

Work in Progress on Trinity Project

Shown above are pictures of work in progress at the \$250 million Trinity Dam Project. They show equipment removing all sand and gravel from the river bed so that a concrete foundation can be poured on bedrock as a base for the earth-filled dam to be constructed on this location.

Water has been diverted from the river bed upstream from the work location by a coffer dam and is carried through a tunnel to a location downstream from the dam site.

Upon completion of the main dam, the coffer dam will be removed and the tunnel used as a spillway to release water from the main dam to a diversion dam to be constructed several miles downstream, which will in turn divert water through more tunnels to the Clear Creek Power House site.

It is estimated that approximately 1200 highly unionized workers will be employed on this project, all of whom may be affected by the recent passage in Trinity County of a vicious anti-union "right-to-work" ordinance. (See story elsewhere on this page.)

PICTURES BY BUS. REP. ROY MURRAY

Trinity County Attacks Labor—But Quick!

In what appears to be the record for speedy action in "nailing Labor to the cross," the Trinity County Board of Supervisors on August 20th passed a "right-to-work" ordinance.

The proponents' attorney admitted that he first learned of the proposal at 10 a.m. on the 20th. He took the suggested ordinance with a petition signed by 693 persons to the board meeting in the afternoon and within five minutes the Supervisors passed it by a 4-to-1 vote.

The ordinance is practically identical to ordinances passed in Tehama and San Benito Counties. The former has been ruled ineffective in incorporated areas of the county, while the latter has been declared unconstitutional.

The Five Counties Central Labor Council officials stated that they intend to fight the ordinance in the courts and will ignore it when it becomes effective in 30 days.

SOME FACTS OF LIFE

To get good legislation you need good legislators.

The best way to help good legislators pay their campaign expenses is to contribute voluntarily to COPE.

Contact your steward or business representative and contribute your dollar.

HAVE YOU REGISTERED?

Midnight, September 12th, is the deadline for California voter registration.

In order to vote in the 1957 California elections, the following citizens must register before the September 12th deadline:

1. Anyone who did not vote in neither the November, 1956 General Election nor the 1956 direct Primary and has not registered since;

2. Anyone who has moved since the last election;

3. Anyone whose name has been changed since the last election;

4. Anyone who will be 21 the date of the next election.

The anti-labor drive being carried on at the local level should awaken all working people to the need for effective action by labor on every level of government.

Remember this: You can't vote if you're not registered.

Unit Chairmen's and Recorders' Meet Called

Business Mgr. and Treasurer's Report To Policy Committee Sparks Decision

Union headquarters has become busier than usual due to adoption of certain policy decisions made at a joint meeting of the Policy Committee and Executive Board August 3rd and 4th.

Recommendations referred by the Policy Committee were acted on by the Executive Board, following the joint session of August 3rd and 4th.

The joint meeting opened at 1 p.m., Saturday, August 3rd at which time each Policy Committee member reported activity from his area. Most reports reflected a relaxation of interest now that major negotiations are concluded. Two main issues still holding interest seem to be discussion of Hospitalization and General Construction expenses.

Two new Policy Committee members were appointed to replace resigning members Richard Hyland, North Bay, and Frank Moran, Colgate. Henry Connelly was appointed to represent North Bay Division and Ray Lolmaugh the Colgate Division.

The policy recommendations adopted by the Board on August 4th included:

1. All Units should vote on the international referendum regarding the proposed per capita increase.

2. Concurrence with the Policy Committee recommendation that we should seek a dues increase.

3. The calling of a special meeting of two unit officers from each unit to meet jointly with Policy Committee and Executive Board.

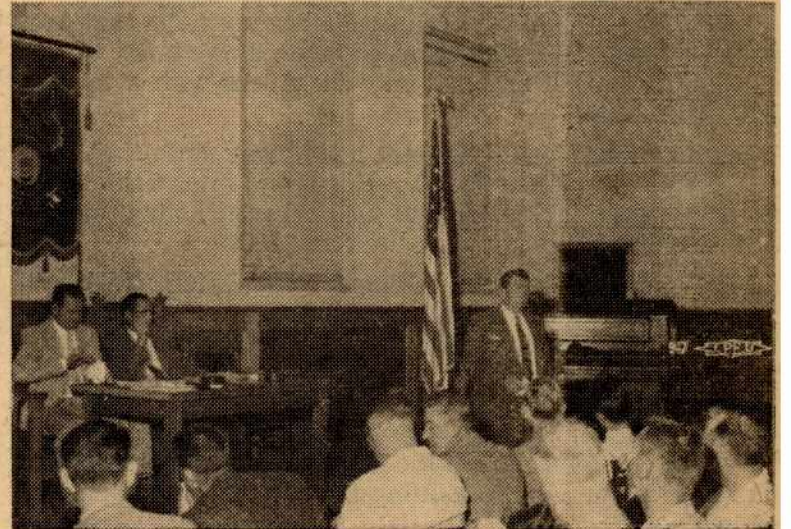
4. The two Unit officers will be the Unit Chairman and Unit Recorder and the joint meeting will be held September 28th and 29th.

The decision to call the special meeting in September came as a result of deliberations over the reports of Business Manager Weakley and Treasurer Bud Kerin. The prime purpose of the meeting will be the explanation and study of future program and finances of Local 1245.

