children. It noted that the President had earlier seemingly taken note of the need and that, in

addition, the 1970 White House Conference on Children had made a comprehensive child development program a top national priority.

Congress, responding, passed legislation that would have made an important start toward meeting these needs with a wide range of educational, health and nutritional services for young children along with day care centers controlled by local communities and involving parents, with fees based on ability to pay.

The President vetoed the legislation, leading to the federation's condemnation and a call to Congress "to re-enact a similar day care program during the present session." The statement voiced the hope that the President would reconsider his position and "place the needs of young children above political strategy."

Senators Walter F. Mondale (D-Minn.) and Gaylord Nelson (D-Wis.) have introduced a modified version of the vetoed child care bill which would carry a somewhat smaller price tag.

Mondale insisted, however, that children of working mothers need quality day care centers, not merely

Meany Expresses Tribute to Graham

Dr. Frank P. Graham, the North Carolina educator and world statesman who died at the age of 85, "served America with distinction and humanitarianism," AFL-CIO Pres. George Meany declared.

Meany termed Dr. Graham a "well-loved friend of the American trade union movement and my long-time personal friend."

Dr. Graham had served as president of the University of North Carolina, as a public member of the War Labor Board, as a leading adviser to Pres. Franklin D. Roosevelt, as a United States senator, and as a United Nations mediator in the

The council adopted statements on financing educational developments in vocational, education and actions taken by the Administration in these areas.

The council's reasoning on school busing issue was many communities busing only feasible but desirable to provide educational opportunities for the children involved, school board and parents white and black—and education authorities all a plan to upgrade the education for disadvantaged children, the law should plan to go forward, even if it is used as a tool.

However, busing to achieve racial balance not guarantee improved opportunities should be. The basic test is whether the children.

School busing is fairly today in the U.S. with 10 children involved at a cost of \$1 billion a year. Of the total outlay at all levels spent on busing ranges from 6.9 percent.

The AFL-CIO has taken action on widening school boundaries embracing seven states. The problem involves a court case covering the K. Va., area.

The federation generalizes the Nixon Administration approach keyed to political considerations, because the White House has not supported full federal school aid.

Article X Imposed

AFL-CIO Pres. George Meany said the federation will be in non-compliance under the AFL-CIO's internal subject to sanctions under

The finding was reached by a subcommittee of the AFL-CIO Executive Council consisting of Treas. Lane Kirkland and Pres. Joseph D. Keenan. The subcommittee involved city employees in Jacksonville, Fla.

Text of Council Statement On School Busing Issue

Text of the statement on school busing adopted by the AFL-CIO Executive Council, Feb. 15, at Bal Harbour, Fla.

The AFL-CIO has consistently supported both quality education and integrated education. We have just as staunchly supported mass investment of federal funds to improve standard schools. We have fought for legislation to achieve open housing as the most effective way to achieve integrated education.

The AFL-CIO Executive Council categorically reiterates these positions and adds:

1. We wholeheartedly support busing of children when will improve the educational opportunities of the children.
2. We deplore the actions of those individuals or groups who are creating a divisive political issue out of America's need for quality, integrated education.
3. We will oppose the constitutional amendment approach because it will do a disservice to the quality, integrated education which we support.

Calls for Changes in Makeup:**Meany Condemns Unfairness Of Pay, Price Control Panels**

The following is excerpted from an interview with AFL-CIO Pres. George Meany, published in the Feb. 21, 1972, issue of U.S. News & World Report magazine.

Q. Apart from the disagreements you have over the Pay Board, do you think that generally the control system is doing what it is supposed to be doing in slowing down inflation?

A. No, it's not doing what it's supposed to do.

Q. Why do you say that?

A. Because it's not working fairly. I mean, the Pay Board is working unfairly. I think the Price Commission is working unfairly. I think they're giving out exemptions right and left—and

Q. Do you think prices are going up too fast?

A. They're still going up.

Q. What do you think should be done about it?

A. Change the Pay Board, change the Price Commission.

Q. Change them to what?

A. Appoint people who are interested in the people of the country as a whole.

The Price Commission is practically under government control. The Pay Board is government controlled. And that means "this Administration control." In other words, decisions are made on the basis of what they will do to enhance the image of the Administration.

Q. After you advocated wage-price controls early, did you change your position when they were imposed, as some Administration officials have said?

A. I didn't change. I yelled "Foul!" I said, "Leave us the controls, but you gave us a red deck."

The big scrap with Pres. Nixon during August, September and October was over his action in freezing contracts and the wage increases they were in the freeze period. But Congress ordered deferred pay raises paid—they passed the members' proposal word for word, and President signed the law. The labor members of the board had said, "Validate the contracts, and our retroactivity, and we'll take the 5.5 percent as the formula for new contracts."

Q. On the basis of recent Pay Board decisions, Mr. Meany, do you think the labor members will stay on the board or walk off? Have they improved or deteriorated from labor's point of view?

A. Well, they haven't gotten any better, I would say. We don't feel at this moment that there is any particular good we could gain by getting off. The thing is not working too well.

The decision of the Cost of Living Council on exemption for wage increases for low-wage

workers is almost a tragedy, to me. Congress insisted that these workers be exempt.

Labor members of the Pay Board wanted to allow wages to go to \$3.50 an hour without requiring board approval. The board finally said the \$1.90 figure recommended by the council was too low, but the council held it to \$1.90.

The Pay Board, as a result, is going to be bogged down with disputes. When you have to take action on raises for anyone going above \$1.90, your case load could be very much higher. There may be strikes over this figure. And it is just terribly oppressive and unfair to the low-income family.

Q. Is there any chance the AFL-CIO will support Pres. Nixon for re-election?

A. I would say the answer at this time is the chances are very slim. His record on domestic matters has been awfully bad. And I'll tell you, I'm not too much pleased with his turnaround on foreign policy.

I'd like to know from someone in this Administration how the hell we got into this Pakistan mess on the side of Pakistan—how we got in on the side of a military dictatorship, murdering people by the tens of thousands, and how we stayed with them and turned against India.

After all, India is a democracy, Pakistan is a military dictatorship, and we were with them 1,000 percent. Why, I don't know. And no one has ever explained why.

And I don't think we should allow ourselves to get into a box that I think Nixon is going to get himself in going to China just because of his re-election. That's the only thing he can possibly get out of the visit to China, if he gets a favorable response from the people in this country. But he's not going to outsmart the Chinese.

Q. To get over on the positive side of this thing, what criterion do you have in judging candidates when it comes to domestic policies, for instance?

A. Our own view as wage earners and citizens: the economy, attitude toward labor, attitude toward civil rights, attitude toward consumer legislation, attitude toward poverty, attitude toward the ecology, and all of these things—the whole bit. We cover the whole bit.

We don't just think in terms of wages and hours for our people. You go over to our shop, and you'll find that we're all over the domestic scene.

Q. What marks would you give Mr. Nixon on his whole performance?

A. Bad. The domestic stuff—very bad. He makes good speeches but he doesn't deliver. He vetoes. He talks about poverty, he talks about the elderly—every bill that comes along that would mean anything for these people, he vetoes. So his record is bad.

Watchdog Report:**Inadequate Enforcement Cited In Runaway Price Increases**

MAKING CLEAR-CUT rules and stiff enforcement, the Nixon Administration's Phase II controls show "weakness in every aspect," said a union-sponsored price-watching effort in New York City declared in a network radio news item.

Elizabeth Feinstein, director of Operation Price-Watch, said that store-by-store surveys made regularly by volunteers throughout the city "show that prices are continuing to rise at an appalling rate," and that the optimistic claims of Administration

officials, she said, are "going up at a rate of inflation as we've ever had," and prices are reported to be "the highest ever."

Operation Price-Watch is sponsored by District 1 of the State, County & Municipal Employees Union.

There is a real "need for consumers to be their own police," Miss Feinstein stressed, because the Internal Revenue Service, which

Appearing on Labor News Conference, Miss Feinstein said that some 300 union members and their families are now working with Operation Price-Watch in New York City, and a growing number of other groups and individual citizens are aiding the volunteer effort.

She said that "boycotting stores could bring a press focal point on the issue," but the greater need is for the federal government to adopt the "strictest possible controls" and enforce them vigorously.

"Hopefully, under a new Administration or under a different system, we would have a more equitable standard for controlling prices for working people and poor people," she declared.

"Item-by-item controls would actually be an easier system for the IRS to monitor," she stressed, noting that "audit of the entire books of the stores, of all the stores, on a



By Press Associates, Inc.

WITH THE ELECTION still more than eight months away, Pres. Nixon's Cabinet is plunging into presidential politics a time and to a degree unprecedented in past administrations.

No less than six Cabinet secretaries—Labor, Agriculture, Transportation, Commerce, Housing & Urban Development and Treasury—have unleashed attacks on the trade union movement in dock strike that went far beyond the immediate dispute.

The far-ranging operations of Sec. of Agriculture Earl Butz and Sec. of State William Rogers—to underscore two case examples—provide a solid indication that Nixon has given his Cabinet members the initial role of attacking Democratic presidential hopefuls.

Within a week's time, Butz twice fired off letters to the five Democratic senators demanding that they use their influence on behalf of Nixon's compulsory arbitration scheme for ending the West Coast dock strike.

The Secretary accused the senators of "foot dragging" on ending a strike that "has cost farmers \$1 billion in income." Butz, who organized a farm lobby of Congress in an effort to drive through the Nixon bill, was challenged on this figure at a press conference. "I can't prove it was a billion," he snapped, "but nobody can prove it wasn't, either."

Butz further boasted that the candidates didn't know farmers "as I do." Ironically, this issue was precisely the one upon which the AFL-CIO, the National Farmers Union and even some conservative Republicans opposed the confirmation of Butz last year. He charged that the only farmers Butz "knew," or represented, were of the "corporation" variety, not the family farmers.

THE BUTZ INTRUSION into the labor-management field underscores the prediction of a number of politics-watchers that Nixon's re-election drive will center on a try at turning union members against their leaders, and the public—including farmers—against unions.

As for Rogers' role, New York Times columnist James Reston pointed out that past Secretaries of State—Marshall, Acheson, Dulles and Rusk—carefully avoided debate with a presidential candidate of the opposition party, knowing how often they had to appear before Congress for support of their policies.

But one cannot conclude that because every other President since 1944 has "recognized the dangers" of sending Cabinet officials into election battles, a free-swinging Nixon will be deterred.

In 1970, a non-presidential year, he announced in advance of the campaign that he alone would quarterback it. His unconvincing for the future effectiveness of Cabinet officers was shown then in the amazing dispatch of Transportation Sec. John Volpe to Indiana to campaign against Sen. Vance Hartke, who headed a Senate committee handling most major transportation bills.

Hartke survived a close race and—sure enough—a few days after the election his subcommittee entertained Volpe as a witness. What followed was a merciless, Hartke tongue-lashing of the Secretary for failing to meet his responsibilities, climaxed by a too-subtle reminder that the senator "would be around for a while." Volpe squirmed for an hour, barely getting in a word.

Butz and Rogers are dealt with here because their participation in politics has been the most noticeable. But others are busy. Sec. of the Interior Rogers Morton has campaigned against McGovern in New Hampshire.

The activity is such as to intimate that Nixon, who has long postured as being above politics at this time, already is scared as any President in history.



WEAKNESS SHOWS UP in the Administration's Phase II price controls, despite claims of Nixon Administration officials, declared Elizabeth Feinstein, center, director of Operation Price-Watch sponsored by District 1 of the State, County & Municipal Employees Union. She was interviewed on the radio.

Nixon Record Tied Economic Outlook

AFL-CIO News

Saturday, February 26, 1972 "AFL-CIO" No. 3

Read Clear Postage Paid at Washington, D. C.



He hears from Executive Director Bayard Rustin of the NAACP at Bal Harbour, Fla. Among the participants were Senator Al Barkan and Federation Vice Pres. I. W. Abel. The organizations are working closely with COPE in voter education.

Loss 'Disastrous':

Trade Crisis Spurs Demand for Action

Bal Harbour, Fla.—The year 1971 was the nation's "most disastrous in world trade," and the erosion of America's well-being by the loss of jobs, technology and capital "is not abating," the AFL-CIO charged.

The Executive Council charged that the Nixon Administration proposals are "hopelessly unworkable."

A realistic and workable approach is contained in the Burke-Hartke Foreign Trade & Investment Act, the council said, calling for early hearings and congressional attention.

The legislation contains remedies that include:

- Taxation of U.S. corporations' overseas operations so that they more closely relate to the tax rules domestically.
- Regulation of the torrent of imports that have smothered U.S. production and cost hundreds of thousands of U.S. jobs.
- Regulation of the outflow of capital from the U.S.
- Procedures for the collection of taxes on foreign

administration range of measures. The council added, will have a major impact on imports and exports, and on the world economy. In today's world, the AFL-CIO said, the nation's economic future depends on the ability to attract and retain investment capital.

The council spelled out a seven-point program of "immediate, selective government measures" to create jobs, boost industry's operating rate and productivity to reduce pressures on costs and prices, and meet the nation's need for expanded public facilities and services.

(Continued on Page 3)

Council Asks Shift To New Programs

By Saul Miller

Bal Harbour, Fla.—The Nixon Administration's "dismal record" of managing the economy will pretty much continue in 1972 for most Americans, the AFL-CIO Executive Council predicted. Only business and wealthy groups will find it "a good year."

The Administration's promise of a "sharp 1971 upturn from the engineered recession of 1969-1970 collapsed," the council declared, and under present Administration policies the outlook has not improved.

The federation's analysis points out that unemployment "will not go down appreciably," consumer purchasing power "will not increase enough" to take up the slack and neither will business investment in plants and equipment.

Industrial output "limps along at 75 percent of capacity with no evidence of early improvement" and the sharp expansion of the economy that is necessary to make 1972 "a good year" cannot be achieved "by the Administration's present fiscal policies," the council emphasized.

The council's statement on the economy highlighted the windup of the mid-winter sessions dominated by a call for "total mobilization" of the trade union movement for the 1972 elections.

More than a score of statements dealing with various aspects of national and international affairs were sharply critical of the Nixon Administration programs and policies, pointing out numerous failures as well as moves contrary to the best interests of the nation and the trade union movement.

At a final press conference ending the six-day meeting, Federation Pres. George Meany told reporters that the state of the national economy would be the major issue in the November elections and that it was fairly obvious that neither the unemployment rate nor the cost of living were going to come down very much, if at all.

The peace issue posed by the President's visit to China as well as the use of school busing will also play a role in the election, Meany said, but will not have the impact of the economic issues affecting the well-being of all Americans.

On internal AFL-CIO matters, Meany noted the importance of the federation's maritime unions getting together on critical questions of relationships with employers. He noted that they were not always together in the past and that the new approach is a "good program."

He announced also that a national union charter would be issued to the United Farm Workers Organizing Committee, which was created by the AFL-CIO in 1966 and now has a membership of about 30,000.

The council sessions also issued a new guideline on cases involving independent unions under Article XX of the AFL-CIO Constitution, the internal disputes plan, and acted on a number of resolutions referred to it by the recent ninth convention.

In its statement on the economy, the council said there is no reason to believe that the Administration's forecast for 1972 "will be much more accurate than last year's prediction," in view of its failure "to present positive measures to achieve its promises."

The council spelled out a seven-point program of "immediate, selective government measures" to create jobs, boost industry's operating rate and productivity to reduce pressures on costs and prices, and meet the nation's need for expanded public facilities and services.

