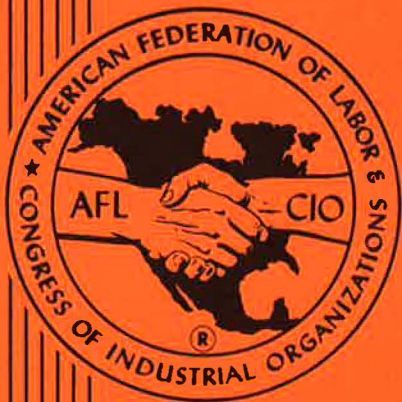


# **The AFL-CIO Platform Proposals**



**Presented to the Democratic and Republican  
National Conventions**

**1972**



# Table of Contents

	<i>PAGE</i>
THE AFL-CIO PROGRAM—1972 .....	1
NATIONAL ECONOMY AND JOBS .....	6
The National Economy .....	6
Unemployment .....	9
Corporate Power and the People .....	10
Tax Justice .....	10
Fiscal and Monetary Policies .....	12
Fair Labor Standards .....	13
Manpower and Training Policy .....	14
Rural America .....	15
Farm Labor .....	15
Maritime Problems .....	16
Railroad Problems .....	17
URBAN AMERICA .....	18
HOUSING .....	20
INTERNATIONAL TRADE AND INVESTMENT .....	22
THE ENVIRONMENT .....	25
Environmental Blackmail .....	25
Air Pollution .....	25
Water Pollution .....	25
Noise Pollution .....	25
Land Use Policy .....	26
Solid Waste Disposal .....	26
Energy .....	26
Pesticide Control .....	27
OCCUPATIONAL SAFETY AND HEALTH .....	28
SOCIAL AND PUBLIC NEEDS .....	29
Education .....	29
Anti-Poverty Program .....	30
Day Care Centers .....	30
Consumer Protection .....	30
Community Programs .....	31
CIVIL RIGHTS .....	32
SOCIAL SECURITY AND HEALTH .....	34
National Health Security .....	34
Social Security .....	35
Medicare .....	36
Welfare Reform .....	37
Pension Legislation .....	37
Workmen's Compensation .....	38
Unemployment Compensation .....	38
LABOR AND MANAGEMENT .....	39
Labor-Management Relations .....	39
Compulsory Arbitration .....	39
Federal Employee Relations .....	40
Non-Profit Hospital Workers .....	40
Davis-Bacon Act .....	40
GOVERNMENT ADMINISTRATION .....	41
Campaign Financing .....	41
Universal Registration .....	41
Home Rule for D.C. .....	41
Hand Gun Control .....	42

	<i>PAGE</i>
FOREIGN POLICY AND DEFENSE .....	43
Defense and Disarmament .....	43
NATO .....	43
Foreign Aid .....	43
The United Nations .....	44
Vietnam and Indo China .....	44
Trade with the USSR .....	44
Policy for Asia .....	44
Latin America .....	44
Africa .....	44
Middle East .....	44
Freedom of Jews to Leave the Soviet Union .....	45
Needs of Vietnam Veterans .....	45

# The AFL-CIO Program—1972

Every four years, the AFL-CIO presents to the platform committees of the major parties our program for America. We do not write one statement for Republicans and another for Democrats, because the problems of people, which is our overriding concern, should not be divisible along party lines.

The people's problems are real, and the people have a right, under this system of government, to look to their government for redress of their grievances. But in this search they have been frustrated by both the Congress and the Executive Branch, which have too often ignored the people's problems in order to respond to the pleas of special interests.

It is time for the government to put the people first. It is time that the best system of government ever devised be put to work for the benefit of all the people. That is why we ask each of the parties to deal squarely—specifically and candidly—for the purpose of restoring fairness, equity and compassion to government policies.

There is a need today for the "unalienable Rights" of the people, set forth in the Declaration of Independence, to be defined in concrete, human terms. This means the right to a job with decent pay and working conditions; good health and quality medical care; quality education for all children; clean water to drink and clean air to breathe; decent housing; safety on the streets, in the home, at the workplace and on the highways; dignity in the latter years of life; protection in the marketplace from unsafe products, fraudulent warranties and deceptive insurance and bank practices.

Above all, the people have a right to have confidence that this system of government will function for the benefit of all its citizens. But this confidence is being undermined by policies that tax unfairly; by a government that refuses to tell the people the truth about foreign affairs and the domestic economy; by the increase in slums and poverty, and by the human misery of unemployment.