The Treasurer's report was based on a week-long study by the Executive Board on the operations and needs of 1245. All expenses were reviewed and increased costs analyzed in an effort to revise the budget. Increases contemplated by the International Office, together with increases in costs of material, equipment and operation were pointed out by Treasurer Kerin. He stressed the fact that "One must remember that we can only provide service within our monthly income." Itemizing increases in operating and expanded operation, he warned that "the last dues increase was obtained to pay off a deficit" and "did not make allowances for increased expense in the current program or provide for expansion." This means that costs which have steadily increased are forcing us into "making adjustments, either by cutting service or increasing the income."

Bus. Mgr. Weakley pointed to the need for expansion of programs and the problems facing

(Continued on Page 2)



ABOVE: Jim Gibbs, Policy Committee member from De Sabla Division, reporting to the Executive Board and Policy Committee on the status of the Union in his Division.

BELOW: Portion of the Policy Committee listening attentively to a report on Local 1245 affairs and future needs.



State Health Meet Was Highly Successful

The best annual State Federation Health and Welfare Institute in years was held in Santa Barbara during the week starting July 21. Under the leadership of Secretary C. J. Haggerty, the State AFL and the University of California put together a top-flight program.

Leaders in the fields of insurance, medical service plans, industrial management, labor, medicine, hospital operations, public service and others presented individual and group views. Discussion panels took apart such subjects as "Negotiated vs. Non-negotiated Health and Welfare Plans," "Service vs. Indemnity Plans," "Self-insurance vs. Insurance Programs," "How to Increase Values and Reduce Costs in Health and Welfare Plans," "Effective Administrative Procedures," "Supplemental Benefits in Health Care," "Relationship With Medical and Hospital Associations" and "Legal Aspects of Health and Welfare Programs."

Debate was sharp and some of the panel members had their hands full when delegates poured streams of questions at them. A high level of knowledge was displayed, particularly by Union delegates, who have had

sufficient recent experience to qualify them as experts in the field, particularly on matters such as doctors' and hospital fees.

Local 1245's delegates, Bus. Mgr. Ron Weakley; Don Chave, East Bay; Mark Cook, San Jose, and Frank Mercer, Santa Rosa, participated fully in the conference and at numerous outside "get-togethers" with other delegates.

Very interesting figures and information were gathered for our forthcoming talks with PG&E on hospitalization. For instance, it was learned that the average three-bed ward rate in the areas covered by the PG&E system, based on those under contract to Blue Cross, was about \$18.37 per day.

Bus. Mgr. Weakley, serving on the panel on "Negotiated vs. Non-negotiated Plans," took the view that negotiated plans were obviously superior to non-negotiated plans.

After reciting some history on the hospitalization problems of his membership groups, Weakley reviewed the current situation between Local 1245 and the various employers and ended his presentation by stating that: "I

(Continued on Page 2)



The UTILITY REPORTER



RONALD T. WEAKLEY Editor
L. L. MITCHELL Assistant Editor
M. A. WALTERS Assistant Editor
ELMER B. BUSHBY Assistant Editor

Executive Board: Frank D. Gilleran, President; Marvin C. Brooks, Milton Shaw, Thomas F. Kerin, Walter R. Glasgow, Joseph S. Kreins, Marvin P. Wagner, Everett T. Basinger.

Published monthly at 1918 Grove Street, Oakland 12, Calif., by Local Union 1245 of the International Brotherhood of Electrical Workers, AFL-CIO.

Entered as second-class matter January 22, 1954, at the post office of Oakland, California, under the Act of March 3, 1879.
 POSTMASTER: Please send Form 3579, Change of Address, to 1918 Grove St., Oakland 12, California.

Subscription price . . . \$1.20 per year. Single copies, 10 cents

Labor Day Message

JAMES L. McDEVITT

National Director, Committee on Polit. Education

Labor Day is as old as organized labor itself. On that first Labor Day back in 1882, organized labor, as we know it, was less than a year old and had only six unions with a total of 45,000 members.

The union movement has come a long way since then with its 16,000,000 members in 139 national and international unions. But on the legislative and political front, our problems are just about like they were back in 1882.

Now—as then—we are asking for legislation which will promote peaceful collective bargaining. Now—as then—there are powerful employer groups who demand that the full power of Federal court injunction be used on the side of the employer to crush necessary legitimate strikes. Then—as now—these employer groups raised the cry of labor monopoly in their effort to cut the labor movement into isolated weak local unions by prohibiting them by law from helping one another.

What many of our people do not realize is that right now anti-labor lobbyists are soliciting large sums from businessmen to promote laws making it illegal for union members to participate in political education.

This year on Labor Day, I would like humbly to suggest that every AFL-CIO member ask himself: Am I registered? Have I given one dollar to COPE? Do I know if my Congressman is friendly to labor?

If the answer to all three questions is yes, then that trade unionist is entitled to enjoy the Labor Day holiday with the knowledge that he is doing his part to assure many more happy prosperous Labor Days for himself and his children.

Happy 130th Birthday

Labor Day, 1957 marks the 130th anniversary of service of the labor press to the American labor movement.

In the summer of 1827 in Philadelphia, the Mechanics' Free Press—the earliest labor paper of which copies have been preserved—was organized. The first copy actually rolled off the presses the following January.

Some 130 years later the American labor press of today is a gigantic industry serving some 18 million trade unionists with the labor viewpoint on issues of vital interest to the workingman.