(Continued on Page 3)

Stronger Ties Urged

Signing
Administration Bill

Council Blasts 'Dismal' Nixon Record

Demands Action on New Programs To Provide Jobs, Revive Economy

(Continued from Page 1)

On national economic, consumer and labor matters, the council took the following positions:

- Rejected as inadequate the "workshare" proposals of the Nixon Administration on foreign trade and reaffirmed labor's support for the Burke-Hartke bill to deal both with job-cutting imports and the flow of jobs, capital and technology. (Story, Page 1.)

- Pressed for National Health Security legislation that would use "tried, proven and accepted" forms of social insurance to overcome the health care crisis. (Story, Page 7.)

- Urged the Senate to transform the House-passed social security and welfare reform bill into a major weapon against poverty in America. (Story this page.)

- Praised the efforts of Congress and the labor members of the Pay Board to bring more economic justice into the Administration's wage stabilization program, and urged the "inequities and confusing confusion" of the controls machinery. (Story this page.)

- Demanded a consumer-protected price control program and described the existing structure as a facade to conceal the fact that there are virtually no enforceable curbs on retail prices. (Story, Page 6.)

- Warned that new tax loopholes are allowing billions of dollars of corporation and investment income to escape taxation and urged the urgent need for tax reform. (Story, Page 2.)

- Termed the "value-added" tax proposal a fancy name for a national sales tax that "spells trouble" for workers and consumers. (Story, Page 2.)

- Reaffirmed support for "no-union" auto insurance despite the opposition of special interest groups. (Story, Page 6.)

- Criticized the "foot-dragging" enforcement of the Occupational Safety & Health Act and exclusion of unions from meaningful participation. (Story, Page 6.)

- Supported appropriation of funds for a space shuttle as "the logical step" for the nation's space program. (Story, Page 2.)

- Called on Congress to revise "trigger formulas" that permit pay extended unemployment benefits "so that payments be available as long as there is

widespread unemployment." (Story, Page 2.)

- Strongly rejected all forms of compulsory arbitration and "government repression" as a solution to the temporary inconvenience of strikes. (Story, Page 2.)

- Adopted the report of AFL-CIO maritime unions aimed at bringing stability to the industry and job security for its workers. (Story, Page 6.)

On international matters, the council took the following actions:

- Proposed that the United States work to improve its relations with Japan and India, the major democratic nations of Asia, rather than rely on the dubious cooperation of Communist China. (Story, Page 1.)

- Termed respect for the human rights of all a key prerequisite to solution of the crisis in Northern Ireland. (Story, Page 6.)

- Asked the Administration to resume financial aid to the Assembly of Captive European Nations which has helped keep alive hope for self-determination and freedom. (Story, Page 6.)

- Urged Congress to provide funds for Radio Free Europe broadcasts to Eastern Europe and Radio Liberty broadcasts to the Soviet Union. (Story, Page 6.)

Reviewing the developments of 1971, the council statement on the economy pointed out that unemployment was the highest in 10 years, there was a 4.3 percent rise in living costs and "a widespread lack of confidence." The real volume of total national output rose only 2.7 percent, essentially in services and residential construction, and there was no increase in industrial production at all.

The tax bonanzas to business included in the 1971 tax law, the council stressed, "are adding to the government's financial troubles, created by the general economic mess." The statement pointed out that "the federal debt will rise nearly \$92 billion in the four fiscal years from 1969 to 1973—more than twice the debt increase in all the previous 24 years after the end of World War II."

The council strongly urged the following action:

1. An expanded and strengthened public service employment program—federal grants to states, local governments and federal agencies for the creation of jobs to provide needed public services.

2. Elimination of major loopholes of special tax privileges for corporations and wealthy families to bring justice to the tax structure and provide additional revenues for the government.

3. Allocation of a significant portion of available bank credit at reasonable interest rates by the Federal Reserve System to effectuate construction of housing and community facilities.

4. An increase in the federal minimum wage and extension of coverage to millions of low-wage workers outside of the law's protection.

5. Increases in buying power of workers' wages as a basic prerequisite for economic growth.

6. Elimination of inequities that abound in the stabilization controls program which "are undermining public confidence in the govern-

7. Enactment by Congress of the Burke-Hartke bill to stop the export of American jobs and to repatriate profits of U.S. subsidiaries abroad.

At his press conference, Meany reiterated his feeling that Nixon's primary purpose in visiting China and later in the year, the Soviet Union, was to solidify his position at home in terms of his re-election campaign. Meany stressed that he would have opposed a visit to Communist China "no matter who the President was" and that from his own point of view, the matter was much more important than the outcome of the 1972 elections.

In reply to a reporter's query, Meany assailed a White House charge that a memorandum demonstrating the Administration's intent to create an anti-AFL-CIO feeling at the November 1971 convention at which Pres. Nixon spoke was a hoax. Meany asserted that "the memo was authentic."

He aired the contents of the memorandum on the national CBS program "60 Minutes" in an interview with Mike Wallace. Two days later, Meany noted, the White House claimed the memo was a hoax although the text had been printed in the AFL-CIO News in its Jan. 8, 1972, edition. "They didn't deny it in January," Meany said, nor early in December when it appeared in a John Roche column or immediately after the Wallace broadcast.

The council approved contributions to a number of organizations including the National Council of Senior Citizens, Consumer Federation of America, CARE, National Housing Conference, Clergy Economic Foundation, New Leader, Conference for Economic Progress, Committee for National Health Insurance, Institute for Collective Bargaining, and the National Park Foundation.

The next meeting of the council was set for May 2-3 in Washington.

Senate Urged to Pass Old-Age, Welfare Bill

Bal Harbour, Fla.—A long-stalled social security and welfare reform bill can become the vehicle to "move the nation a long way down the road" to elimination of poverty, the AFL-CIO Executive Council declared.

A council resolution urged the Senate to improve on the House-passed bill by:

- Providing social security benefit increases totaling 25 percent over a two-year period. The 5 percent increase in the House bill was described as "woefully inadequate."

- Enacting a gradually-increasing federal contribution to the Social Security Trust Funds until it amounts to one-third of the total cost of the program. At the same time, the wage base on which workers and employers paid social security taxes should be raised in steps to \$15,000 "to provide additional revenue for improvements and to keep benefit levels more closely in line with rising earnings."

- Eliminating the monthly premium Medicare beneficiaries must now pay for the optional physician services insurance as provided in the House bill, but without adding the cost to the payroll tax.

- Including prescription drugs under Medicare and coverage of disabled persons under Medicare.



SHOP TALK at AFL-CIO Executive Council meeting is changed by Paul Jennings, president of the Electrical, Radio and Machine Workers, Joseph D. Keenan, secretary of the International Brotherhood of Electrical Workers, and Machinists President Floyd E. Smith. All are vice presidents of the AFL-CIO.

Pay Board Setup Hit On 'Confusion, Chaos'

Bal Harbour, Fla.—The American worker has Congress and labor members of the Pay Board to thank for whatever measure of economic justice he has been able to obtain under the Nixon Administration's wage control policies, the AFL-CIO Executive Council said.

"Whatever justice has been achieved for workers in the stabilization program—such as the granting of deferred increases that were due during the freeze period under previously negotiated agreements—has been largely the work of the Congress, backed by the Pay Board's labor members," the council said.

It reiterated the AFL-CIO's wholehearted support of the efforts of the labor members to achieve equity for workers.

"We will continue to support the

use of every legal means at disposal—collective bargaining legislation, litigation and strike action—to obtain justice and an improved standard of life for workers," the council pledged.

But as to the total wage control setup, the Executive Council found that "the Administration and business-dominated Board continues to extend a policy of confusion and chaos in labor management relations across the country."

"Instead of simple and clear policies and procedures with a degree of self-administration, the Pay Board has painfully developed complicated regulations and ruling requirements, sometimes lowered by official interpretation and re-interpretations that add to the confusion."

"Such developments," the council said, "have frequently been the result of self-administration and management in the face of allowable increases in wages, fringe benefits and required procedures. As a result, workers, in particular, have been vulnerable to the same old scrupulous employment practices in staff and covering up."

While many elements of the living are exempt from the freeze, the council said, "the Pay Board continues to impose a stringent control on the wages of the manufacturing workers."

The Executive Council noted that the Pay Board has a record of "a series of decisions that have been made in a haphazard manner."

It urged the Congress to take action to "bring about a more equitable and stable wage control system."

Mills Asks 20% Hike In Social Security

Rep. Wilbur D. Mills (D-Ark.), chairman of the House Ways & Means Committee, has introduced a bill to raise social security benefits 20 percent—four times the amount provided in a bill Mills steered through the House last year.

Mills urged the Senate to insert the higher amount in the House-passed bill, which is currently before the Senate Finance Committee.

A new study of the social security system shows the program is over-financed, Mills said, and can pay out substantially higher benefits. He proposed also to trim back part of the higher social security taxes called for in the

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SEC. JOSEPH D. KEENAN of the International Brotherhood of Electrical Workers, chats informally during the 41st convention of the National Housing Conference with Rep. William A. Barrett (D-Pa.), chairman of the House Banking subcommittee on Housing, and Nat Keith, president of the conference.

Keenan Raps Failure To Meet Housing Goal

The AFL-CIO's call for reaffirmation of the national housing goal of 2.6 million new units a year was stressed by Sec. Joseph D. Keenan of the International Brotherhood of Electrical Workers in an address to the 41st convention of the National Housing Conference in Washington.

Keenan, an AFL-CIO vice president and chairman of its Housing Committee, also is a vice president of the nationwide citizens group founded in 1931 to promote slum clearance and decent homes for all Americans.

"We believe," Keenan told the convention, "that a minimum of one million units a year should be constructed for low- and moderate-income families. Achievement of this goal requires many specific actions in areas of legislation—on appropriations, interest rates, land costs and fair housing."

Keenan charted the dismal record of the Nixon Administration in the housing field, stating that "I find it absolutely incredible that we persist in our failure to learn from past experiences."

In 1969 and 1970, housing starts slipped to an annual rate of 1.45 million, although they then rose to an annual rate of 2.5 million last January.

The 1969-70 lows were due to the tight-money policy fostered by the Administration, Keenan said, and he predicted that when businessmen "believe private investment will be profitable again, the pendulum will swing the other way. Credit will flow from residential construction into other forms of private investment and housing starts will swing down again."

"We in organized labor feel that a drastic restructuring of our financial institutions is essential if we are to assure that a continuous and growing supply of credit at realistic rates is available for residential construction," Keenan said.

The AFL-CIO supports the establishment of an urban development bank. We feel it is a vital link to sound housing policy. A fully funded URBANK should be able to provide long-term loans to nonprofit, quasi-government organizations receiving federal funds pursuing the public policy in housing and related areas.

Keenan noted that labor also has established metropolitan planning authorities which would permit a community-wide approach to a community-wide problem.

present," he said, "low- and moderate-income housing is dependent upon a delivery system which cannot fulfill the nation's needs."

government policies—such as

closing the loopholes in capital gains—would discourage land speculation, Keenan declared, while noting that "increasing land costs can contribute to a nation's failure to meet housing needs."

He denounced the Nixon Administration, too, for failure to enforce the Fair Housing Act of 1968.

The IBEW secretary was re-elected a vice president of the National Housing Conference along with Auto Workers Pres. Leonard Woodcock, who also addressed the convention.

Abel Cites Past Failures:

Labor Voices No Confidence In Nixon Economic Policies

Labor cast a vote of no confidence in the Nixon Administration's economic policies. An AFL-CIO analysis, prepared for the Joint Economic Committee of Congress, saw "a significant reduction of unemployment" on the basis of the Administration's latest game plan. The trade union evaluation was submitted by Steelworkers Pres. I. W. Abel in his role as man of the AFL-CIO Economic Policy Committee.

It accused Nixon and his economic aides of relying on "a simplistic, push-button approach" to management of an economy that is too complex and diversified to be turned around by overall fiscal or monetary policies.

"Unemployment, idle productive capacity, prolonged sluggishness and huge, successive budget deficits" are the result of these miscalculations, Abel charged.

"There is no sound reason to believe that the Administration's forecast for 1972 will be much more accurate than last year's prediction," Abel said. "Wage and salary earners and their families are paying the price for this prolonged economic mess."

The Administration failed to deliver on its "promise of a sharp 1971 upturn from the engineered recession of 1969-1970," the AFL-CIO said. "The actual record for 1971 was the highest unemployment in 10 years; a 4.3 percent rise in living costs; a further decline in industry's operating rate, and a widespread lack of confidence."

Industrial production did not increase at all during 1971, while the real volume of total national output rose only 2.7 percent, essentially in the services and residential construction.

The AFL-CIO noted that "productivity shot up in 1971," cutting in half the increase of unit labor costs. "But the rise in the price level continued, with only little abatement, and the lion's share of the productivity gain

went to profits, depreciation allowances and other business income."

The statement pointed out that corporate after-tax profits in the second half of 1971 were 18 percent greater than in the same period of 1970. "This rise in after-tax profits was almost three times faster than the 6.5 percent increase of total wage and salary payments to all employees."

Abel said that the continuing problem of high unemployment "has not been caused merely by a failure of the economy to generate enough jobs for entrants into the growing labor force. The major cause has been large-scale employment declines in 1970 and 1971—primarily in manufacturing and construction."

"Having failed to deliver on its promise of a \$90 billion gain in total national output and declining unemployment in 1971, the Administration now forecasts a \$100 billion gain in 1972—or 6 percent in real volume—and a drop in the unemployment rate to 'the neighborhood of 5 percent' by the end of the year," the statement continued.

"Even achievement of real economic expansion of 6 percent will make little dent, if any, in the high level of unemployment—due to the expected rapid rise of productivity and growth of the labor force."

The federation said indications are that the prolonged sluggishness of 1971 will continue in 1972. It

pointed out that residential construction is probably leveling off while consumer expenditures which account for about 60 percent of the total national output at a yearly rate of only 4 percent in the final quarter of 1971. "There is no sign of a forthcoming, major extra boost from consumer spending. With so much industrial capacity, only a small increase of real business investment in plants and machines is expected."

"Moreover, the Administration's trickle-down policies assure a major share of any economic expansion in 1972 will go to big business and wealthy families," AFL-CIO said.

Abel's statement charged that the Administration's tax measures, rather than stimulating the economy, have added to the government's growing financial trouble. "The expected \$39 billion deficit (for Fiscal 1972) is caused by the loss of \$27 billion in tax receipts . . . due to subsidies in the economy; and high unemployment will add \$3.5 billion to unemployment insurance payments." On top of "these kind of troubles," the Administration's tax giveaways to business—more than \$5 billion this year, rising more than \$10 billion annually by the end of the decade.

The AFL-CIO analysis said real unemployment may be a million or more higher than government reports of 5.4 million jobs. This is because several hundred thousand people have stopped looking for work after months of fruitless search, and are no longer included in the official unemployment count.

"In order to make a significant dent in the high level of joblessness about 2.5 to 3 million new jobs required in the next 12 months—larger employment increase than any single year of the 1960s."

This would require a 7 percent increase in the total national output for 1972, and a similar increase in 1973 "in order to approach employment rapidly." The federation's Economic Policy Committee called for "immediate, self-government measures . . . to create jobs, boost sales and lift production—to provide the increasing number of job opportunities for the unemployed and the rapidly growing labor force."

Retail Clerks Po Baltimore Victory

Baltimore—The Retail Clerks made the first breakthrough in organizing department store employees in this area as a unit of 161 employees at a Hutzler Co. warehouse chose to be represented by RCIA.

Employees voting in the National Labor Relations Board election chose 84 votes for the RCIA and 70 for no union. There were nine challenged ballots.

The organizing campaign was coordinated and directed by RCIA Clerks Rep. Larry Sauter, Maryland State Sen. Clarence M. helped distribute union literature at the warehouse gate on the night of the election. AFL-CIO Regional Director Walter Waddell said the effort was a significant element in the victory.