When the word "politician" becomes a dirty word in the lexicon of America, then something is grievously wrong. America needs a return to the day when elected officials considered themselves public servants—responsible to all the people, not just a chosen few.

Therefore, we have prepared detailed suggestions on a great many issues which follow this statement. They are not proposals to make labor strong to the detriment of others, for that would not be proper or just. We do not ask for a labor government, and we reject a government by corpo-

rations. In its simplest terms, what we ask is a return to, as Abraham Lincoln said, government "of the people, by the people, for the people. . . ."

## Jobs

Foremost, we seek a rejection of unemployment as an instrument of national policy. Today, the worker and his job are being openly bartered with disastrous consequences.

It is the worker who is told he must sacrifice his job to fight inflation. The worker is told to sacrifice his job to clean up the environment. Or that he must sacrifice his job so that others can purchase allegedly cheaper imported goods. He is told to sacrifice wage increases so that profits can go up; he is told to produce more and want less.

Workers are understandably weary and bitter when their jobs are little more than pawns manipulated by corporate and governmental money managers. What the money managers disregard is the fundamental importance of jobs to the American economy. The wages a worker earns and spends in the marketplace and the tax dollars he pays are the backbone of America's dynamic economy.

Thus, what America needs is jobs—more jobs, better jobs, at decent levels of pay. These jobs should come from the private sector in a growing, expanding economy. But when the economy is not growing or not expanding sufficiently, then the government must assume the obligation of being the employer of last resort. With the vast backlog of unmet public needs in America, these jobs are essential to the public interest.

The only policy that makes any sense is one that increases employment, rather than unemployment.

Today, millions of people who want jobs don't have them, and uncounted hundreds of thousands have given up hope of finding work or are working only part-time because full-time work is not available. Additional hundreds of thousands work full time but receive so little in wages that they must go on welfare to exist.

In fact, no one really knows how many millions of Americans are unemployed, underemployed or discouraged from seeking employment. Fifteen million were out of work at some time during the last 12 months—a waste of productive capacity and consumer capacity this nation cannot afford. A policy that increases unemployment is indefensible.

## Taxes

Tax loopholes and special advantages for corporations and the wealthy contravene the basic principle of a federal income tax predicated on the

ability to pay. Rather than narrow the gap between rich and poor, these policies broaden the inequities. They place an undue tax burden on those who have little to benefit those who have much. And they strip the federal treasury of at least \$20 billion a year in needed tax revenue.

A worker—the breadwinner for a family of four—who earns a wage or salary of \$10,000 a year will pay federal income taxes in 1972 totaling \$905. A taxpayer who had a \$10,000 income as profit from the sale of stock or land would pay only \$98 in taxes. If the \$10,000 income was from state or municipal bonds, the tax would be zero.

What it comes down to is that the worker is paying much more than his fair share. It is withheld from his paycheck. Earned income—earned by honest work on an assembly line, in a painstaking craft, in a laborious service—is overtaxed. Unearned income—where money does the work rather than the man, the special privilege of the wealthy—is undertaxed, if taxed at all.

The degree to which the tax structure favors the wealthy is well documented. In 1970, almost 400 individuals with incomes of \$100,000 or more—including three people who had annual incomes of more than \$1,000,000—paid no federal taxes. These figures, as the Treasury Department admits, are understated.

Rarely, if ever, do the wealthy or the large corporate firms pay the statutory level of federal income taxes. Internal Revenue Service statistics for 1969 reveal that 25 percent of U.S. corporations with net incomes subject to taxes paid no federal income tax.

U.S. Steel Corporation, according to its own annual report, paid not one cent of federal income tax in 1971.

The corporate share of the federal income tax is declining. It was 35 percent in 1960 and, it is estimated, will fall to 26 percent this year. This means that the low- and middle-income taxpayer is bearing a higher percentage of the federal income tax burden.

In contrast to the corporations, the wage earner pays his full statutory rate. There are no tax shelters for earned income.

### **Labor-Management Relations**

The public policy of the United States, its labor management laws say, is that workers have a right to freely join together into unions and to bargain collectively.

Over the years, there have been many attempts to undermine this policy and to destroy or weaken labor unions. Now pending in the Congress is the latest of these attempts. Stripped of its fancy disguise, the proposal of the Administration amounts to compulsory arbitration. It would force free American workers to labor against their will for the private profit of other American citizens.

It is a proposal that is absolutely unacceptable to the American labor movement. It is a proposal that should be repugnant to any American who believes in freedom.