Interestingly, the labor press of today provides information to its readers on the same broad range of subjects as did its pioneering counterparts in the 1800's: Union activities, news of labor, political action, legislative issues, community problems, etc.

This is natural since the goal of the labor press today does not differ in the slightest from the goals of the early editors: promoting the welfare of the union members and the nation as a whole.

Just how large the labor press is today is difficult to ascertain. Most of labor's 18 million members receive at least one union publication. Many receive two or more. A conservative estimate of the total circulation should be in the neighborhood of 25 million.

In this year of 1957 it is generally conceded that the labor press is providing more and better news and education than ever before in history. Professional journalists, dedicated to the objectives of organized labor, are

editing more and more publications. Poorly edited, poorly written, axe-grinding organs still plague the labor press but their numbers are decreasing. Racket sheets, posing as labor publications, are finding it hard going in face of the intense opposition led by the International Labor Press Association.

The labor press, having successfully weathered its first 130 years, may face even greater challenges in the future as the American industrial society solidifies and develops.

Recently, a dean of a major American journalism school told a labor editor that he had placed most of his 1957 graduates with private industry. Organized industry, he said, is planning to concentrate on its employee publications as never before to meet the challenge of the labor press.

For most trade unionists, however, the labor press is the source of reliable information on which they depend.

"We believe only one-half of what we read in the daily papers," one trade unionist said recently. "We believe almost nothing we read in management publications. That's why we've got to have our own labor papers, edited by people who believe as we do."

Deductible Medical Insurance Termed 'Barrier' to Health Care

Major medical expense insurance "is a barrier on the road to health" rather than a help, according to "Catastrophic Illness Insurance," a new AFL-CIO pamphlet.

The booklet defines major medical expense or catastrophic illness insurance as insurance "supposed to give protection against the more severe and more expensive medical costs."

"At its best, major medical expense insurance is a useful supplementary insurance only when comprehensive care is already provided for the union member and his family," the booklet maintains.

"At its worst, it is a frill that diverts funds from the basic coverage where protection is most needed.

"Major medical insurance may be of help to upper income groups, but it misses the real problem of the wage earner. It may even add to his difficulties by inflating medical costs."

"From the point of view of the private insurance business there is little that is wrong with major medical," it goes on.

"Since we are concerned with health care for the union member, however, major medical insurance appears in a different light. The wage earner needs to consider not only how much he or his employer spends for health insurance, but how much also he has to spend for medical care not covered by his health insurance.

"Most of his medical bills and those of his family are small,

but much more frequent than the big bills. They are under the deduction limits of major medical and they add up to a large proportion of his total medical cost. In any one year only a small percentage of wage earners could take advantage of major medical coverage.

"What the wage earner wants is comprehensive coverage that starts right at the bottom, covering all the small bills and works upward toward the infre-

quent major expenses. From this point of view, major medical misses the real problem. It is a frill that diverts resources away from these essential points.

"Major medical insurance does not encourage prompt use of medical facilities in the early stages of illness. The deductible feature actually discourages timely recourse to medical attention and gives a financial incentive for waiting until the illness is a serious one."

Two Key California Cities Adopt Anti-Bias Laws

San Francisco — California's two largest cities have adopted ordinances against discrimination.

The city and county of San Francisco became the first municipality in the state of California to enact a fully enforceable fair employment practices ordinance when Mayor George Christopher signed into law a measure passed nine days earlier by the board of supervisors.

In Los Angeles, a new law banning racial and religious discrimination in housing located in redevelopment projects passed by the city council without a dissenting vote, went into effect July 29.

The measure requires that all deeds, leases or contracts relating to land or its sale, lease, sublease or transfer entered into by the Community Redevelopment Agency must contain a clause barring discrimination and segregation. The law provides that

the clause "shall run with the land" and bind subsequent holders.

San Francisco's FEP ordinance prohibits discrimination in hiring, tenure, compensation, promotion, discharge or any terms, conditions, or benefits of employment on grounds of race, color, religion, ancestry, national origin or place of birth. Employment agencies, labor unions and employers of five or more are covered, as well as all city and county positions and all contractors and subcontractors doing city or county work.

A seven-member commission on equal employment opportunity, appointed by the mayor, will administer the law. It will investigate complaints, try to eliminate discrimination by conciliation, and if this fails, certify the matter to the city attorney for legal action to secure compliance.

Policy Committee Decisions

(Continued from Page 1)

Local 1245 in the next few years. He outlined the need of committees and research on atomic energy problems, apprenticeship training, automation, white collar problems, Health and Welfare programs, legislation and public relations. He pointed to the need for better liaison and communication with the membership and the expense involved. In outlining a future program, it was felt that centralized meetings of Unit officers should be utilized.

In view of the importance of the question of choosing between a change in our dues structure or a reduction of service, Bus. Mgr. Weakley suggested that a special meeting could be called to study the issues. He pointed out that it would provide a greater understanding to a larger group and with the knowledge gained it would improve the communications to the average member.

The Policy Committee, after much discussion, recommended that we seek a dues increase rather than cut service and that efforts should be made to provide for establishing of programs which are needed. Recognizing the need of understanding by more people of the problems and needs for future operations, it was recommended that a special meeting be called to discuss these problems.