Full Labor Law Coverage Sought For State-Local Public Employees

Three unions representing public employees testified to the need for collective bargaining machinery covering state and local workers as a House Labor subcommittee opened hearings on an assortment of bills.

Subcommittee Chairman Frank Thompson, Jr. (D-N.J.) saw "three options" deserving of consideration:

- To cover state and local employees under the existing machinery of the National Labor Relations Act. Thompson has introduced a bill to that effect, but said he was not wedded to that approach.

- To establish a separate federal agency to regulate public employment relations, as provided in a bill introduced by Rep. William Clay (D-Mo.).

- To leave the problem to the states, as is the case now, in the hope that the "progressive" rather than the "reactionary" state laws will become the pattern.

Jerry Wurf, president of the State, County & Municipal Employees, put his union firmly behind the Clay bill.

He termed "a uniform and national law" essential to responsible labor-management relations in the public sector. Existing state laws, he said, are "a shameful hodgepodge."

A federal law is needed, Wurf said, because state and local employees are entitled to "the same kind of rights and protections" given to workers in the private sector through the National Labor Relations Act.

But he argued that creation of "a new and separate agency" parallel to the NLRB is essential because government workers "have no analogy in business and industry."

He proposed that federal legislation include "impass mechanisms that can deal with most public employee disputes, allowing for the right to strike with certain restrictions where there is in the opinion of a federal court a clear and present danger to the public health and safety."

The Service Employees, representing a substantial public employee membership as well as private industry workers, told the subcommittee that state and local workers should be brought under the NLRB as provided in the Thompson bill.

Richard Liebes, research director for SEIU locals in Northern California, said the conditions that led Congress to set up federal labor relations machinery in the private sector are just as applicable to the public sector.

Where the federal labor law applies, he said, "the dramatic and often violent struggles for union recognition in private employment are things of the past." But too often public employees have "no place to go except into the streets to fight for recognition."

For both "philosophic" and "practical" reasons, he testified, the Service Employees support coverage of public workers under the same ground rules that apply to private industry.

To the extent that proposed separate machinery parallels the existing federal law, the union asserted, "it is unnecessary. To the extent that it differs, it is a potential source of confusion and friction."

Separate labor relations machinery through the Clay bill won the endorsement of the Fire Fighters, however.

Jack Weller, IAFF's research director, said the nonprofit role of public employers has created differences with the private sector that should be recognized.

In the fire service, he said, officers and men work "in close harmony because . . . our lives depend on it" and share likewise the responsibilities of union membership. Under the NLRA, he noted, officers would be excluded.

His union, he told the subcommittee, does not favor strikes because of the "special responsibilities of the fire service to the community."

But unless there are mutually accepted methods for resolving deadlocks and impasses in bargaining, "collective bargaining becomes a sham" without a right to strike.

The time has come, the union urged, "for a common sense federal law for governing the collective bargaining process throughout the states, counties, cities and towns of this nation."

Labor Ohio

Continued in the next issue of the Labor Ohio newsletter. The Pay Hike increase in labor membership in the increase in the exact number of members the state labor union.

The state labor union has a 7 percent increase for the 12 months ending Nov. 14, the increase ended the movement of the state labor union.

The board of directors of the state labor union has a special session to discuss the state labor union's financial situation. The board will meet on Nov. 14, 1972, at the state labor union's headquarters in Columbus, Ohio. The board will discuss the state labor union's financial situation and the state labor union's future plans.

'Move Over, We're Coming In!'



A Word Edgewise:

Liberal Democratic In-Fighting Obscures Tricky Dick's Record

By John P. Roche

THE OTHER NIGHT I made a serious mistake: I went to a meeting of liberal Democrats to discuss the upcoming presidential primary in Massachusetts.

Arriving late, I thought initially I had come to the wrong location, there seemed to be a wild argument in progress that resembled one of those way-out therapy sessions. You know, the scene in which one character is playing a trumpet, two more are beating each other with pillows, three are engaged in yoga exercises, and another half-dozen are reciting poems, praying to Allah, or simply shrieking their heads off.

Things sorted out a bit after a while, but much of the ensuing evening was spent in quite bitter personal exchanges. "How can you be for Muskie? He supported Vietnam and pollution." "McGovern is a liar—he refused to join Morse and Gruening against the Tonkin Gulf Resolution and didn't oppose the war until 1966." "Jackson is an agent of the military-industrial complex, a phony liberal." Humphrey—oh Lord, poor Humphrey: "Johnson's flunky," "Opportunist," etc., etc.

In my reportorial capacity I threw another name in whenever the conversation slowed down, but there is no point in going on to Lindsay, McCarthy, and Chisholm. On any vote, there would have been a majority for the man who had

ident of the United States and undoubted Republican candidate for re-election in 1972.

I threw his name in once just to see what happen. Nothing happened. The disputants looked at me as if I had dragged in an irrelevant as if I had, say, mentioned Queen Elizabeth and went back to chewing at each other.

As a historian, I find this incredible. More than 20 years ago the mention of Nixon would have set the whole crew frothing.

He was, politically speaking, the devil who had successively knocked off George Wallace, Jerry Voorhis and Congresswoman Helen Chase by suggesting they were, if not open party-line dupes. In 1954 he went so far as to suggest that the Democrats were traitors. If he had been the GOP candidate in 1956, I suspect we likely would have backed Richard Russell to beat

NOW RICHARD NIXON has an enormous impact on the liberals; indeed, he is at large. Nobody seems to love him, but—far more significantly—neither do they hate him. The contrast came across vividly in a few weeks after the Democratic National Convention in Chicago, candidate Nixon rode the car down streets packed with anti-war protesters. There were no pickets, no demonstrations, no nothing. After the

Reforms Pressed in

Extra Fees, Closing Costs

By Sidney Margolius

FAMILIES LOOKING FOR HOME in recent months have been shocked by the cost of \$1,000 and more even on modest homes and as much as \$3,500 on big ones. Closing costs in recent years have soared, along with the price tags on homes. Frederick Waddell, education director at Counseling Centers in Michigan, says he and his wife encountered closing costs ranging from \$700 to over \$1,300 on a house priced from \$23,000 to \$25,000. Included in these extra charges were fees for such items as a title search, appraisal and survey fees (even on a brand new house).

Waddell is a determined consumer. He is a former university instructor in economics. He didn't take these extra fees, but questioned them. The builder's estate agent typically argued, "That's required by state law," or "Everybody does it." The house the Waddells finally bought cost \$24,000 plus closing costs of \$1,127.

Waddell also complained to the state Department of Banking & Regulation. He pointed out that the mortgage company required that homeowners be included in the escrow payment for the house despite the fact that he already had insurance paid for three years in advance. He had to pay a fee for a credit report and a bank even though the bank also charged a "service fee" of 1 percent of the amount of the mortgage (an extra \$200 in the case of a \$20,000 mortgage).

There is no doubt that these and other extra charges as title insurance have become a major holdup at the expense of homeowners. One of the most flagrant overcharges is title insurance. Bills have been introduced by Sen. William Proxmire (D-Wis.) and Rep. Wright Patman (D-Tex.) to control the worst aspects of such insurance.

Home buyer is a captive market for title insurance. The banks and other mortgage lenders insist you buy it to protect their "equity" in the house. That means that if the title to the house proves faulty, the title insurance company will pay the mortgage lender the remaining balance on the mortgage. For example, if the title turns up who can prove the house actually is on his land. The national title insurance companies charge you \$2.50 per \$1,000 of mortgage to insure the lender against possibility.

This arrangement protects only the lender. Homeowners who want to insure yourself against loss

Resolution for Quality:

Nixon 'Educational' Sailed as Promise

NIXON'S new plan for "educational reform" was branded an empty promise that

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Meany Rips Nixon Policies Of Aid to Business, Wealthy

Senate Unit Votes \$2.20 Wage Floor

Senate subcommittee has approved a labor-supported bill that raises the minimum wage to \$2.20 an hour and expand coverage to 6 million additional workers.

Administration supporters are expected to battle in the full Senate. The Committee to trim the legislation and to carry it to the Senate floor if they win the committee.

The legislation introduced by Senate Chairman Harrison (D-N.J.), the Senate Labor and Human Resources Committee.

The bill would raise the minimum wage for non-farm jobs covered by the Labor Standards Act from the present \$1.60 to \$2.20 a year later.

The minimum wage for all farm workers at \$1.60, with step-ups to \$2 and \$2.20.

The farm worker minimum wage at the present \$1.30 to \$1.60, with future step-ups to \$2 and \$2.20.

The bill would abolish the lower wage schedules for Puerto Rico, providing 20-cent annual increases until parity with the mainland is reached at the \$2.20 level.

The bill would extend coverage to include workers not now protected by the Domestic Household Workers Act, including groups of farm workers in trade and service industries.

Rail Union Urges U.S. to Require Penn Central

Transportation Union Pres. Al H. Chesser urgently recommends Congress take the bankrupt Penn Central Railroad from the hands of the public and "place it in the hands of public officials whose duty will be to make the railroad a viable transport system for the East."

The 150,000-member union has 18,000 Penn Central employees. Chesser told a press lunch that the carrier's financial enterprise system is a disaster.

Chesser said that it was "a disaster, killed by mismanagement, killed by colossal losses."

Chesser said that the public should not be put in the position of bailing out those who gambled and lost. Chesser's recommendation for Congress should take



WAGE EARNERS are paying for the Nixon Administration's favoritism to big business and banks, AFL-CIO Pres. George Meany tells the National Press Club in Washington.

5.2 Million Unemployed:

Jobless Rate Climbs As 'Mess' Continues

By Tom Castor

Unemployment climbed back near the 6 percent level that has prevailed for almost a year and a half and AFL-CIO Pres. George Meany declared that the increase, coupled with a new rise in the Wholesale Price Index, reveals "the continuing economic mess confronting the American people."

The jobless rate edged up to 5.9 percent in March on a seasonally adjusted basis after dipping to 5.7 percent in February. And although the number of persons with jobs made its greatest increase in nearly five years, there were still 5.2 million persons unemployed—not far

below the 10-year high of 5.5 million reached last July.

Meany noted that the unemployment rates were as high as 11.7 percent for unskilled workers, 10.5 percent for Negroes, 9.9 percent for 20-24-year-olds and 12.3 percent for veterans in that same age group.

Nearly 2.5 million persons who wanted full-time jobs were working part time.

"It is clear that the economy is not creating enough jobs for a rapidly growing labor force in a period of fast-rising productivity," Meany said.

Turning to the rise in wholesale prices, Meany said the March increase of one-tenth of 1 percent—following the massive rise of nine-tenths of 1 percent in February—underscores the continuing seriousness of the inflation problem.

"In the four months of so-called price controls since last November," he observed, "the Wholesale Price Index has risen at a yearly rate of 6 percent, compared with an increase at an annual rate of 4.6 percent in the six months from February to August 1971—before the President announced his new economic policy to combat inflation."

(Continued on Page 8)

Economic Record Scored as 'Dismal'

AFL-CIO Pres. George Meany charged the Nixon Administration with engineering a "massive redistribution" of income and resources to benefit big business and the wealthy at the expense of the rest of the nation.

While business and banks prosper, Meany said, "the American people are being fleeced at the supermarket checkout counter, squeezed in the pay check and compelled to bear an undue share of the tax burden."

The AFL-CIO president ripped into the Administration's "dismal" economic record in a major address to the National Press Club in Washington. (Excerpts, Page 5.)

He linked the "almost hysterical" White House reaction to the resignation of four labor members of the Pay Board to the Administration's continuing search "for a scapegoat to carry the burden of its colossal failures in the economic sector."

The burden of its failures, Meany stressed, has fallen hardest on those at the bottom of the economic ladder.

Business profits, spurred by the "flagrant favoritism" of the Administration's tax policies, are up sharply. And the result has been a shift in income and resources "away from those most in need, away from public programs of the highest social priority, and toward big business and the affluent elements of our society."

Meany spoke scathingly of the twists and turns of the Nixon Administration's economic game plans, the broken promises and wildly inaccurate predictions—and, throughout, the assumption by the President and his advisers "that economic progress begins and ends

(Continued on Page 8)

'Watchdogs' To Step Up Price Probe

By John R. Oravec

Organized labor's price watchdogs were told to accelerate their nationwide monitoring activities despite the frustrations caused by the failures of the Nixon Administration's Phase 2 controls.

The message was delivered to 500 delegates attending the week-long session of the AFL-CIO National Conference on Community Services. While the focus was on the impact of runaway consumer prices, the delegates also explored other community and social problems.

Director Leo Perlis of the Dept. of Community Services charged that price controls are rigged in a way that makes it almost impossible to determine whether increases are legal or not.

But labor's monitors will not give up, he stressed. "We will accelerate our monitoring activities," not only in shopping centers, supermarkets and apartment houses, but also at hospitals and doctors' offices, he declared.

(Continued on Page 2)

40% of Corporations Found Escaping Taxes

Profits are booming for America's corporations, but the tax bite the government gets is no more than a nibble.

A newspaper study of Internal Revenue Service statistics found that more than 40 percent of U.S. corporations pay no federal income tax and some of the biggest companies pay only token amounts.

One set of depreciation and deduction loopholes enables a high proportion of companies to "erase" their operating profits and show a paper loss on their tax returns.

Another set of tax credits, loopholes and carryover provisions can reduce the tax obligation on hundreds of millions of dollars of net income to token amounts.

The tax data uncovered by Scripps-Howard reporter Robert Dietsch bolsters charges made by Rep. Charles A. Vanik (D-Ohio) that corporations are becoming "freeloaders" in the U.S. economy while the tax burden is increasingly shifted to the wage-earner who "pays on every dollar of income."

The average taxpayer, Vanik noted, "has no depreciation gimmicks." (Continued on Page 8)

Consumer, Worker Suffering:

Meany Rips Nixon On Dismal Record

(Continued from Page 1)
in the stock market and corporate financial reports."

Item by item, Meany compared the state of the economy when Pres. Nixon took office with conditions after more than three years of the Nixon Administration.

He cited unemployment up more than 2 million, with a fourfold rise in the number of long-term unemployed.

He noted the nearly tenfold rise in the number of major industrial areas with over 6 percent unemployment—and the drop in the total number of workers employed in manufacturing and construction.

And, Meany stressed, after a decade of steady decline, the number of people below the poverty level moved up again.

Last year, he noted, for the first time in 79 years, the United States had a trade deficit which this year is threatening to grow even larger.

"How's that for a record?" Meany asked.

America needs more than "a new bag of tricks" to regain economic health, he stressed.

"We have been promised effective policies to combat inflation. Where are they?"

"We have been promised a sharp reduction of unemployment. Where is it?"

"We have been promised that the Administration's international economic measures, including devaluation, would eliminate the deficit in international trade and create 500,000 new jobs. Can you find any shred of convincing evidence that this process is even under way?"

Meany reiterated the AFL-CIO's continued willingness to cooperate in an "even-handed" stabilization program that would include controls on all prices, costs and incomes—including profits.

But he stressed, "we will not be patsies for an unfair, inequitable and unjust program that is loaded against the consumer and workers, in favor of big business and the banks."

And that, he made clear, is how labor views the Nixon Administration programs.

Ford Executives Get Cadillac Pay

It's not too hard to get a big raise from a large corporation—at least not if you're the chairman of the board or the president of the company.

Take the Ford Motor Co. Henry Ford 2d, chairman of the board, collected \$689,000 in salary and bonuses last year—up \$189,000 or 37.8 percent from the previous year.

Company Pres. Lee A. Iacocca was paid only \$675,000. But on a percentage basis, he did better. That was a 48.3 percent increase over the previous year.

Overall, top officials of the company had pay boosts averaging 27 percent.