### **Poverty**

A job at a decent wage is still the most effective route out of poverty. No worker, working a 40-hour week, year round, should receive such a pittance that he should be forced to turn to welfare. That is why we believe that an adequate minimum wage covering all workers is the best single step this country can take to alleviate poverty. The benefits and protections of the Fair Labor Standards Act, absolutely essential to the working poor, have been seriously eroded in recent years.

We flatly reject any deviation from the principle of a single minimum wage rate covering all workers. We are in complete opposition to the President's proposal for a subminimum wage rate for youth, a step which we feel would undermine the minimum wage itself, while not creating any new jobs for young people.

Welfare reform is vital if America is to eliminate poverty. The present system fails those who need welfare and is a continuing drain on the limited resources of state and local governments.

We find abhorrent proposals that would require welfare recipients to work for less than an already inadequate minimum wage. Rather than lift people out of poverty, such proposals only drive them further into the trap of poverty. What is needed is a federally-paid basic family benefit of at least \$3,000, rising to no less than the poverty level within a few years.

Essential to welfare reform must be a federally-funded, community-controlled system of day care centers for the children of welfare mothers and other working women. Day care centers would permit these women to obtain work knowing that their children are adequately supervised and receiving broad-range health and education programs.

### **Health Care**

The best health care is a privilege of the wealthy, because the system for delivering health care is geared more to profits than health. Soaring costs, inaccessibility of care and frequently lax quality standards deprive many Americans of their right to quality health care.

Examine the future, in health terms, for a baby born to a poor, minority family compared with a baby born to a more affluent family: Chances are the poor baby will have twice as much illness in his lifetime; four times as much chronic illness; three times as much heart disease; seven times as many eye defects; five times as much mental retardation and nervous disorder.

He will probably live seven fewer years, and has twice the chance of dying before age 35. He has only a 50-50 chance of being immunized against common childhood diseases. These are this baby's chances if he lives past his first year of life, and he has half the chance to make it past that mark.

Lack of quality health care is not solely the plight of the poor and the minorities. Anyone who has ever tried to get a doctor at night or on a weekend or waited for hours in a hospital emergency room with an injured child or seen his family financially ruined by a single illness knows the problem.

The old solutions have not worked. Insurance companies cannot and will not insure everyone, nor will they control cost or quality. The health care system is composed of isolated, uncoordinated units—individual doctors and hospitals that are monstrosities of inefficiency and waste.

However, we recognize that this system cannot be wiped out overnight and replaced in toto with a new one. But reforms can, and must, start today to transform the present system into one that efficiently and effectively provides for the health care needs of all the people, controls cost and is fairly financed by a system of contributory taxes matched by federal general revenues.

### **Pollution**

America must have the cleanest air, the cleanest water possible. Some raise the spectre of jobs versus pollution, but we believe that America can have a clean environment and jobs, too. Reasonable and enforced federal standards can significantly reduce emissions, without wiping out American industry.

We do not agree with the concept of special taxes on polluters—which are, in reality, licenses to pollute, paid by the consumer. Nor will we accept weak enforcement of pollution control standards by a system of fines that industry would find cheaper to pay than to abide by abatement procedures.

Just as the environment must be protected against pollutants, the jobs of workers must be protected against environmental blackmail by employers seeking to avoid compliance. Businesses should be required to publicly prove actual job loss resulting from abatement orders. Adversely affected workers must be provided with manpower training and other special programs to minimize dislocation and disruption to their lives.

There must also be a new recognition that the workplace is an environment, too. Adequate legislation to protect workers from health and safety hazards on the jobs has already been enacted, but administration of that legislation has been less than fully effective. When the health and safety of American workers is at stake, there is no reason for excuses or lax enforcement.

### **Urban Problems**

The rot of America's great metropolitan areas continues. More than 70 percent of the population lives and works in these urban centers and daily faces the problems of pollution, bad housing, inadequate education, traffic congestion, crime and a declining tax base.

These problems are the legacy of a social system, particularly in the South, fraught with cruelty and injustice; a Depression during which America had no money to meet the task that needed to be met; a World War which channeled all available manpower into war production; the complacent do-nothingism of most of the 1950's, and the failure of this Administration to carry forward the progress begun in the mid-1960's.

The consequences are today's ghettos. And the need is for far-reaching programs to prevent the collapse of the nation's cities.

Housing opportunities for low- and middle-income families must be greatly increased. Supplying the shelter needs of the people must be freed from the control of the monied interests.

America's major education problem is not busing. It is inadequate schools, limited educational opportunities and reliance on a system of taxation that restricts progress. The federal commitment to education is one of words backed with too few dollars. Federal education programs do not receive the full appropriation of the authorized spending levels, leaving a disheartening gap between promise and performance.