The reading of these recommendations from the Policy Committee and Executive Board minutes has raised healthy discussion in Unit meetings which

have been held since August 4th and reports indicate that the membership feels the idea of the joint meeting is a good one.

The business office is busy preparing an agenda and working out details for transportation, housing and subject matter.

As a result of this meeting, the development of a By-Law amendment should be formulated.

The results of the conference will be reported in the October meetings and the UTILITY REPORTER.

The success of any program depends on the understanding and support of the members in the field. All members of the Policy Committee and Executive Board expressed hope that this meeting will lead to improvements in understanding the problems.

Health Meet

(Continued from Page 1)

believe that a negotiated plan is far superior to a non-negotiated plan in that Labor and Management, in each instance, have a sacred trust in getting the most for the premium dollar, protecting funds from administrative plunder, and jointly exerting pressures against the ever-increasing pyramiding of the costs of illness to the worker and his family."

REPORT immediately all safety HAZARDS!

STAY SAFE OFF-THE-JOB, TOO



Ever see a carnival performer dive from a high tower into a tub of water?

What a thriller! But you wouldn't try it. Too risky, you'd say.

Yet when you dive into unfamiliar water you're taking a greater risk.

Don't be foolish around water. If seven thousand Americans who drown each year knew and obeyed a few simple rules they would stay alive.

Don't dive into water you don't know. It may be dangerously shallow or hide rocks or stumps that could break your neck.

The National Safety Council recommends that you know and observe your swimming limitations. Remember that swimming requires good general physical condition.

Stay out of the water if you're overheated from exercise or the sun. Wait until you cool off, then go in, but never alone.

Whenever possible, swim where a life guard is on duty. But no matter how many people are around, do not swim far from shore, unless you are accompanied by a boat.

If you suffer cramps in the water, don't lose your head. Try to float while signaling for assistance.

Keep yourself safe by taking no chances. Learn rescue methods and artificial respiration so you can save others.

Weakley Attends Fund Seminar

Business Manager R. T. Weakley has been selected as one of 25 California Union leaders to attend a weekend seminar arranged by the Institute of Industrial Relations, University of California, in cooperation with the Fund for the Republic. The seminar will be held at the Sonoma Mission Inn, September 6th to 8th.

Purpose of the seminar, according to John Hutchinson, U.C. Coordinator of Labor Programs, is "to bring together a carefully selected group of Union leaders in California to discuss, in cooperation with leading authorities in the field, the principle problems in civil liberties and constitutional democracy that face us today. Out of these discussions we hope will emerge a clearer understanding by all of-us of the interest and responsibilities of labor in the preservation and strengthening of the freedoms we have inherited."

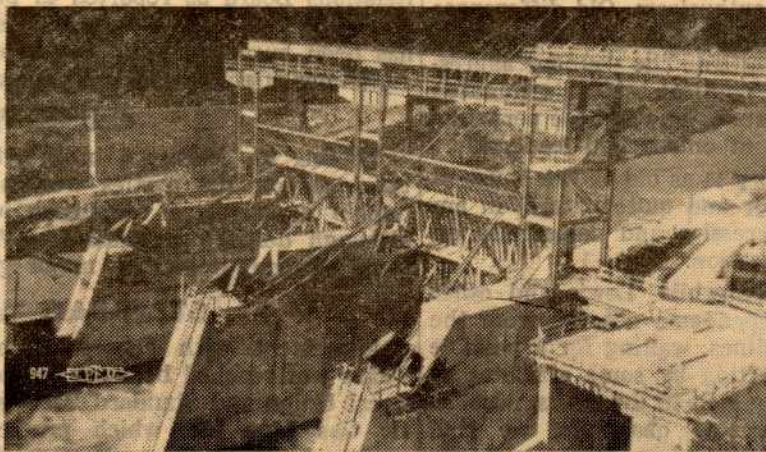
Local 1245 is honored in that one of its officers has been selected to participate in this important seminar which is limited to a small number of Union leaders in California and it points up the growing stature of our Union in the community.

Agreements & By-Laws Ready Soon

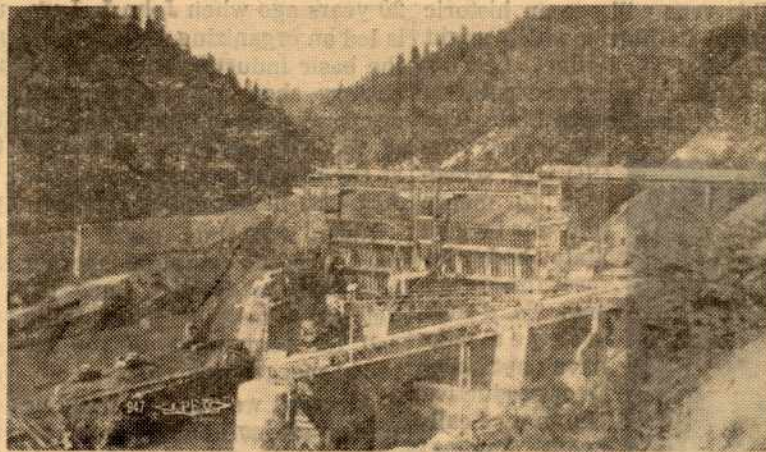
Our printer has advised us that printing of the 1957 PG&E Physical and Clerical Agreements and our new amended By-Laws will be completed by September 16th.

Copies of these will be made available on and after September 16th at the Unit meetings.