Rail Union Urges U.S. Acquire Penn Central

(Continued from page 1)
nationalization as the only means of preserving the Penn Central came as a presidential emergency board opened hearings into the latest dispute between the railroad and the union.

The Penn Central had unilaterally sought to lay off 6,000 conductors and brakemen as of Apr. 1, and the union had warned of retaliatory action when Pres. Nixon invoked the emergency board provisions of the National Railway Act. This prevents either party from taking action for 60 days while the board hears arguments and prepares recommendations.

Named to the board were Francis A. O'Neill Jr., as chairman, a former member and chairman of the National Mediation Board; Frank J. Dugan, a professor at the Georgetown University law school, and James J. Sherman, economics professor at the University of Southern Florida. All have served as arbitrators and mediators.

A similar board was named by Nixon in a contract dispute involving the Machinists Workers, who represent airport shopcraft workers on the nation's carriers. They are the only union that has not reached a contract agreement with the carriers since 1968.

McDermott of Pittsburgh. The latter two are lawyers and arbitrators.

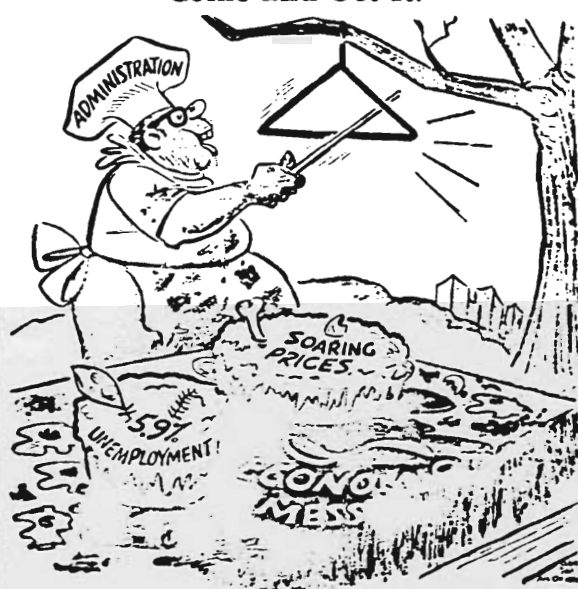
As the emergency board opened hearings on the UTU-Penn Central dispute, the union reiterated the recommendation for nationalization as an alternative to the price that the trustees of the bankrupt line say must be paid to save the carrier.

The trustees not only want to reduce the size of train crews, which are standard for the UTU on all railroads, but they also propose ultimately to slash 3,800 other jobs and drop 9,000 miles of the Penn Central's 20,000 miles of track. The carrier also wants the right to determine the size of train crews unilaterally.

Although the union noted that nationalization was not in the province of the board's possible recommendations, it added that neither should the board recommend for the carrier on the basis of its claimed needs for reorganization.

As far as crew sizes go, UTU Attorney Lester Schoene pointed out that the Railway Labor Act, bargaining history and the courts have held that crew size "must always be a subject for local bargaining."

On the subject of the carriers' demand for a 10 percent pay raise, the union said it would consider the offer only if it was part of a comprehensive package.

'Come and Get It'

Jobless Rate Hits 5.9% As Labor Force Grows

(Continued from Page 1)

Meany said that while consumer attention has been focused on soaring food prices, the wholesale price of items such as hides, skins, lumber and plywood have continued to rise and will have their effect at the retail level in the coming months.

"The American people need jobs and an end to inflation—rather than promises and optimistic statements," the federation president said.

The Bureau of Labor Statistics said that the price of farm products and processed foods declined during March by four-tenths of 1 percent after several months of sharp increases.

The overall increase in wholesale prices was the smallest in five months after increases of eight-tenths of 1 percent in December and January and nine-tenths in February.

In its report on jobs, the BLS said that total employment rose 620,000 during March, seasonally adjusted, the largest monthly gain since June of 1967.

The increase was primarily among men, both adult and teenagers, although the BLS reported that the unemployment rate for those in the 16-19 age group was nearly 18 percent.

The actual number of jobless showed a decline of 200,000 in March, but on a seasonally adjusted basis, this represented an increase of 160,000 unemployed.

The number of workers unemployed less than five weeks was 2.3 million, 170,000 above the level of the previous month.

Those unemployed 27 weeks or more totaled 633,000, a decline from February, but the average duration of joblessness remained about the same at 12.4 weeks—almost a full two weeks longer than a year ago.

Nearly a half-million Vietnam veterans were unemployed of the 4.1 million currently in the labor force.

Paul Sifton Dies at 74, UAW Staffer, Writer

The overall jobless rate for veterans in the 20-29 age group stood at 8.6 percent, up from the 7.4 percent rate of February.

For nonveterans in the same age group, the unemployment rate was much less at 7.5 percent.

Private, nonfarm payroll employment rose more sharply than it usually does between February and March. After seasonal adjustment, the number of payroll jobs was up 275,000 to 72.0 million.

Manufacturing employment rose by 90,000 last month to 18.8 million, up 310,000 from its August 1971 low.

The BLS said that two-thirds of the increase occurred in the durable goods industries, with the largest gains taking place in primary metals, fabricated metals and electrical equipment.

The average workweek for rank-and-file workers on private nonfarm payrolls was little changed at 37.1 hours. Factory overtime inched up one-tenth of 1 hour to 3.3 hours, the highest level since January 1970.

Average hourly earnings rose 2 cents during March to \$3.57, and the gain in hourly earnings coupled with the small rise in weekly hours resulted in an increase of \$1.09 in weekly pay to \$131.73.

After seasonal adjustment, however, the increase amounted to only 73 cents in weekly wages for the average worker.

40% of Corporate Found Escaping

(Continued from page 1)
micks, no tax-free bonds, no capital gains."

Vanik, a leader in the liberal Democratic drive for tax reform, said the 1971 tax legislation pushed through by the Nixon Administration as part of its "new economic policy" has turned out to be a gigantic tax giveaway to a few special interests.

Corporate profits shot up \$10 billion last year, Vanik noted, but because of the new loopholes the corporate tax liability in the fourth quarter of 1971 was only \$1.4 billion, down from \$2.4 billion in the third quarter.

Space Benefits To Labor

The proposed door to work in space beyond isolated the noted Werner von Braun meeting Labor Press in Washington.

Von Braun, of space power LeRoy E. Rife, the space station labor editors jobs may even future space remains to be money Congress project

For fiscal the space \$220 million development reach \$5.5 billion the space reduce the inasmuch as used for labor returning them useable

At its Feb. 15 AFL-CIO adopted a progress to vote for the space

"It will make as the airplane continents will provide science and national defense

2-11-72

allowances shed up, 1971

Thus, U.S. Steel taxes to the income In fact, in taxes to the U.S. greater op

Vanik cited companies operating to show and the pro

APL-CIO NEWS, WASHINGTON, D.C., MAY 13, 1972

'Well, We Got Something Frozen!'



A Word Edgewise:

'Instant Explanations' Confuse Media Coverage of Primaries

By John P. Roche

IF YOU HAVE TROUBLE making sense out of the primaries, welcome to the club. The American system of nominating presidents is at best confusing, and this year the media seem determined to make it utterly inexplicable.

The political reporters for the New York Times, for example, seem oblivious to the extremely expensive Yankelovich Surveys, which often appear in adjoining columns of that newspaper. An editorial problem is created by what is known as "advocacy journalism," which argues that a reporter creates in immoral behavior if he does not follow the flag for his personal convictions, i.e., the dice.

Thus a supposedly straight news story may in fact be full of ideological ballast. The Manchester Union Leader's job on "Moscow Muskie" so far leads the field in this respect, but the dagger can be inserted with somewhat more sophistication.

There was a choice little item in the Times which, with seeming impartiality, discussed Sen. Henry Jackson's campaign organization in Oregon.

It noted that Congresswoman Edith Green had agreed to spearhead the effort, and then came the technically correct statement that in 1968 she had organized Sen. Robert Kennedy's campaign to carry primary a Kennedy ever lost. Zap.

The real difficulties arise, however, from the fact that most commentators are under the gun: their editors are demanding "instant explanations." Two thousand words have to be provided by next morning, long before it is possible to investigate the election results in depth.

And when the depth explanations do appear, maybe a week or so later, most people have forgotten what it was all about. What readers do retain is that last sharp image: "McGovern Sweeps Massachusetts," "Muskie Double Loser," etc.

Suppose the morning after the Massachusetts primary, when you owned your paper, the head-

two and a half million registered voters; McGovern got about 250,000 votes.

If you go into this more deeply, you find that there are at present two "turned-on" constituencies: the McGovernites and the Wallaceites.

They are the people who, for different reasons, want to hit that lever. The McGovernites want McGovern to be President; the Wallaceites because they think that a vote for Alabama governor is a nice way to blackball the Establishment. (Most Wallace voters shudder at the thought of his actually winning White House, a fact that explains why there is no mathematical relationship between his vote and what he might receive in November.)

BACK TO MASSACHUSETTS: nearly a quarter of all registered voters turned out to the primary; despite all the talk about money and the infusion of youth, this percentage was the same as in 1968. They belonged to the "turned-on" constituency in this area. McGovernites. I would estimate from personal knowledge of my area that perhaps 90 percent of McGovernites voted, and a check with reliable reporters elsewhere indicated that the same was true. If correct, that means that we have perhaps 300,000 McGovernites in the commonwealth.

Now to the other side of the coin: the participants. Probably not more than 8 percent of the Muskie-Humphrey constituency turned out, totaling around 150,000, but suggesting there are a good 600,000 of this inert constituency around—twice the McGovernites.

In short, when the primary reports come out, the pundits begin to lay on the superlatives. Your shirt on until you have obtained two pieces of information: (1) What percentage of the vote did McGovern get? and (2) Who were they?

LOOK FOR THE UNION...

Interpreting Performance:

Shoddy Reasoning Imperils Education

The following is from a column by Albert Shanker, president of the United Federation of Teachers in New York City, that appeared in the New York Times; Apr. 30, 1972.

RECENTLY I RECEIVED a telephone call from a school superintendent in a Connecticut district. "For many years," he told me, "I've been arguing with my school board and with the community. I've urged greater expenditures for schools in order to improve education. Now I'm in an impossible position. Whenever I urge more money, I'm handed a reprint of a recent article in the Wall Street Journal which shows that the more money spent on educating students, the less they learn. Is that really true?"

The caller was referring to an article which appeared on Mar. 31, 1972, "Should States Finance Schools?" by Dr. Roger A. Freeman, a senior fellow at the Hoover Institution on War, Revolution and Peace at Stanford University who formerly served in the administrations of Presidents Eisenhower and Nixon.

In the article, Freeman discovers a "surprising fact: the higher the expenditures per pupil—the smaller the class size—the lower are pupil achievements—and vice versa."

Freeman cites as his source of information The New York City School Fact Book, published not, he says, by Queens College of the City University of New York, but by the Institute for Community Studies at that college.

The Institute is directed by Marilyn Gittell, author of the Bundy Report on school decentralization and numerous other reports and pieces of research on decentralization.

With the Fact Book as his reference, Freeman announces: "... There were in 1967-68, 30 schools with a total of 900 elementary schools) in which per-pupil expenditures exceeded \$1,100. They averaged \$1,330. Then there were 101 schools in which per-pupil expenditures were below \$600. They averaged \$551. In other words, the first 30 schools spent about 2½ times as much as the second. The teacher-pupil ratio was 1:12.3 in high-expenditure schools, 1:25.9 in the low-expenditure schools—or more than twice as high. The reading skills of the students in the high-expenditure, large-class schools averaged below grade level; in the high-expenditure, small-class schools below grade level.

This is not just an accident. A review of the data and of reports from other cities shows that high-expenditure, small-class city schools are one with low educational achievement. Freeman goes on to assert that while New York City school expenditures have been rising each year, "... educational achievement has been going down year after year."

These are the views of one man only, they are no more than casual attention. But the fact is that these dangerous views are the mark of an odd coalition of the right and the wealthy right embracing them as a reason for withholding adequate fiscal support.

Biemiller Warns

All Industries Face Threat of Compulsory Arbitration

THE NIXON Administration's bill for compulsory arbitration of transportation disputes will lead to forced settlements through the AFL-CIO Legislative Director Andrew Biemiller warned.

Both the Nixon and Packwood bills of extending compulsory arbitration to all of industry, Biemiller charged, "is so wide that if you take it to its logical end, it just doesn't make sense."

For example, a seamen's strike would only about 7 or 8 percent of the total leaves this country, and...

port for education, "relevancy," "ies" and "the keys to education."

The shoddy parent. Math because they are poor. Freeman's would be more money and hospitaliest individualists and to ease is to and welfare.

Freeman's low achievement, "high expenditure and more children in slums, and discrimination against them."

Our interpretation from Dr. Freeman's relationship between expenditures and even though the advantaged students spending enough.

Or it may be some difference, they fund school factors.

RECENT made it abundantly clear that economic interests are humane considerations.

Pres. Nixon's within the last year, he opposed the view that the achievement. Views to the point rather than business.

Fortunately, search findings show small classes for put up by wealthy the present methodities to the does make a difference.

Dr. John E. O. school fiscal reform inadequate to improve poor districts should opportunity to be denied.

We submit that words, has made national betterment article in the Wall Street Journal.

The form...

work radio interview...

Biemiller pointed...

gress over the year likely—if they are critical situation—isolation, rather than in the Administration said it is very doubtful compulsory arbitration Senate Labor Committee.

Senate Votes to Cut Back on Job Safety

House Limiting Scope

joined the House of workers that Safety & Health passed with such ago is not in- them on their

441 to prevent the from enforcing the inspectors into that employs 15

better than the days earlier had workplaces with. The Senate on the House- and a House- committee will the difference.

Senate version pre- it would be a on-the-job safety standards—a sharp workers and a victory small business lobby.

House bill, an esti- workers would coverage. The Sen- 15 million

strong enforcement the Senate to repair ne by the House. Democrats and 14 on hand to op- worker cutoff. They a coalition of 28 17 Democrats.

Page 6.) (R-Neb.) spon- ment for the 25- safety inspection. he succeeded votes that made lowering the ex- 15.

legislation faces through not be- ing effect on job

and Senate ac- on an appro- funds for the Education & Wel- Dept. and other Nixon Admin- Both houses money for federal and health pro- is \$1 billion budget request; that amount.

(R-Colo.) that there was a veto.

groups are legislation the job safety.

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Nixon Price, Job Policies Sharply Scored by Meany



THE "FINEST AMBASSADOR" of the Musicians, Duke Ellington, is honored with a lifetime membership card presented by Pres. Hal C. Davis at the union's 75th convention in Honolulu. AFM Pres. Emeritus James C. Petrillo is at left. (Story, Page 3.)

Through Voluntary Donations:

High Court Upholds Union Political Role

The Supreme Court has strongly reaffirmed the right of unions to have political funds and to make contributions to candidates for federal office from such funds so long as the funds consist of donations voluntarily made by individuals for political use.

By a 6-2 decision the Supreme Court reversed the decision of the lower federal courts and rejected the contention of the Justice Dept. that contributions to candidates for federal office are illegal if made from a fund which is controlled by a union or by union officials, whether or not the individual donations to the funds were voluntary.

The court's ruling upheld the contention of the AFL-CIO as set forth in its brief filed with the court that the intent of Congress when it passed the Taft-Hartley Act, and previous court decisions, made it clear that unions may operate political funds so long as the individual donations to such funds are made voluntarily and with the understanding that they will be used for political purposes.

The federation brief was filed in a case involving the conviction of three officers of St. Louis Local 562 of the Pipefitters for violation of the Federal Corrupt Practices Act.

The court sent the case back to the District Court, holding that its instructions to the jury were clearly erroneous because they permitted the jury to convict simply on the basis that the fund was union controlled, and without finding that donations to the fund had been actual or effective dues or assessments.

In his decision for the majority, Justice William J. Brennan, Jr.,

Assails Administration On Consumer Aid Pose

Sacrificing American jobs on the theory that imports from low-wage areas of the world will keep consumer prices down "is absolute pure bunk," AFL-CIO Pres. George Meany said in a sharp attack on the Nixon Administration and its special-interest business allies.

Despite rising imports and Nixon's economic policies, Meany said, consumer prices have continued to soar.

He called on the Administration, in the name of fair play and decency, "to either control all prices or scrap the whole damn program."

American workers are America's consumers, Meany stressed in a speech to the convention of the Electrical, Radio & Machine Workers (IUE).

"And if they lose their jobs to these foreign imports, where the hell are they going to get the money to consume anything?" Meany demanded of the Administration and those "posing as champions of the consumer."

Meany said one of the barriers to passage of the Burke-Hartke bill that would regulate imports and multinational corporations is an effort by business groups to brainwash the public into thinking that imports keep prices down.

"Since 1964, imports have tripled," he noted. "But prices have continued to go up. Since 1968, imports have gone up from \$20 billion to \$30 billion. And the prices went through the roof. Today, 20 percent of the automobile market in this country consists of imports. Yet, auto prices are still going up."

The federation president noted that the 900,000 jobs lost to imports in the past five years amount to more than 1 percent of the

(Continued on Page 2)

Trades Hit Drive to Gut Davis-Bacon

Building trades unions called on Congress to reject an attempt to gut the Davis-Bacon Act by exempting federal housing projects from prevailing wage requirements.

Pres. Frank Bonadino of the AFL-CIO Building & Construction Trades Dept. ripped into bills introduced by two conservative Republican senators at hearings held by a Senate Housing subcommittee.

The bill by Texas Sen. John G. Tower would weaken the Davis-Bacon Act, and Tennessee Sen. William E. Brock's proposal would overrule collective bargaining agreements dealing with construction methods. Its effect, Bonadino said, would be to prevent unions from negotiating on new construction techniques.

Sharply rejecting the claim of the sponsors that the bills would hold down housing costs, Bonadino told the Senate panel that the

(Continued on Page 1)

Emergency Jobless Aid Extended by Congress

Congress voted to keep alive an emergency program of extended unemployment benefits in states with the highest unemployment.

If final action hadn't been taken before Congress adjourned for a two-week recess, jobless workers in the 18 high unemployment states and Puerto Rico would have been ineligible for further weeks of benefits after their state programs run out. The current law, which took practical effect only last February, was due to expire on June 30.

The House voted a six-month extension of the law on June 28 by a 273-110 vote. The Senate cleared it the next day for the President's signature. The new bill finances the program through a slight increase in the unemployment insurance tax paid by employers in all states.

Labor Rallies Support Victims of Floods

Organized labor rallied to the support of tens of thousands of unionists and their families left homeless and property ravaged major industrial sections of the Mid-

west experts from union ranks—assigned to the Red Cross in hard-hit areas. Other flooded areas in cooperation with AFL-CIO local unions and other

and counties Pennsylvania, New Virginia and West

The Ladies' Garment Workers immediately pledged \$1 million for the relief of garment workers and their families in Pennsylvania, as well as other forms of assistance.

Union Victory Bank

Professional Employees
recognized as the bar-
ometer of the more than
the National Bank
one of the major
banks in the District

came after an over-
sight of bank em-
ployment cards for
ration.

A organizing cam-
paign drive by small
employees, as-
National Right to
life, seeking to block
recognition. A bank
that only 32 signa-
ture petition when it
to the bank's man-

tion of the OPEIU
union bank was the
organizing victory
during the month
er, 1,700 employees
held in San Fran-
cisco voted for OPEIU

Howard Coughlin
Washington effort as a
story for white col-
Coupled with the
pro-union vote of
employees, it dis-
cusses' tale that banks
companies are almost
organize."

noted that within the
more than 6,000
workers have joined

OPEIU Local 2 said
negotiations are ex-
under way within a
management rep-
the National Bank

to Bishop Strike st Farah

—A Catholic bishop
strong support for the
ers strike against the
cturing Co.

to the strikers, Bishop
tzger of El Paso said
as to defend demands
—the dignity of
ity of labor and the
ers to a living wage."

ers struck May 8
San Antonio after a
active union support-
ed by Farah, one of
largest manufacturers
racks and sportswear.
spread to plants at
ex. and Las Cruces
rque, N. M.

Bishop Metzger told
you are entitled to a
and . . . you have a
ative bargaining to re-
g wage."

FL-CIO Pres. George
all trade unionists to
struggle by boycotting
cts.

ers, mostly Mexican-
also received a pledge
the boycott from two
s groups in Philadel-

atement by James H.
dent of the Negro
Leadership Council.
Atcovitz, chairman of
Labor Committee,
support to the goals
unitarian campaign."

for the Farah workers
America would be that
" they said.

For a better TODAY

THE 1972 CONVENTION



"EITHER CONTROL all the prices or scrap the whole damn program—that would be the fair and decent economic policy for the Nixon Administration to pursue, AFL-CIO Pres. George Meany tells IUE convention delegates.

Court Limits Access To Union Organizers

The Supreme Court has ruled that a company can order union organizers off its parking lot without committing an unfair labor practice.

The ruling was coupled with another holding that owners of large suburban shopping centers can bar distribution of political leaflets from their premises.

The decisions indicated a halt or reversal to a series of decisions that started in 1968 to the effect that large shopping centers and other such places be open to leafleting, union organizing and other expressions of political opinion.

In the parking lot case the court ruled 6 to 3 against the Retail Clerks. The court, with Justice Lewis F. Powell, Jr., writing for the majority, said Central Hardware Co. in Indianapolis could enforce a no-solicitation rule against union organizers without violating the Taft-Hartley Act.

The high court held that the NLRB and the circuit court erred in their reading of a 1968 decision that allowed peaceful picketing by union organizers on a parking lot within a shopping center. The court stressed the fact that no large shopping center was involved in the Indianapolis case, just company parking lots.

Powell made the point in his majority opinion and also in the shopping center opinion, adopted by a 5 to 4 vote, that great consideration must be given to property rights.

The shopping center case involved the distribution by anti-war advocates of leaflets at the 50-acre Lloyd Center in Portland, Ore. The decision by Powell was supported by Chief Justice Warren E. Burger and Justices Harry A. Blackmun and William H. Rehnquist, all appointees of Pres. Nixon, and Justice Byron R. White.

Making the case for property rights, Powell wrote, "it would be an unwarranted infringement of property rights to require them (the owners) to yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist."

The 1968 decision said that a large shopping center's refusal to let union members picket on the

Legal Counsel Named For Job Safety Panel

Donald F. White, executive vice president of the American Retail Federation, has been appointed general counsel of the Occupational Safety & Health Review Commission. The commission handles appeals on decisions imposed under the federal job safety health law.

sidewalks outside a store violated the workers' First Amendment rights. Powell held it did not apply to the anti-war protestors because their campaign could be accomplished outside the center.

The 1968 Warren Court decision made the point that large shopping centers have many of the attributes of a public facility and free speech rights have to be taken into consideration.

Justice Thurgood Marshall, joined by Justices William O. Douglas, William J. Brennan, Jr., and Potter Stewart, dissented, defending the 1968 decision and its constitutional reach in the area of free speech.

In the Retail Clerks case, the AFL-CIO had filed a friend of the court brief contending that a company parking lot cannot be put off limits to union organizers where there is no other practical method of reaching all of the workers.

Under present patterns of workers living in scattered areas of a city and its suburbs and driving cars to work, the AFL-CIO brief said, neither street meetings nor personal contacts off the job are feasible. The costs of trying to reach one group of workers in a metropolitan area with television, radio and newspaper advertising is likewise unreasonable and impractical, the brief noted.

Meany Scores Nixon-Business Ties In Setting Policies on Prices, Jobs

(Continued from Page 1)

American labor force. Some 120,000 jobs, alone, have been lost in the American radio-television industry during that period.

The reason for the loss, he stressed, is not that American workers have priced themselves out of the market—as the Administration and its friends in big business are often fond of implying.

Nor is it because the workers being paid wages 50 to 90 percent less in Taiwan, Hong Kong, Mexico, South Korea and Japan . . . are more skilled and more productive than American workers.

Meany placed the blame on "the insatiable greed of profit-hungry American-based multinational corporations that are exporting Ameri-

Jennings Tells IUE Delegates? 9 9

Defeat of Nixon K To '73 Bargaining

Pres. Paul Jennings of the Electrical, Radio & Machine-
warred delegates to the union's 15th biennial conven-
Pres. Nixon is not defeated in November, electronics mu-
will have a staunch ally in the White House for 1973 ne-
with the IUE.

Jennings deplored Nixon's failure to curb imports, which have cost 900,000 American jobs since 1966, scored the Administration's opposition to the Burke-Hartke bill and maintained that the President's economic stabilization program "must have been blueprinted by the U.S. Chamber of Commerce and the National Association of Manufacturers."

"This is a one-constituency administration," the IUE president declared in his keynote address.

"And that constituency is business. In every policy, on every issue, we have seen the Nixon Administration come down on the side of business."

The IUE, representing 300,000 trade unionists in 600 local unions has negotiations coming up next year with the General Electric Co., Westinghouse and other giants in the electrical industry.

Jennings told the delegates meeting in the nation's capital that a labor-management confrontation is much more likely if big business has an ally in the White House.

Jennings brought loud applause from the convention floor when he declared that "in a very real sense, our first negotiations of 1973 will come this fall, in the November elections."

One of the principal programs urged by the convention was "Remember November," a campaign aimed at raising money for COPE and getting out the vote "against Richard Nixon in November."

Jennings was elected to his third four-year term by acclamation along with Sec.-Treas. David J. Fitzmaurice, who will be beginning his second four-year term. Both men are 54.

The IUE's nine vice presidents are elected by the constituency of their respective districts.

In stating the union's all-out support of the Burke-Hartke bill to regulate foreign trade, Jennings detailed the history of closing after closing of electrical plants that have cost thousands of IUE jobs.

While American plants continue to lower the American flag for the last time and shut their doors to workers, Jennings charged that the Nixon Administration will not do "one thing

which might interfere
global chess game" of
national corporations.

"The President opposes
Hartke," Jennings said. "Because it will limit
of the giant U.S.-based
to sacrifice the jobs
bread of human beings
own profit."

"So the Nixon Admin-
has joined the Chamber of
merce, the NAM, the
Committee for American
other ad hoc groups in a
campaign of 'new protec-
protecting the companies
demands of the public."

Resolutions adopted during
first days of the convention
ed the following:

● Ecology—Calling for
tion in federal grants in each
next five years to aid mun-
ties in construction of
sewage treatment plants and
lation requiring employers to
claims that anti-pollution
ment will cause loss of jobs.

● Housing—Calling for
ate reduction of FHA-VA
rates and a firm commit-
to enforce the Fair Housing
1968.

● Noise Pollution—Call-
amendments to the Occup-
Safety & Health Act includ-
across-the-board reduction
bels from 90 to 80 an hour's
ing time and from 115 to 110
one-quarter of an hour of
working time and for a full
gation of noise and its effects
the public.

Hodgson Fills N Public Affairs P

Labor Sec. James D. Hodgson announced the creation of a
post of public affairs director
the Dept. of Labor and the ap-
pointment of an official of the
Board of Trade to fill it.

Hodgson named Frank S. Johnson, Jr., a former newspaper-
who is vice president and
relations director of the Better
Trade, which is the nation's
commodity exchange. Johnson
be responsible "for the develop-
and direction" of the Labor
public affairs program.

sh Bargaining, Legi-

musicians New Job I

There aren't enough
musicians and their union
the legislative halls for an
as the theme of Pres. H.
convention of the American
bargaining front, Davis
than 1,000 delegates, the
committed to negotiating
arm contracts as a neces-
to achieve new jobs and
rest of the economic pic-

agreements in the phono-
recording and motion pic-
turies have moved toward
he said. Previous agree-
both industries ran for
cars, while the new phono-
contract is for 16 months and
the industry agreement runs
ths.

the legislative area, he cited
thened laws against "musi-
cency" and the defeat of
ed high amusement taxes
performances in Rhode
and Connecticut.

union must concern itself
legislation, Davis stressed
his means we must partici-
the political arena."

gates were told that ne-
g procedures will result
payments to the Musi-
cance Trust Fund and
Payment Fund. The
Trust Fund pays the
musicians who perform
commercial special pro-
free to the public. Reven-
the Special Payment Fund
among recording musician

grades Sec n Preval

(Continued from Page 1)
to nullify the Davis-Ba-
"is not an anti-inflation
ere. It is simply an atter-
vert to the labor condi-
he early 1930s before
Bacon prevailing wage
passed."

said that "if this bill is r-
at stemming rising cos-
son, Jr., a former newspaper-
who is vice president and
relations director of the Better
Trade, which is the nation's
commodity exchange. Johnson
be responsible "for the develop-
and direction" of the Labor
public affairs program.

repaid Legal Plu conference Slated

The AFL-CIO has join-
the consumer, minority
der labor organizations
avening a national con-
ce on prepaid legal ser-
vices to help make
services more readily
able.

The conference, to be
Washington July 21-22
sponsored by top leaders
Consumer Federation
America, National Coun-
cils, A. J. R. Institute, Na-
tional League, Team-
to Workers and the A
10.

In a letter announcing
ference the sponsor-
is our hope to est-
permanent national
help make quality
prices available
paid plans to per-
sonate means who
ative legal representa-

AFL-CIO News



VII

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No. 29

Policy of No Endorsement Set in Presidential Election

Unions Win Challenge to \$1.90 Cutoff

Federal court has upheld challenge to the Cost of Living Council's ruling that only workers earning less than \$1.90 an hour are exempt from controls.

The decision was hailed by AFL-CIO Pres. George Meany as a vindication for our position and the intent of Congress that workers earning less than \$1.90 an hour should be exempt from controls.

The \$1.90 cutoff imposed by the Cost of Living Council, said Meany, "was wrong and unjust."

District Court Judge William H. Bryant agreed fully with labor's position that Congress clearly intended the President to exclude standard wages from controls and that its intent was to set an exemption standard based on an individual's income, not the poverty level used by the council.

Challenge to the \$1.90 level was filed by the Electrical, Machine Workers and the AFL-CIO and the others. Attorneys for all the organizations argued before Judge Jones.

They asked that all wages below \$1.90 be exempt from pay controls. Labor Statistics says \$1.90 is for the lowest of its family budgets.

Jones did not directly challenge the Cost of Living Council's figure. But he strongly

Contempt Finding Hits P. Stevens

Stevens & Co., the nation's largest violator of federal wage laws, has now been slapped with contempt citation for ignoring court orders to stop interfering with its workers' rights.

The U.S. Court of Appeals in New York held the giant steel company and six supervisors in contempt for violating a series of rulings handed down in 1962 and 1968 that ordered the company's illegal practices.

Stetson of the Textile Union of America said the court's finding of contempt marks yet another



EXECUTIVE COUNCIL'S decision not to endorse a presidential candidate is announced to a news conference by AFL-CIO Pres. George Meany. The council called for a maximum effort to elect senators and congressmen "whose records commend them to the working people of America."

On 47-46 Vote:

Senate Beats Move To Scuttle Wage Bill

The Senate beat back an Administration attempt to scuttle a labor-supported \$2.20 minimum wage bill that would extend coverage to millions of additional workers. A House-Senate conference committee will have the job of reconciling the Senate version with a vastly inferior measure the House passed last May.