Upon written request to the



The above pictures are views of the diversion dam under construction on the Poe Project. The Poe Power House, with generating capacity of 106,000 KW, is scheduled for completion in 1958. It will be located just above the anticipated "high water level" of the proposed Oroville Dam, largest man-made structure in the world.



An interesting feature of this plant will be the lack of men. It will be operated under complete supervisory control from the Cresta Power House, some miles distant upstream, under the new system of communicating the control impulses by microwave.

Pictures by Bus. Rep. Roy Murray.

Poe Project Well Under Way

Keenan, Reuther To Attend TUC

Chicago — The AFL-CIO will send two fraternal delegates to the annual convention of the British Trades Union Congress, which opens at Blackpool, England, Sept. 2.

The delegates are UAW Pres. Walter P. Reuther and Sec. Joseph Keenan of the Intl. Brotherhood of Electrical Workers. Both are AFL-CIO vice-presidents.

AFL-CIO Pres. George Meany had been originally scheduled as a member of the delegation.

He explained, however, that because of a heavy schedule of work and his forthcoming assignment in mid-September as

Business Office, copies of the By-Laws will be mailed to those so requesting.

"Another Example of What We Mean"

The editors of the Utility Reporter have consistently pointed out the results of expanding "public power" which is more "power" than "public."

The recent National Electrical Contractors Association "NECA News Letter" contained a real interesting item which should dampen some of the "public power" enthusiasm which emanates from some construction Union groups.

This tidbit is as follows, and we quote:

"TVA Bill (S. 1869 and H.R. 4266) that would authorize TVA expansion through sale of revenue bonds was called to your attention last week. These meas-

ures have been reported by committees in both House and Senate, could be called up at any time and, if called up, the political atmosphere is such that they might be passed.

ures have been reported by committees in both House and Senate, could be called up at any time and, if called up, the political atmosphere is such that they might be passed. Other than containing the basically objectionable features of establishing government private business and financing the venture through revenue bonds that remove it from any fiscal or administrative control, the proposal specifically authorizes TVA to do just about anything it wishes to do, including engaging in the electrical contracting business. In that connection, a study of Section 15d (g) of S. 1869 (Section 15d (h) of H.R. 4266) is in order. It says:

"... In connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities or any interest therein by or on behalf of the Corporation, or for the purchase of the output thereof, the Corporation may convey in the name of the United States by deed, lease, or otherwise, any real property in its possession or control, may perform engineering and construction work and other services, and may enter into any necessary contractual arrangements."

"How would you like to have a competitor in the electrical contracting field which has been given \$1.5 billion in capital (which this bill would write off) and could float bonds up to three-quarters of a billion dollars which the U.S. Treasury would be compelled to buy if nobody else was interested? Tell your congressman and senators how you feel about this?"

Now TVA was originally developed as a result of many things, part of which was abuse of corporate powers to the detriment of the public good.

So TVA is a fact, Labor has a measure of protection in the present arrangement and no one expects that the clock would or should be turned back thru the destruction of TVA.

Here, we see a threat of "corporate abuse" thru a governmental agency. Along with a present policy which does not guarantee that Union contractors will perform any federal construction unless they can meet competitive bids from non-union contractors, the government would even go into a "do it yourself" setup if these bills were to pass. There goes fair contractors, fair wages, collec-

Join COPE Today!
To get good legislators some one must pay their campaign expenses.

ures have been reported by committees in both House and Senate, could be called up at any time and, if called up, the political atmosphere is such that they might be passed.

Other than containing the basically objectionable features of establishing government private business and financing the venture through revenue bonds that remove it from any fiscal or administrative control, the proposal specifically authorizes TVA to do just about anything it wishes to do, including engaging in the electrical contracting business. In that connection, a study of Section 15d (g) of S. 1869 (Section 15d (h) of H.R. 4266) is in order. It says:

"... In connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities or any interest therein by or on behalf of the Corporation, or for the purchase of the output thereof, the Corporation may convey in the name of the United States by deed, lease, or otherwise, any real property in its possession or control, may perform engineering and construction work and other services, and may enter into any necessary contractual arrangements."

"How would you like to have a competitor in the electrical contracting field which has been given \$1.5 billion in capital (which this bill would write off) and could float bonds up to three-quarters of a billion dollars which the U.S. Treasury would be compelled to buy if nobody else was interested? Tell your congressman and senators how you feel about this?"

Now TVA was originally developed as a result of many things, part of which was abuse of corporate powers to the detriment of the public good.

So TVA is a fact, Labor has a measure of protection in the present arrangement and no one expects that the clock would or should be turned back thru the destruction of TVA.

Here, we see a threat of "corporate abuse" thru a governmental agency. Along with a present policy which does not guarantee that Union contractors will perform any federal construction unless they can meet competitive bids from non-union contractors, the government would even go into a "do it yourself" setup if these bills were to pass. There goes fair contractors, fair wages, collec-

Join COPE Today!
To get good legislators some one must pay their campaign expenses.

ive bargaining and all that we fight for, down the drain in order to satisfy those who seek eventual nationalization of the power industry. Remember, when you get public power, you also get automatic compulsory open shop and a loss of political rights. Ask the letter carrier next time you see him. He knows.

Nat'l Columnist Praises IBEW

National praise via Victor Reisel's columns, syndicated in newspapers all over the country, has been given the Intl. Brotherhood of Electrical Workers for its policy of investing pension and death benefit funds in mortgage loans.

The columnist reported that IBEW and the Intl. Ladies Garment Workers loaned \$10 million each to build low-cost homes for Air Force personnel at the Little Rock, Ark., air base.

Also, similar large amounts have been loaned by IBEW for homebuilding at Ft. Stewart, Ga., an air base at Providence, R. I., and in such major cities as San Francisco, Minneapolis, Chicago, Kansas City, Cleveland, Detroit and New York City.

"... This investment adventure began last May when some of the Electrical Workers Union leaders were in San Francisco, Reisel reported. "They talked to construction company people who told them they would have to go out of business and drop some 1400 construction workers unless the tight money market eased. There was just no money to be borrowed."

"The union men returned to Washington. After looking over the money market they decided to throw in money from the organization's pension and death benefit funds.

"They figured they could put up 1 1/2 million dollars monthly for construction projects. This money would be safeguarded in government guaranteed mortgages, keep men at work and rip the rat-hole buildings out of major city slums."

The columnist concludes with this tribute:

"Someone should set this financial saga to lyrics and music, for this is truly a ballad for Americans. From the carefully counted dollars of the skilled craftsmen of the wondrous electrical world and the bent over figures of the needle trade shops come glistening apartments, playgrounds and parks as the older generation repays the land which gave it so much freedom."

Oil Company Gymps Uncle Sam

The Arabian-American Oil Co., commonly known as Aramco, has gyped Uncle Sam out of \$800 million since 1950 in tax credits and by depletion allowances, according to an exclusive article in a recent issue of I. F. Stone's Weekly.

Aramco has paid no income taxes to the United States whatsoever on its earnings in Saudi Arabia for the past seven years. Instead of paying taxes to this country, the company has a gimmick whereby it pays "taxes" to the slave-owning King Ibn Saud. Actually, these monies are fees, or royalties, but the company and the king don't call them that and so the U.S. Treasury has to forego collecting its own taxes on the fabulous profits of this American-owned international oil company.

Aramco's 50-50 profit sharing arrangement with King Saud—at the expense of the U.S. Treasury—went into effect in 1950. Tax credits and depletion allowances for the years since are: 1950—\$106.1 million; 1951—\$183 million; 1952—\$195.2 million; 1953—\$210 million; 1954—\$258 million; 1955—\$324 million; 1956—\$432 million. This is a total of \$1,709,600,000.

FIGURES 'STAGGERING'

Editor Stone, calling the figures "staggering," comments: "What they illustrate is a basic axiom of U.S. business today. The real way to make money lies in knowing how to manipulate the tax laws. A small business in this country, making \$5,000 a year, pays a 30 per cent income tax. But one of the world's most profitable petroleum concessions has for the past seven years paid

no income taxes whatsoever on its earnings in Saudi Arabia."

Tax credits alone for the years from 1950 total almost \$1 billion. That total offsets dollar for dollar the higher royalties paid King Saud in the guise of taxes.

An oil company operating in this country and paying these same sums in royalties could deduct them as an expense of doing business. But it would have to pay corporate income tax on the rest. In Aramco's bracket this would be almost \$500 million. That is, Stone says, roughly the amount lost to the U.S. Treasury for the foreign tax credit.

THE GIMMICK

The depletion allowances since 1950 amounted to \$753.1 million. The depletion allowance is, as Stone puts it, "the well-known tax gimmick which gives the oil industry its Midas touch." Since 1926 the tax laws have allowed oil companies to take 27.5 per cent of their gross earnings as a depletion allowance before taxes. In other words they don't pay any tax at all on the first 27.5 per cent of their gross earnings "without regard to the amount of the investment of the amount of prior depletion deductions."

The coal industry had a depletion allowance of 5 per cent for many years and finally was able to get Congress to allow a 10 per cent depletion. Obviously, the oil industry still has a tremendous competitive advantage.

Needless to say, the Congressional tax law writers don't permit any depletion allowance on coal miners and other wage earners who work themselves out on their jobs. However, in

the case of the coal miners the problem has been solved to some extent by the fact the industry pays a 40-cents-a-ton royalty into the UMWA Welfare and Retirement Fund on each ton of coal mined. This is, in a way, a sort of depletion allowance on the wear and tear on human beings in the industry.

AT U.S. EXPENSE

The depletion allowance given the oil industry allows it to write off the full amount of their actual investment many times at the expense of the U.S. Treasury.

The amounts deducted from income tax returns as depletion allowance would otherwise be subject to tax. In Aramco's bracket, this would be 52 per cent. In other words, roughly half of the \$753.1 million in depletion allowances Aramco has enjoyed since 1950 would have been paid to the Treasury were it not for this tax gimmick. This would be approximately \$800 million in taxes that have been lost since 1950 through Aramco's foreign tax credit and depletion allowance.

Stone notes that neither Saudi Arabia or Venezuela, from whence comes most of the residual (waste) oil that is dumped into coal's Eastern markets, allow oil companies operating in these countries to take depletion allowances before paying taxes.

"It is fantastic," Stone says, "that the oil industry should enjoy a depletion allowance which bears no rational relation to real depletion (the using up of natural resources)..."