A substitute bill virtually identical to the House version was defeated by the narrowest of margins, 47-46.

The substitute, sponsored by Senators Peter H. Dominick (R-Colo.) and Robert Taft, Jr. (R-Ohio) would have provided a two-step raise to \$2 an hour for most workers now at the \$1.60 level—as compared with the two-step increase to \$2.20 in the bill approved by the Senate Labor Committee.

Of at least equal importance, it would have eliminated additional coverage provided in the committee bill and would have established a sub-minimum youth rate that the AFL-CIO Executive Council warned "would encourage employers to fire older workers and replace them with cheaper labor."

On this key vote, 34 Democrats were joined by 13 Republicans in defeating the Dominick-Taft substitute. Voting for the Administration-backed substitute were 30 Republicans and 16 Democrats.

The closeness of the vote, however, influenced a number of supporters of the committee bill to

The bill was still being debated as the AFL-CIO News went to press, but these major changes had already been adopted:

● The \$2.20 wage floor was put off an additional year. Instead of going from \$2 to \$2.20 a year after enactment, the \$2.20 level won't be reached until two years later.

(Continued on Page 3)

AFL-CIO to Focus On House, Senate

By Saul Miller

The AFL-CIO Executive Council voted to "refrain from endorsing either candidate for the office of President of the United States," and said it would concentrate the federation's effort on election of senators and representatives "whose records commend them to the working people of America."

Federation Pres. George Meany announced the council's action at a special one-day meeting in Washington to a jammed press conference. The vote for the council's position was 27 to 3, with five members absent.

Meany told reporters that national and international unions, AFL-CIO affiliates, are free to adopt any policy they like and in terms of the statement to "endorse and support any candidate of their choice."

But AFL-CIO state and local central bodies "have to follow AFL-CIO policy" because they are under the direct supervision of the AFL-CIO, he said in reply to a reporter's question, noting that the federation policy on the 1972 presidential election is to refrain from endorsement.

Meany said that there would be no meeting of the AFL-CIO General Board next month and that the council will hold its previously scheduled meeting in Chicago Aug. 28-29.

Meany told the news conference that the endorsement issue was fully and calmly discussed by the council and considered solely from a trade union point of view. He then read the council statement: "Under the circumstances, the AFL-CIO will refrain from endorsing either candidate for the office of President of the United States."

"These circumstances call, rather, for the maximum concentration of effort on the House and Senate." (Continued on Page 3)

Labor Bars Tax Reform 'Tokenism'

The AFL-CIO told Congress that America's workers are outraged at the inequities of the federal tax system and won't be satisfied with mere "token" efforts to achieve tax justice.

In testimony submitted to the Joint Economic Committee by I. W. Abel, president of the Steelworkers and chairman of the AFL-CIO Economic Policy Committee, the federation said that "tax laws at all levels of government are rigged in favor of those who already are well off."

Abel said that union members and their families "are not, and have no desire to become, tax shirkers." But, he said, "they want fair treatment."

He pointed out to the committee that "before World War II, 'earned' income—from wages and salaries—enjoyed a more favored status under the federal income tax than 'unearned' income—income from the ownership of property." He added, "This situation has been completely reversed."

Abel noted that there is a "triple standard" in the federal income tax (Continued on Page 8)

'Tax Deductible' Attacks on Labor Mapped by Right-Wing Foundation

By David L. Perlman

A tax-exempt foundation with ideological ties to the National Right to Work Committee is soliciting funds for "hard-hitting" election-year television commercials attacking the "unchecked power of labor bosses."

The money-raising letter for the California-based James Madison Foundation is signed by Ralph de Toledano, a long-time pamphleteer for right-wing causes.

It promises that donations—presumably from corporations as well as individuals—are tax deductible.

Information uncovered by the AFL-CIO News strongly suggests that the James Madison Foundation is being used by its conservative

otherwise obtain on donations for anti-labor propaganda.

The tax deductions mean that the federal treasury will, in effect, subsidize a substantial portion of the cost of the anti-union

money will be used "to produce the no punches pulled TV commercials" on "labor's political monopoly," and "to buy broadcast time for them on leading stations from coast to coast." The donations also will be used "to print and mail more appeals to reach more concerned

...red the attempt to get the
...pute over new work rules
...droad.

negotiated settlement is what the
...been trying to obtain for some

Judge John P. Fullam of
...phial, who is supervising
...central bankruptcy, ruled
...that the company could
...with the crew consist of
...agreement was reached in
...or by July 26.

The UTU objected to
...judge's order on the ground
...was an attempt to promote
...the new work rules, then
...ate later. Union attorneys
...the papers prepared to seek
...straining order against
...Fullam's decision when the
...eral mediators entered the
...ture.

However, even in his ruling
...thorizing Penn Central to
...size on July 26, Fullam
...dered the company to accord
...protection to all trainmen
...service on the date of his
...This would leave the work
...be reduced by attrition.

He also ruled that the com-
...would have to set up a pro-
...whereby the union would be
...olved—through a series of
...mittees at various work levels
...determining the effect of the
...posed crew reductions "upon
...quate and safe transportation
...ice to the public and upon
...interests of the employees affect-

Oil Workers Union Backs McGovern

Denver—The executive board
...the Oil, Chemical & Atomic
...ers has voted to endorse the
...McGovern-Eagleton ticket, Pres. A.
...Grosperon announced.

Grosperon had announced
...personal support for Sen. George
...McGovern early in May. After
...Democratic convention the
...was polled and voted to endorse.

The OCAW president noted
...the union traditionally waits
...for both major parties to
...named their candidates but recom-
...mended immediate action this year
...on the basis of the foregone con-
...clusion that Pres. Nixon would
...the Republican nominee.

Outpace U.S. or Cost Rise

...costs in foreign countries for
...uring 1971, according to an econ-

...issue of Monthly Labor Review
...manufacturers moved up 2.7 per-

...coming from very large increases
...hourly compensation," he ob-
...serves. "Hourly compensation in
...United States rose by over
...percent but this was less than
...the increase in Canada, and
...the average increase in the
...European countries, and the
...of the rate of increase
...Japan."

Also, Neef notes, "all the for-
...countries had slowdowns or re-
...tions in total manufacturing out-
...either or both 1970 and 1971.
...most cases, these reductions
...were accompanied by lowered rat-
...growth in output per man-hour."

The relative cost position of
...United States also was greatly im-
...proved by the 1971 currency
...ignment, the BLS economist says.

...from (Page 1)
...coverage was reduced
...agreed to keep the
...from the Fair
...Act for retail and
...ments doing less
...business a year
...bill would have low-
...in steps to \$150,000
...\$150,000 cutoff will
...of chain stores.

...ate bill, unless weak-
...further amendments,
...bring under coverage
...7 million new work-
...presently exempt
...employees and all house-
...domestic workers except
...Household workers
...be covered for straight-
...but not overtime.

...brought under coverage
...time in the 1966 amend-
...the law would move to the
...in three steps, instead
...starting with an initial \$1.80
...workers covered by the
...frozen at a \$1.30 mini-

Panel Asked to Continue Disputes Study

...York—A labor-management
...committee of the Ameri-
...ization Association agreed
...to explore methods of
...ing collective bargaining
...the goal of minimizing strikes
...er industries and the public

...the committee heard a progress
...from a two-member subcom-
...that has been exploring the
...involved for nearly a year—
...A. Morse, former director
...of the International Labor
...ization, and David L. Cole,
...director of the Federal Me-
...& Conciliation Service.

It asked Morse and Cole to
...continue their exploratory discus-
...sions with union, employer and
...public leaders and named as a
...member of the panel Don-
...B. Strauss, Strauss, past pres-
...ent of the American Arbitration
...association, is currently head of
...Research Institute.

...the labor-management commit-
...also took note of recent and
...growing developments in griev-
...arbitration, including an agree-
...ment for "instant arbitration" nego-
...ted by the Steelworkers.

No-Endorsement Policy Set in Presidential Race

(Continued from Page 1)

...upon the election of senators
...representatives whose records
...commend them to the working peo-
...ple of America.

...Affiliates are, of course, free to
...name and support any candidate
...their choice.

...Meany refused to "do any
...campaigning for anyone or any
...questioning," in reply to a se-
...ries of reporters' questions, point-
...ing to the "overwhelming vote"
...4 the council and the decision
...to work as hard as we can to
...out our friends on Capitol Hill."

He said the three council mem-
...voting in the minority were
...Presidents A. F. Grosperon,
...Jennings and Jerry Wurf.
...As to his own position, Meany
...stated this way: "I will not endorse, I

Forced Arbitration Bill Abandoned

The White House an-
...nounced that Pres. Nixon has
...abandoned his labor-opposed
...compulsory arbitration bill—
...at least for this year.

Press Sec. Ronald Ziegler
...said the Administration will
...seek to redraw the legisla-
...tion, which is aimed at bar-
...ring major strikes in trans-
...portation-linked industries.
...He told newsmen the Admin-
...istration will "review" the
...legislation with organized la-
...bor.

The Administration's origi-
...nal bill, Ziegler said, "has no
...chance of passage this year."

...imum wage, would move in steps to
...\$1.60, \$1.80, \$2 and \$2.20.

Administration Republicans ham-
...pered away at the charge that the
...minimum wage increase would be
..."inflationary" and quoted Labor
...Sec. James D. Hodgson's argument
...that a subminimum wage is needed
...to provide jobs for teenagers.

And Price Commission Chair-
...man C. Jackson Grayson, Jr., came
...through with a letter to Dominick
...and Taft complaining that a higher
...minimum wage will make it more
...difficult to hold the line on prices.
...He said hospital costs could be
...forced up if employees who now
..."receive wages near the federal

Constitution Approved In Graphic Arts Merger

Overwhelming approval of a constitution to govern the new
...130,000 member Graphic Arts International Union, which will be
...created on Labor Day, has been given in membership referendums
...of the two merging unions.

The 60,000-member Lithographers & Photoengravers voted 75.8
...percent for approval of the docu-
...ment while the Bookbinders' vote
...was 82.2 percent favorable. The
...LPIU vote was 29,885 in favor to
...9,549 opposed. The IBB vote was
...22,085 to 4,790.

"This is more than a favorable
...vote. It is a mandate for full speed
...ahead," declared LPIU Pres. Ken-
...neth J. Brown and IBB Pres. John
...Connolly in a joint announcement
...of the results. Brown will be presi-
...dent and Connolly will be executive
...vice-president of the merged union.
...Merger was approved at conven-

...minimum" to be given a sub-
...stantial increase.

Just a few days earlier, how-
...ever, a federal judge who ruled
...that the Cost of Living Council
...acted illegally in refusing to ex-
...empt substandard wages above
...\$1.90 an hour from controls
...scoffed at the argument that pay
...raises for persons making under
...\$7,000 a year "constitute a ma-
...jor element in the inflationary
...conditions."

Sen. Harrison A. Williams (D-
...N.J.) told his colleagues at the start
...of debate that "a substantial in-
...crease in the minimum wage is
...necessary merely to restore the pur-
...chasing power of low-wage workers
...to the levels established by Con-
...gress in 1966," when the pay floor
...was last raised.

The lowest-paid workers are those
...without a union to bargain for
...them, he noted, and "it is time for
...Congress once again to fulfill its
...responsibility as the bargaining
...agent for the nation's low-wage
...workers."

As to the argument that a higher
...minimum wage will curtail job op-
...portunities, Williams noted it had
...been raised every time Congress
...considered improvements in the
...law—and every time the "prophe-
...cies" of opponents had proven false.

In fact, he suggested, all evidence
...points to the creation of additional
...jobs through the increased con-
...sumer spending the legislation
...would generate.

FARAH BOYCOTT poster for use in
...campaign is shown to AFL-CIO Pres-
...ent of the Clothing Workers. At right,
...Potofsky and at left Jacob Sheinkm
...treasurer of the union.

Farah Strike, Rallies Labor

Citing employer tactics out of the
...has urged every trade union member
...to buy clothes made by Farah Manu-

Some 3,000 workers, most of them
...attempting to join the Clothing W-
...vicious attack dogs, arrests in the
...middle of the night and other in-
...timidation tactics, the AFL-CIO
...Executive Council said in urging
...the boycott of Farah products

Farah's apparel line includes
...slacks and jeans for men, women
...and children.

The council urged informa-
...tional picket lines where neces-
...sary and the contacting of mer-
...chants to ask them not to handle
...Farah products.

The strike involves seven plants
...in Texas and New Mexico. It began
...in May after the firing of workers in
...two San Antonio plants who led
...the movement to organize the
...workforce there. The strike spread
...to five Farah plants in other cities,
...including El Paso where more than
...700 strikers have been arrested

The arrest procedures have been
...found to be highly questionable by
...reporters for the El Paso Herald-
...Post. Despite the high number of
...arrests, the newspaper reported,
...not a single complaint has been
...forwarded to the county attorney's
...office for prosecution.

Bail, normally about \$25, has
...been as high as \$400 for strikers
...arrested at what they call "the
...Farah Fortress" in El Paso, which
...is patrolled by armed guards with
...unmuzzled police dogs.

An El Paso justice of the peace
...admitted to the reporters that he

Pressmen Support McGovern Ticket

The board of directors of the
...Printing Pressmen's union has en-
...dorsed the McGovern-Eagleton
...ticket and pledged "all resources
...at its command to make this en-
...dorsement meaningful."

The board's statement said that
...another four years of the Nixon
...Administration is "intolerable;"
...that McGovern has a pro-labor
...record, an effective organization
...containing many union members;
...that the Democratic Party platform
...is generally consistent with labor's
...goals and includes "most of AFL-
...CIO's platform proposals."

To beat Nixon, the board said,
...labor must unite behind the Demo-
...cratic ticket, "not forgetting the im-
...portance of electing friendly con-
...gressmen and senators but recog-
...nizing the extraordinary importance
...of the President's office to labor's
...future hopes and goals"

Robinson Named to Head CLC Public Relations

Ottawa—Kenneth R. Robinson
...has been named public relations
...director for the Canadian Labor
...Congress and editor of its publica-
...tion, Canadian Labor. He succeeds
...Jack Williams who retired July 1.

Robinson has been special assist-
...ant to CLC Pres. Donald MacDonald
...and formerly served as public
...relations director of the Public
...Service Alliance of Canada.

NATIONAL
STUDY
COMMISSION



Stirs Conflict ons, Instincts

and the surveyor's path that cuts through heavy brush to it must have made the paper rate, people seem to be turning up from the world. (This column is written with the knowledge that it may bring some more, but it only constitute an incremental nuisance.)

WHAT DO YOU DO about this sort of invasion? Take the nudism bit as an example. Some people apparently get a big charge out of running naked. (Most of them are paunchy slobs who makes this variety of exhibitionism even more difficult to understand.) By me the overwhelming proportion of the human race looks like attractive in clothes than bouncing around buff. To put it differently, I find nudism a form of visual pollution. It is not a moral issue, but an esthetic one.

Now if nudists want to go off and found a nudist colony, that's fine. But I do not like to see people sitting on the beach with my family and friends and have several naked, hairy characters come bounding along with them. Just because they have no respect for the privacy does not provide them with a free pass for invading mine.

It's like smoking: I smoke, but I think it is extremely unjust for non-smokers to have to breathe in tobacco fumes in classrooms, corridors, aircraft or other confined situations.

To return to the theme, how can we attain a balance between the right of the people to enjoy a beautiful beach, and the need for that beach to be as a thing of beauty? The local governments in resort areas clearly do not have the resources to deal with the problem, so we naturally look to the state and federal levels for appropriate initiatives. (Maybe the nudists could be given an island of their own.) There are already a number of proposals on the subject which will be the subject of another column.