(From: United Mine Workers Journal)

YOUR Business Manager's COLUMN

By RONALD T. WEAKLEY

This year will see an historic event in California which might well have a distinct bearing upon the economic and political future of the Golden State. The



R. T. Weakley

AFL and the CIO are scheduled to merge into a single State body before the year's end. To date, merger talks have not been too productive. Numerically much larger and historically much older, the AFL does not take too kindly to a new concept of organizational structure and operation.

CIO, much smaller and much younger, is, I believe, content to depend on a forced merger if necessary in order to exact conditions more favorable than those offered by the larger State AFL.

CIO represents some 180,000 affiliated members against AFL's some 1,600,000 in California. Nationally, the CIO represents about 35 per cent of the AFL-CIO.

Basically, the old conflict between craft and industrial unions still haunts the house of Labor, both in California and nationally. This goes back some

20 years ago when John L. Lewis led an organizing drive among the basic industries in America. History shows the split which occurred with the establishment of the CIO began to be healed at the merger convention of the AFL-CIO in December of 1955.

Since that time, much progress toward complete merger has been made, but some big key states have held out. Rules call for completion of the national merger this year.

Already, we see the building trades strengthening their departmental apparatus prior to the second AFL-CIO convention. The Teamsters have pulled out of the Industrial Union Department and some basic jurisdictional feuds are brewing.

These are transformed into the California picture and will, no doubt, be issues in this year's conventions. It would appear that a forced merger might be effected here but the basic differences will be issues at Atlantic City in December when the second AFL-CIO convention convenes.

As one who has attended many conventions, including CIO, AFL and the New York merger convention, I am always struck with the fact that the second convention of a new organization is the one to watch.

The bride and groom are then over the honeymoon and practical evaluation supplants spirit-

ual enthusiasm. Old differences are exhumed, new spats are magnified. The younger aggressive political aspirants threaten the status quo and the perpetuation of entrenched leadership.

This is as old as the house of Labor and quite natural in any progressive and democratic organization.

Meanwhile, Lewis and other independents observe from the sidelines, waiting for a possible defection by some affiliates or a big split in the ranks. Also, as interested observers, we find the anti-labor forces and the politicians lurking in the background.

When the 1955 merger was accomplished, we began to hear of the dire results which were alleged to happen as a result of "this great concentration of power." The NAM groaned at the prospect of unity in Labor and put their Madison Avenue hucksters to work on a propaganda barrage designed to undo the merger potential.

Congress suddenly began to investigate, excoriate and legislate. Labor became the big issue. "Corruption," "racketeering," "collusion" and other descriptive phrases became daily front page banners.

Organized labor, representing only about one-quarter of the work force, became the "big issue." The first real program to insure ethical and democratic procedures was instituted by the merger convention itself. Notably, similar programs were not and have not been instituted in industrial, banking, investment, medical and other associations or groups. Yet, the whipping boy, as usual, is Labor.

All of these things surround the merger conventions of State and local bodies and will be concentrated as major issues at the 1957 AFL-CIO convention.

It would appear that the craft versus industrial matter, the Ethical Practices Code, and the younger aggressive political aspirants will shape much of the debate and actions of the second convention.

We hope for a satisfactory merger in California for the good of Labor, which is only interested in the good of America. We know that united action is vitally necessary to defeat anti-labor laws. We know that California's role in national politics will be a starring one in 1958 and in 1960.

We further hope that the AFL-CIO will emerge from the second convention as a united body, free from any major disunity, and provide a positive answer to the hysterical attacks being made upon the house of Labor because a handful of termites were exposed.

Local Union 1245 effected a merger long ago, has progressively improved the economic welfare and security of its members and families and can serve as an example to any labor organization. The extension of the democratic process may detract from "business efficiency" but it remains the foundation of the Labor Movement, which has withstood any and all attempts to destroy it in America. This is the answer to most of the problems in Labor.

Named to Oakland Bd.

Joseph Pruss, business agent of Oakland Sheet Metal Workers Local 216 this week was appointed by Mayor Clifford Rishell to serve as labor representative on the city's Redevelopment Agency, which is planning improvement of depressed residential areas.

ON THE NEGOTIATING FRONT

Following successful proceedings before the National Labor Relations Board as reported in previous issues of the UTILITY REPORTER, Local Union 1245 assisted by employee members, has been busy negotiating contracts covering wages, hours and conditions of employees for our new brothers.

C.U.C. WATER

Meeting on August 6 in the third session the parties were unable to reach final conclusion although definite progress was made on many items. The major

item of concern still to be resolved is the matter of wages which were under discussion August 23 and the week of August 26.

STAN-PAC WAGES SET

Agreement with respect to wages was reached between the Local Union and Standard Pacific Gas Line Inc. which provides a 5½% increase effective July 1, 1957 and an additional 5% July 1, 1958 for these new

members of our Union. Exploratory meetings have been held with respect to hours and other conditions of employment, and it is hoped that an early conclusion can be reached and an agreement signed.

CALIFORNIA PACIFIC UTILITIES

Certified on August 12, 1957 by the National Labor Relations Board following the results of a successful election, the ballots for which were counted on August 1 showing a majority of 8 to 2 in favor of representation by Local Union 1245, negotiations were commenced in Needles, California, the hottest spot in the United States, on August 19 and continued to the 21st. Although not reaching a final conclusion, the parties were successful in these sessions in reaching agreement on most items covering hours, fringe benefits and other conditions of employment. The major item

still remaining is that of Union security. With respect to wages, the parties were fairly close on many classifications; however, considerable difficulty existed with respect to those employees working in the Telephone Department. Representing the Union were Robert Scouler, Business Representative Jack Wilson and Assistant Business Manager M. A. Walters. Personnel Director D. M. Pritchett and Division Manager D. N. Baker represented the Company. California Pacific Utilities Company provides electric, gas and telephone service in Needles, California, and Searchlight, Nevada.

Departmental Negotiations

While no final conclusions have been reached with respect to any department since the last issue of the UTILITY REPORTER, Assistant Business Manager Walters reports that progress is being made as follows:

ELECTRIC DEPARTMENT MAINTENANCE

Tentative agreement has been reached with respect to job definitions and lines of progression. These understandings are currently in the process of being placed in final form so that they can be signed and become ef-

fective. We will report the details of this settlement in the next issue of UTILITY REPORTER and will advise those directly affected of the results as soon as they are firmed up.

ELECTRIC DEPARTMENT OFFICE

At the meeting on July 1 between the parties, Union presented many questions and some problems with respect to Company's original proposal. These questions and problems will require some study on behalf of the Company. At the conclusion of their study, they will submit

counter-proposals to the Union. Such counter-proposals are expected in the near future. Representing the Union in the negotiating sessions were: Henry C. Cauzza, Barry Dolan, James Mathews, Harold E. Lee, William J. Carroll and Assistant Business Manager M. A. Walters.

Units Voting on I.O. Referendum

In accordance with Article XXIX, Section 1 of the IBEW Constitution, the International Executive Council has authorized that a referendum be submitted to all Local Unions for a vote of the membership concerning an increase in the I.O. per capita tax.

Commencing with meetings on August 20, the Units will vote, by secret ballot, on this extremely important issue.

The proposed increase is 10 cents, effective January 1, 1958, and an additional 10 cents, effective July 1, 1958. As was pointed out in the June-July issue of the IBEW Journal, there has been no increase in per capita tax for 36 years.

The "cost of living," as every one knows, has steadily climbed and "cost of doing business" has naturally kept pace, as they are one and the same.

Some interesting statistics, prepared in Local 1245's office, reveal that the "cost of living" since 1913 (the earliest BLS figures) has increased over 184 per cent, while the per capita tax for the same period has increased only 70½ per cent. This should be proof positive that an increase is justified.

We urge that you attend your Unit meeting and help the Brotherhood do the job that must be done by casting your ballot in favor of the per capita increase.

Churches Abhor 'Right-to-Work'

Catholic Press Censures "Wreck" Laws

The Catholic Press Association, comprised of Catholic newspapers and periodicals servicing more than 23 million subscribers in the U.S., last month went on record condemning "right-to-work" laws which would ban the union shop and other forms of union security contracts.

Meeting in St. Louis for its 47th annual convention, the Catholic Press body declared itself opposed to the enactment of state or federal "right-to-work" laws, charging they would "hinder the progress" and threaten the "existence of legitimate labor union activities."

Presbyterians Think Union Security O.K.

The Department of Social Education and action of the Presbyterian Church recognizes the human values that union security encourages. This recognition was emphasized when the Department recently stated:

"As a member of a labor union the modern worker gains a

'Right-to-Work'

Methodists Blast "Scab" Laws

The Southern California-Arizona annual conference of the Methodist Church has gone on record against so-called "right-to-work" laws which bar agreements on union security.

The conference held at Redlands University, termed such laws as "not in the public interest." The conference concurred in a declaration previously made by the National Council of Churches that there should be no laws requiring or forbidding the union shop and that "the decision should be left to agreement by management and labor through collective bargaining."

new investment of personality. He helps to formulate policies and decisions that affect conditions of life under which he works by his participation through his union . . . a participation that extends far in all that his union and leaders do."

IBEW Council Head Dies

Charles M. Paulsen, chairman of the International Executive Council of the IBEW, died in St. Luke's Hospital in Chicago on July 16. He was 84 years old.

Mr. Paulsen was a 65-year member of the IBEW, having been initiated in Local Union 2 of Milwaukee, Wis., August 10, 1892. He was a leader in the formative years of the Brotherhood and in all the years since.

From 1905 Mr. Paulsen had been a most active leader in Local Union 134 in Chicago and president of that local since 1919.

Mr. Paulsen was first elected a member of the IBEW Executive Council in 1930 and served as its chairman from 1932 until the present time except for a period of 18 months. His death is a great loss to the IBEW and the entire labor movement.

He is survived by two sons, Armand and Norman.

Is This What They Mean By the Right to Work?

James and Norman Busk of Busk Enterprises in Hayward were fined \$2500 each on August 16th by Federal District Judge L. E. Goodman after pleading guilty to a federal charge of illegally employing 92 boys and girls under 16 years of age in an apricot drying plant.

Some of the "workers" were said to be as young as 6, most were between 11 and 15 years old. Early investigations by the U.S. Labor Department's Wage-Hour Division disclosed that nearly one quarter of the more than 1100 known workers hired by the Busks were under the 16-year age limit, provided by the Fair Labor Standards Act.

Needless to say, the Busks were also charged with failure to pay the legal minimum wage of \$1 per hour. This matter was referred to the probation officer in order that restitution be made to those "workers" paid less than the \$1 per hour.

ATTEND your union meetings REGULARLY!