UNION LABEL
ON LABEL AND SERVICE TRADES DEPT., AFL-CIO

Executive Council Action:

Meany Spells Out Reasons For Policy on 1972 Election

Following is the text of a letter to AFL-CIO state and local central bodies from Federation President George Meany, Aug. 7.

ON JULY 19, the AFL-CIO Executive Council adopted the following resolution:

Under the circumstances, the AFL-CIO will refrain from endorsing either candidate for the office of President of the United States.

Those circumstances call, rather, for the maximum concentration of effort upon the election of Senators and Representatives whose records commend them to the working people of America.

Affiliates, are, of course, free to endorse and support any candidate of their choice.

This resolution was passed by a vote of 27 to 3. It is well known that there are strong feelings in the labor movement against the Nixon Administration. Indeed, while many of the Administration's opponents were busy squabbling among themselves, we stood alone in fighting the policies of this Administration, especially its miserable handling of the economy. Our views in opposition to the actions of the Nixon Administration are so well known and have been so frequently expressed as to require no further elaboration.

But our opposition was never motivated by political partisanship. The AFL-CIO is not tied to any political party. We are neither the property nor the proprietor of any political party, and we have never deviated from this policy. No political party has the right to assume that the AFL-CIO will automatically endorse its candidates.

Our political actions are guided by a commitment not to any party, but to sound trade union principles and the best interests of working people we see them. If our views are to be respected, that fact, deeply rooted in labor's history, must be emphasized to those in political life who presume that the trade union movement is in a state of political bondage, to be taken for granted no matter how unappealing the options they see fit to offer.

All that we asked from the Democratic party was that they put forward a candidate with whom working people could identify their best interests, and that we might have a reasonable chance of winning broad labor support in the Presidential campaign. While various trade unionists may have had their own preferences, labor as a whole did not seek to dictate any one choice—any of a number of possible alternatives would have been acceptable.

Unfortunately, the interests of working people were discounted at this Democratic National Convention. Artificial quotas—a concept trade unionists have always opposed—and other so-called reforms which promised to broaden political participation had the opposite effect. They brought about an under-representation of working people and an over-representation of narrowly-based factions of the preferred fragments of the populace, more interested in gaining control of the apparatus of a political party than in presenting a candidate who might attract and respond to a broader following. The nominee and his spokesmen repeatedly threatened to split the party if they did not prevail.

In the pre-convention period and since, those closely associated with the nominee's campaign repeatedly indicated their disregard and contempt for the trade union movement and the workers it represents.

Does the nominee himself have a record that inspires our confidence or encourages us to commend his candidacy for the Presidency to our members? It is true that Sen. McGovern has voted from a labor point of view on numerous occasions. But on the crucial issues—when the stakes were down—he was to be found on the wrong side, aligned with forces hostile to working people. On the two most critical legislative tests we have faced in the last 20 years, Landrum-Griffin and Section 14(b) of the Taft-Hartley Act, he sided with the enemy.

Thus, after giving his pledge to vote for repeal of 14(b), Sen. McGovern broke his promise and voted against repeal. Two years later, in 1968, he boasted of his opposition to union security in a letter to the National Right to Work Committee. This committee, as you know, collects funds to finance campaigns whose sole purpose is to deny union security under the provision of 14(b). Because of this committee, we now have 19 states where workers are denied even the modified union security allowed under federal law.

Moreover, from the Senate floor, McGovern publicly attacked the AFL-CIO and the maritime unions while they were on strike over violations of the agreement that half of the wheat sold to the Soviet Union be shipped in U.S. flag ships.

Since then, he has repeatedly denounced "big labor," "labor bosses" and "union power brokers" and demonstrated that he does not understand the difference between organizations dedicated to the improvement of life for the great majority of plain people and their families, and "big business," dedicated to the pursuit of private wealth for a few.

His statements on other matters also raise questions of credibility and confidence. He pledged sweeping tax reform in the early part of his campaign and then, in a Wall Street Journal ad, sought to reassure the business community that he wasn't really serious about these proposals. His postures on such issues as welfare reform, the security of Israel, and the export of American jobs, have shifted with the winds of audience reaction, and now rest somewhere in limbo. His record reflects no real appreciation of the perils of isolationism nor of the continuing need to participate in the defense of human freedom and human rights in a dangerous world.

All of these circumstances make it impossible for the AFL-CIO to recommend an endorsement of either the Democratic or Republican nominees for the Presidency. This position does not create division. It simply reflects the unfortunate fact that division on this question exists, that it was created by the divisive elements that prevailed at the Democratic National Convention, that we must base our stand upon a realistic appraisal of those circumstances and their effects, and make the best of the situation. Our position aims to maintain the only basis for unity in the vital field of political action that remains available to us.

In the past, when the AFL-CIO has endorsed a presidential candidate, that endorsement reflected a strong consensus within the ranks of labor. Such a consensus clearly does not exist in the present case. Without such a consensus, no endorsement can be effective.

The action of the Executive Council leaves international unions free to make their own choice. While some are making endorsements, most international unions are adopting the no-endorsement policy of the AFL-CIO.

That policy, as you know, is binding on state federations and city central bodies. They are not free to make endorsements.

The main task of the AFL-CIO now is to bring back to Congress the friends we need if we are to continue to make progress in the legislative field. I am aware that there may be strong feelings, pro and con, regarding the presidential race. But our political approach has always been based upon programs, rather than personalities or parties. And one thing we can all agree on is that we must press forward on the legislative front over the next four years—whatever is in the White House.

Winning a pro-labor Congress will not be easy. A loss of five seats in the Senate and some 25 in the House would throw the Congress into conservative hands. But with a united and vigorous effort, concentrated upon key races for the House and Senate, we can meet this challenge. I am convinced we will achieve this vital aim.

Sincerely and fraternally,

George Meany

President



WE'VE COME A LONG WAY
his family for death. A report of the National Commission on Labor Laws stresses, we have...
The tone of the commission... of the labor press—the union programs.

The two labor members... federal standards imposed... had 60 years to act. Instead, three more years.

Most states have been dragging... pension in every respect.

It took almost 40 years... the states to get around... initiative. In contrast, as... compensation laws were... years after the passage...

Long before all of the... compensation laws, most... of date.

It is almost frightening... tion to protect workers... at the same time limit the... years.

This violates the basic... men's compensation laws... between the legitimate claim... liability of employers.

What is too often forgotten... compensation laws as an... they gave up the legal right... age. At times, this has placed... families and their communities.

However, state workers... needed because most workers...

During the early years... "fellow servant doctrine" was... should not be responsible... the negligence of another...

The first U.S. case... was in 1841. A South... motive fireman who had... near under whom he worked.

FROM THAT TIME ON
Century, legal responsibility... States was judged largely... protection to workers.

To recover damages, a... his employer was negligent... gent, the judge would dis... were negligent, the worker... too, in order to win his case.

Another employer loophole... payment of damages by contract... "assumed" the risk which... his right to recover.

The first major breakthrough... government enacted a law... to compensation for injuries...

Now we have reached the... programs is the only logical...



STEPS TO UPDATE work... urged in a just-completed... not delayed until 1975 as... center, an assistant director... security, said on Labor News... Dale McFeatters, left, of the... Donald Finley of United P... paired Tuesdays on Mutual...

Stress Needs

the trade union program for a series of radio networks. Justice and jobs at decent merchant community and a policy. The AFL-CIO Pres. intend to do power to help and congressmen goals of justice, press for all Amer-

do everything defeat those who privilege for the burdens, lower opportunities

over the CBS net- CIO Sec. Treas. speech was carried network. AFL-CIO Abel, president of spoke on the and Vice Pres. son, president of men, was heard on

the Labor Day to the American urgent need for a security program to every citi- right, the best able at a price all

the differences be- supported bill in- Martha W. Griff- and Sen. Edward (Mass.) and the was submitted by Administration but for the commercial

differs bill pro- along with high- and better ways social care, Kirk-

Administration bill insurance policy print deductibles, solutions. . . . The same would be a

insurance company the "good risks" but assign to a the poor, the the chronically

Kirkland prom- everything in its on Page 11)

5.6% Unemployment Rate Assailed as 'Tragic Waste'

IAM Breaks Logjam With Airline Pact

Chicago—The Machinists have reached a tentative agreement with United Air Lines after nine months of negotiations for a new wage and benefits contract covering nearly 16,000 mechanics and ground service employees.

The accord is regarded by the IAM as a pacesetter for the airline industry. The Machinists are continuing to bargain with five other major airlines and three more regional carriers.

Although details of the agreement were not disclosed pending a ratification vote by IAM members, the union said that the tentative contract meets Pay Board guidelines. The key areas of improvement are in wages and retirement benefits.

The IAM contract with UAL, the nation's largest air carrier, has been open since Jan. 1. As collective bargaining was slowed down by management negotiators, members of the Machinists UAL unit overwhelmingly gave their union bargaining team strike authority in late May.

Under terms of the Railway Labor Act governing railroad and airline bargaining, the union would have been free to strike Sept. 11 if the White House did not step in.

Fruitless efforts to reach an agreement were halted by the National Mediation Board in early August. This was followed by the IAM's rejection of the proffer of arbitration, requiring the board to order a 30-day countdown for the UAL and the IAM to reach an agreement on their own.

The IAM had sought short-term contracts with all carriers because of stringent Pay Board restrictions.

(Continued on Page 3)



LABOR DAY SONGFEST, held in Washington, D.C., for its second year, celebrated the 78th anniversary of the holiday. Among sponsors were the Greater Washington AFL-CIO, the Labor Studies Center, and the Musicians Local 161-170. From left are labor troubador Joe Glazer of the U.S. Information Agency, and folk musicians Mike Seeger and Tracy Schwarz.

Stresses Labor's Independence:

Meany Reaffirms Policy on Election

AFL-CIO Pres. George Meany reiterated labor's political independence and gave a nationwide television audience his own reasons for refusing to support either of the presidential candidates in this year's election.

He told a panel of newsmen on the CBS network's Face the Nation program that when the AFL-CIO has endorsed a presidential candidate in past elections, "it's because we felt there was a consensus among our membership for that candidate."

But in this election, Meany noted, union members are divided over the presidential candidates. "So this year we decided we didn't want to endorse either one, and I think we have a perfect right to take that position."

As for himself, he said, nothing has happened to change his "personal decision" not to vote for either Pres. Nixon or Sen. McGovern although he will vote for all other offices on the ballot.

The AFL-CIO, he stressed, is "urging our members to vote, and we have a great interest in this election, especially in the election of friends in the House and in the Senate."

In response to questions from the panel, Meany spelled out areas of sharp disagreement with McGovern, including both foreign policy and the Democratic candidate's coupling of the "power of big labor and big business" as apparent twin evils.

Labor has used whatever power it has had to build the living standards of all the people, Meany noted, not just union members.

"We fight to increase the minimum wage. We fight to extend the coverage of people who come under the law. We fight for safety legislation . . . workmen's compen-

(Continued on Page 2)

4.9 Million Workers On Jobless Rolls

The nation's unemployment rate moved upward in August after marking a 5.5 percent level for two months, the Bureau of Labor Statistics reported.

Seasonally adjusted, the jobless rate last month rose to 5.6 percent and the number of unemployed workers jumped by 102,000 to 4.9 million. There were 4.8 million unemployed in July and 4.7 million in June.

AFL-CIO Pres. George Meany said in a Labor Day statement, "It just doesn't make sense to have 5 million Americans out of work."

He termed the high unemployment "a tragic human waste" that turns consumers and taxpayers into welfare clients.

"There is no economic law that says we have to have 5.5 percent unemployment—or even 4 percent, for that matter," Meany stressed.

The civilian labor force increased by 393,000 over the month to 86.9 million, but total employment rose only 291,000 to 82.0 million—thereby creating the jump in unemployment.

The increase was mainly in the teenage category, the BLS said. The bureau also noted that the increase in the labor force was about equally distributed between women and teenagers.

However, the seasonally adjusted jobless rate rose one-tenth of 1 percent for both white-collar workers—3.5 percent—and blue-collar workers—6.5 percent.

The nation's unemployment rate has been fluctuating between 5.5 percent and more than 6 percent since late 1970.

But Nixon Administration officials stressed the jobs growth when the August figures on unemployment were released just before Labor Day. The 102,000 rise in the

(Continued on Page 3)

Meany Joins in Outrage at Slaying of Athletes

Pres. George Meany expressed American labor's outrage at the slaying of Israel's Olympic athletes in this morning's Golda Meir.

AFL-CIO joins Histadrut, all Israeli citizens and all in mourning the Israeli dead in Munich and of all the victims of ruthless savagery against the. Our hearts and our most profound sympathy to the families of the fine Israeli athletes slain against all humanity.

AFL-CIO are with you in your courageous defense. Israel will stand fast as a bastion of freedom, justice. All who cherish human life and human dignity and insist that those powers that have and sanctuary for the terrorists finally cease aiding and abetting the terrorists or face economic sanctions. American labor is one with you in tragedy."

Federal Workers Score Nixon on Wage Delay

Hollywood, Fla.—Delegates to the Government Employees convention here voted a sharp and unanimous protest of Pres. Nixon's action in cancelling a scheduled pay raise for more than 1 million white-collar federal employees.

Under a 1970 salary comparability law tied to pay changes in the private sector, salaried federal employees were scheduled to receive increases averaging slightly over 5 percent on Oct. 1. But the President asserted that the "intent" of the 1971 Economic Stabilization Act precluded any raise before 1973.

Following the convention action, AFGE Pres. John F. Griner wired Nixon "the most strenuous objec-

tions" of the more than 1,500 delegates and called on the President to reconsider his decision.

The convention adopted a legislative program aimed at expanding bargaining rights for federal workers—and calling for authorization to negotiate agency shop agreements. There presently is no form

(Continued on Page 12)

Rising Costs, Declining Service:

Fare-Free Systems Called Only Public Transit Solution

The nation's cities are confronted with a decline in mass transit users, while fares continue to rise and service declines.

And "the only possible alternative," writes Pres. John M. Elliot of the Amalgamated Transit Union in the August issue of the *Federationist*, the AFL-CIO magazine, "is a public transit system supplied by and for the entire community . . . at absolutely no user charge to the transit passenger."

Elliot estimates that in large urban areas 94 percent of all daily passenger trips are made by automobiles and only 4 percent by bus and railroad. The fare-free method, he insists, is the only way to reverse this situation.

The no-fare transit idea, Elliot points out, is not a new one. Such plans have been in operation on a limited scale in Commerce, Calif., and Williamsburg, Va. Rome, Italy, too, has tried it on an eight-day experimental basis, which produced an immediate 50 percent increase in ridership.

Elliot notes that in 1969, Transportation Sec. John A. Volpe spoke in these terms of the "public service" philosophy underlying the no-fare concept:

"My position is that public transit is so important that we must look at its financing much like any other public service. We don't expect the army to make a profit. We don't expect user charges for police protection. The cost of public education is not paid only by students or parents.

"Their services are considered so important that the entire community must agree to share the burden of supporting them. Over the next few years I believe that public transportation—for the first time—will be looked at from this larger and more sophisticated viewpoint."

Elliot contends that the transit fare system, which allows the private operator to produce a short-run profit, is an outmoded concept. He believes "that increased fares will never produce enough revenues to permit the transit company to cover its costs and at the same time provide the same or improved services to the community."

He points out that as fares go up, ridership declines. And "as ridership declines, the service on many peripheral routes produces even less revenue and becomes more costly to operate. Discontinuation of these marginal routes produces a further loss of ridership throughout the system. If such routes are

not discontinued, the effect is to perpetuate inefficiencies so that expenses again rise faster than revenues and another fare increase is necessary."

In contrast, Elliot suggests, a no-fare transit system would generate a substantial increase in patronage, which would permit more frequent service at a lower unit cost. He explains that "a fare-free operation removes entirely the passenger resistance factor to the fare box charge as a constraint upon regular maximum use of the transit service."

"In addition," the author continues, "the nature of fare-free transit as a prepaid, tax supported service builds in a natural incentive on the part of every taxpayer to make use of the services he has already helped provide."

He cites other benefits such as operating economies resulting from the elimination of money handling, security and accounting; the shortening of trip times; increase in overall system speed per hour and mile of operation; easing of traffic congestion and lowering of air pollution.

Political Independence Reaffirmed by Meany

(Continued from Page 1)

sation . . . unemployment insurance.

"I thought it was really an insult to be compared with General Motors or General Electric . . ."

When asked whether his criticism of McGovern amounts to neutrality on behalf of Pres. Nixon, Meany reminded the newsmen of his long and continuing criticism of Nixon and his economic programs.

The questions from the news media and the criticism of commentators, Meany noted, focus on the assumption "that we should be supporting the Democratic candidate, and I don't buy that."

He suggested to his questioners that "if you want me to de-

vote my time to Pres. Nixon, I'll do that, and we'll stop talking about McGovern. That will be fine with me."

Who will pay for such a system? Those in the area served by the system would pay taxes for it, Elliot says the localities should choose the form of taxation they prefer.

He suggests that the cost of such a plan per household would not exceed what the individual wage-earner pays for his own weekly fares to and from work. In short he believes that the benefits of such a plan "as a whole far exceed the cost to the taxpayer of providing such a service."

What is needed now, the author concludes, "is for the Dept. of Transportation to seize the initiative and to offer a portion of demonstration funds to any city which is willing to commit some of its own funds in order to provide fare-free mass transit for an experimental period of not less than two years, which if successful could then become permanent through arrangements for local financing developed during the demonstration period."

On the party loyalty issue, Meany stressed that "my party is the trade union movement, and that's where I've spent my life."

He "worked very hard" for the presidential campaigns of John F. Kennedy and Hubert H. Humphrey "as individuals" and has supported and voted for liberal Republicans as well as Democrats in public office.

In response to questions about McGovern's high COPE rating in congressional votes, Meany cited "gut issues" in recent years in which the South Dakota senator sharply attacked labor's position. And he charged that an article McGovern wrote for *Playboy* magazine last year showed him as an apologist for the Communist world.

Meany agreed that the Republican platform this year is unusual for the GOP but indicated that he takes party platform prizes with a large grain of salt. "Parties, he suggested, tend to get their platforms after the election."

The kind words for labor in the GOP platform and the lack of endorsement for restrictive anti-union laws, Meany said, appear an obvious bid to get the blue-collar vote.

As he has before, Meany sought to clear up the confusion in news coverage between the platform of affiliated unions that are completely free to make political endorsements and the state and central bodies that are, in effect, "extensions of the AFL-CIO" and therefore "must abide by AFL-CIO policies."

The insistence that central bodies abide by AFL-CIO policy is nothing to do with political said.

4.9 Million Unemployed:

Jobless Rate 5.6% 'Tragic Waste' Cited

(Continued from Page 1)

number of jobless workers was not statistically significant, they said.

The BLS reported that the average duration of unemployment was 12.1 weeks in August, compared with 11.8 weeks in July and 11.6 weeks in the year-ago month.

In the industrial categories, only manufacturing showed an improvement in the jobless rate, which dropped from 5.7 percent to 5.4 percent. Unemployment rates rose in construction to 11.6 percent,

transportation and public utility trade to 6.6 percent, and service industries to 6.3 percent and agriculture to 6.2 percent.

Hard-hit were Vietnam veterans whose jobless rate rose to 7.7 percent in August from 7.3 percent in July. The rate for nonveterans in the age group dropped from 6.2 percent to 6.2 percent.

While the unemployment rate for adult women dropped to 5.5 percent, steady for adult men at 5.6 percent. But for teenagers the rate shot up from 14.8 percent to 16.9 percent.

For all white workers the rate rose one-tenth of 1 percent to 5.6 percent and for Negroes to 7.7 percent, said.

The Labor Dept.'s statistics also reported that virtually the 291,000 increase in employment last month among adult women worked time.

Total employment was 107 million over the year since 1971. Adult men accounted for 1.1 million of that increase, women 1.0 million and children 500,000.

The average workweek in supervisory production was at 37.2 hours, the level held for the past several years in manufacturing. The week edged up slightly to 40.7 hours overtime was at 3.4 hours, as in the preceding three years.

Average hourly earnings of production workers on a seasonal basis rose 2.4 percent to \$3.64 in August. Seasonally adjusted, the rise amounted to 2.4 percent.

Weekly earnings on the average were up \$1.12 to \$137.50 in July, both before and after adjustment.

The BLS said that average earnings have increased 6.4 percent in the 12 months since July 1971. During the months since July 1971, prices rose 3.0 percent.

Graphic Arts Union Created On Labor Day

Labor Day this year marked the birth of a new union, the Graphic Arts International Union, created by the merger of the Lithographers & Photoengravers and the Bookbinders representing a total of 130,000 members.

This is only the third merger of graphic arts unions in this century. In 1915, lithographers combined with craft unions into the Amalgamated Lithographers of America, which in 1964, also on Labor Day, merged with the International Photo Engravers Union into the Lithographers & Photoengravers.

"Unions whose structures were formed before the turn of the century to deal with the printing of 1900 just are not structured to meet the needs of the 1970s and 1980s," declared GAIU Pres. Kenneth J. Brown, who stressed that "change is the name of the game in the graphic arts today."

Brown said the LPIU experience since 1964 had proved "merger works—and works very well."

In addition to Brown, who had been president of the Lithographers & Photoengravers (LPIU), the initial set of top officers includes:

Wesley A. Taylor as secretary-treasurer, the same post he had held with the Bookbinders; John Connolly, former Bookbinders president, and Bill Hall of the LPIU as executive vice presidents; Daniel A. Streeter, Jr., and Donald W. Stone, both former LPIU officers, as financial secretary and recording secretary respectively.

Social Programs Adm Of Nixon's Proposed

The spending ceiling Pres. Nixon has asked Congress to impose on federal programs and other federally funded programs aimed at adequate housing.

A high Administration official, Deputy Treasury Sec. Charles W. Calhoun, said that the times as pinpointing these programs as targets of the President's effort.

Times reporter Eileen Shanahan wrote that Walker confirmed an account of a talk he gave to a private meeting of the executive committee of the American Bankers Association.

Fire Fighters' Albertoni Hailed on Retirement

Albert E. Albertoni was hailed for his retirement as secretary-treasurer of the Fire Fighters' Union, George P. Miller (D-Calif.) remarks included in the Congressional Record.

Miller said he had known Albertoni for 25 years "and I am proud of his achievements as an individual as a fire fighter, as a veteran of the U.S. Navy and as an official of the great unions of the AFL-CIO."

He listed as his personal goal for a spending ceiling a multi-billion dollar program which Walker said was too costly because it had cut unemployment by 400,000 persons.

The news story also quoted as saying that a number of housing and health programs are ripe for cutbacks.

And although some Administration officials disagree with the term, Walker told others that the spending ceiling gives the President the edge of a "retroactive item veto."

Appropriations bills cut include earmarked funds for a variety of programs—and has repeatedly refused



GEORGE MEANY fields questions from a panel of reporters in an appearance on the CBS network's Face the Nation television and radio program. The AFL-CIO president stressed that labor is not tied to any political party.

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Vice President
Gerald Ford

I can say from the
bottom of my heart—the
President of the U.S.
is innocent, and he
is right.

July 25, 1974

Muncie, Indiana

(Ford speaking of then President Richard M. Nixon)

79040153306



AFSCME
the union that cares



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20043

September 26, 1977

Larry P. Weinberg, Esquire
Zwerdling and Maurer
1211 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: MUR 449

Dear Mr. Weinberg:

This will acknowledge receipt of your letter, dated June 2, 1977, and of the affidavit of Philip C. Hubble enclosed therein. That affidavit addressed the circumstances surrounding the preparation and distribution of a poster (the "Nixon-Ford poster") by your client, the American Federation of State, County and Municipal Employees.

After considering that affidavit in the light of the Reports of Communication Costs (FEC Forms 7) filed by AFSCME, the Commission has found reason to believe that AFSCME has violated section 431(f) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq., ("the Act").

This matter has been captioned as MUR 449. Please refer to this number in all future correspondence.

Specifically, the Commission believes that the Nixon-Ford poster was a "communication which expressly advocated the defeat of a clearly identified candidate." 2 U.S.C. §431(f)(4)(C) requires membership organizations, including labor organizations, to report to the Commission the costs directly attributable to all such communications, if those costs exceed \$2,000 per election.

Having exceeded the \$2,000 threshold amount for communication costs for the 1976 general election, AFSCME was required to report the \$983.73 it spent in preparing and distributing the Nixon-Ford poster, but did not do so.

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We request that AFSCME amend the Reports of Communication Costs which it filed in connection with the 1976 general election. We also request that AFSCME set forth reasons why no action should be taken against it under the Act.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish it to be made public.

The attorney assigned to this case is Vincent J. Convery, Jr. Please contact him at 523-4057 if you have any questions.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

vsc
9/23/77

79040153308

MMR 449 Convery

SENDER: Complete item 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered 25¢
☐ Show to whom, date, & address of delivery 45¢
☐ RESTRICTED DELIVERY
Show to whom and date delivered 55¢
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery \$1.05
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Larry P. Weinberg, Esq.

3. ARTICLE DESCRIPTION:
REGISTERED NO. 938110 INSURED NO.

I have received the article described above.
SIGNATURE ☐ Address ☐ Authorized agent
C. Convery

4. DATE OF DELIVERY POSTMARK
15 SEP 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PS Form 3811, Nov. 1976 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

American Federation of State,)
County and Municipal Employees)
(AFSCME)

MUR 449 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 22, 1977, the Commission determined by a vote of 6-0 to find Reason to Believe that a violation of 2 U.S.C. section 431(f) had been committed by the respondents in the above-captioned matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040153309

September 14, 1977

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 449 (77)

Please have the attached 7 Day Report distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of September 22, 1977. It is to be considered with MUR 352.

Thank you.

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FEDERAL ELECTION COMMISSION
Washington, D. C.

FIRST GENERAL COUNSEL REPORT

MUR NO. 449 (77)

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

DATE COMPLAINT RECEIVED
BY OGC _____

STAFF MEMBER Convery

Complainant's Name: Internally Generated

Respondent's Name: American Federation of State, County and Municipal
Employees (AFSCME)

Relevant Statute: 2 U.S.C. §431(f)

Internal Reports Checked: FEC Forms 7 Federal Agencies Checked None
filed by AFSCME

SUMMARY OF ALLEGATION

AFSCME did not report as a communication cost the \$983.73 it spent to prepare and distribute a poster which depicted President Gerald R. Ford in a derogatory manner.

BACKGROUND

During the course of our inquiry into a related matter (MUR 352), it came to light that, several weeks before the 1976 Presidential election, AFSCME had prepared and distributed a poster which

(CONTINUED)

PRELIMINARY LEGAL ANALYSIS

2 U.S.C. §431(f)(4)(C) generally requires that the costs incurred by a membership organization, including a labor organization, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate must

(CONTINUED)

RECOMMENDATION

We recommend that the Commission determine that the poster is a "communication expressly advocating the defeat of a clearly identified candidate" and that it find reason to believe that AFSCME violated 2 U.S.C. §431(f) in not reporting its cost. Send the attached letter to respondent.

Date of Next Commission Review:

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BACKGROUND (Continued)

depicted, in cartoon form, Gerald R. Ford with his arm around Richard M. Nixon. The poster bore the following caption, which purportedly was excerpted from a speech given by then Vice President Ford on July 25, 1974: "I can say from the bottom of my heart - the President of the U.S. is innocent, and he is right."

That poster was distributed by AFSCME and eventually found its way to Citizens Against Corrupt Government, an informal political group in Mauston, Wisconsin. (The poster had been mailed to a union official who also happened to be a member of CACG.) CACG, independent of any suggestion by AFSCME, decided to have the poster reproduced as an advertisement in a local newspaper. The advertisement appeared in the Mauston Star on October 28, 1976, five days before the date of the Presidential election. Because of the content and the timing of the advertisement, the Commission determined, on January 27, 1977, that it was a "communication which expressly advocated the defeat of a clearly identified candidate."

As part of its investigation into MUR 352, OGC requested from AFSCME certain information pertaining to the poster. We received that information by way of the affidavit of Philip C. Hubble, who, as Assistant Director of AFSCME's

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BACKGROUND (Continued)

business office, has responsibility for overseeing that Union's printing and mass mailing activities. The affidavit, dated June 2, 1977, established the following: that AFSCME spent \$383.73 to produce the poster; that it was distributed to various AFSCME officials (i.e., to all International Vice-Presidents; to the Chief Executive Officer of each AFSCME Council; to the President of each local; and to the Director of each AFSCME International Union Area) and to certain staff members at AFSCME's Washington headquarters; that the cost of distribution was approximately \$600; and that there was no intentional distribution to members of other unions or to members of the general public.

Significantly, the affidavit also averred that the costs of preparing and distributing the poster had not been reported to the Commission.

PRELIMINARY LEGAL ANALYSIS (Continued)

be reported to the Commission if those costs exceed \$2,000.

An examination of the Reports of Communication Costs filed by AFSCME indicates that, in connection with the general election of 1976, the Union spent \$5,574.22 in

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PRELIMINARY LEGAL ANALYSIS (Continued)

support of fifty House candidates, \$11,246.12 in support of two Senate candidates, and \$23,858.14 in support of the Carter-Mondale Presidential ticket.

Assuming that the Commission will determine that the Nixon-Ford poster was a "communication expressly advocating the defeat of a clearly identified candidate," AFSCME was required to report the \$983.73 it spent to prepare and distribute it since they had exceeded the \$2,000 threshold amount for communication costs in connection with the 1976 General Election.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Larry P. Weinberg, Esquire
Zwerdling and Maurer
1211 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: MUR 449

Dear Mr. Weinberg:

This will acknowledge receipt of your letter, dated June 2, 1977, and of the affidavit of Philip C. Hubble enclosed therein. That affidavit addressed the circumstances surrounding the preparation and distribution of a poster (the "Nixon-Ford poster") by your client, the American Federation of State, County and Municipal Employees.

After considering that affidavit in the light of the Reports of Communication Costs (FEC Forms 7) filed by AFSCME, the Commission has found reason to believe that AFSCME has violated section 431(f) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq., ("the Act").

This matter has been captioned as MUR 449. Please refer to this number in all future correspondence.

Specifically, the Commission believes that the Nixon-Ford poster was a "communication which expressly advocated the defeat of a clearly identified candidate." 2 U.S.C. §431(f)(4)(C) requires membership organizations, including labor organizations, to report to the Commission the costs directly attributable to all such communications, if those costs exceed \$2,000 per election.

Having exceeded the \$2,000 threshold amount for communication costs for the 1976 general election, AFSCME was required to report the \$983.73 it spent in preparing and distributing the Nixon-Ford poster, but did not do so.



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We request that AFSCME amend the Reports of Communication Costs which it filed in connection with the 1976 general election. We also request that AFSCME set forth reasons why no action should be taken against it under the Act.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish it to be made public.

The attorney assigned to this case is Vincent J. Convery, Jr. Please contact him at 523-4057 if you have any questions.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 449

Date Filmed 9/18/79 Camera No. --- 2

Cameraman SPC

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