At the heart of the problem is the reliance by school districts on the property tax that places a burden on the small homeowner while wealthy landowners, speculators and industry have special tax breaks.

Anything less than a full commitment to quality educational opportunity for all children—regardless of their race or family income or the neighborhood in which they live—will encourage the demagogues to inflame racial passions out of America's need for quality, integrated education.

We repeat that the AFL-CIO wholeheartedly supports the busing of children when it will improve the educational opportunities of the children. We deplore the actions of individuals or groups who are creating a divisive political issue out of America's vital need for quality, integrated education.

Particularly damaging to the cities is the flight of its industrial and middle-income tax base to the suburbs. In addition to the fiscal problems created, a double-edged crisis is developing. Inner-city residents trying to follow their jobs to the suburbs cannot find adequate housing either because of cost or color bars and the mass transit needed to get to their jobs is not available. New suburban residents clog city streets and parking

lots with automobiles because mass rapid transit is inadequate.

Thus, the cities need help to solve their problems, including assistance in providing basic public services. A massive federal program of public investment—schools, libraries, mass transit, sewage treatment facilities, hospitals—coupled with expanded public service employment programs will benefit the economy through increased jobs while, at the same time, solving some of America's urban problems.

Recapturing the streets of the cities from the criminals requires a broader effort than tough-sounding talk. It requires more policemen, more judges, quicker trials, better prisons, better education, better employment opportunities, better housing, better health care. All would help eliminate the breeding grounds of crime.

#### **Foreign Trade and Investment**

Present U.S. foreign trade and investment policies have resulted in the loss of 900,000 job opportunities in the past five years. In 1971, for the first time in this century, the United States had a trade deficit. That deficit was \$2 billion, and the deficit for the first quarter of 1972 was \$1.5 billion.

Jobs are being lost. America's industrial strength is being eroded through the export of technology, capital and productive capacity. The U.S. worker is virtually helpless in protecting his job and his standard of living. The American marketplace has been overrun by imports costing tens of thousands of U.S. jobs in such industries as textiles, apparel, shoes, leather, electronics, steel and autos.

Much of America's trade problems stem directly from the rise of multinational corporations, many of them U.S. owned. U.S. tax and tariff laws and outright restrictions on U.S. exports by other nations who manage their economies have encouraged U.S. firms to run away and manufacture goods abroad through exploitation of low-wage workers. In turn, these products are sold in U.S. markets at U.S. prices with the difference in labor costs being added profit for the corporation, taxed by the U.S. only when the profit returns to this shore.

The U.S. market is the most open for imports of all the major industrial nations. At the same time, U.S. exports are denied the opportunity to compete in the marketplace of the world by tariff and non-tariff barriers.

For wanting to save his job from the tide of imports, for wanting work instead of welfare, the worker is being attacked. He is told that to safeguard American jobs by restricting imports would be harmful to consumers. Who is the consumer but an American worker? Without a job, he cannot afford to purchase any goods, whether made in the U.S. or in a foreign country.

We do not propose a trade policy of isolation. Much the contrary, we believe that America's foreign trade policy should be developed in light of what is happening in the world. This policy should be fair, flexible, and, above all else, current.

It is time to stop the folly of permitting American-owned multinational corporations to write their own ticket while American taxpayers and the American economy pay the bills.

#### **Foreign Affairs and Defense**

The AFL-CIO believes the foreign policy of the United States must be based upon an absolute commitment to the concept of freedom for all people, in all places, at all times. Thus it follows that we are implacably opposed to governments which suppress the freedom of their people—whether these governments be dictatorships of the right or the left.

We believe that in the conduct of international affairs, the Executive Branch has an obligation to confide in the American people; to inform them of decisions which affect their futures and their very lives; to abide by the Constitutional obligation to make no treaties or commitments without the advice and consent of the Senate; to refrain from political adventures which, for some momentary political gain, would put the good will of the United States on the side of a dictator against freedom; to refuse to conduct international diplomacy as though it were a television spectacular; to refrain from building the public's expectations to unattainable heights; to honestly report to the public on the results or lack of results of international conferences; and, finally, never to use international relations as a domestic political vehicle.

And we believe the United States of America—as the largest free nation in the world—has an inescapable obligation to the rest of mankind. We flatly reject the concept of isolationism.

We believe in a defense establishment strong enough, but no stronger than necessary, to meet these obligations. The scope, size and nature of a program of defense spending must be related to the realities of the modern world and the extent of America's known international commitments, rather than the world Americans wished they had, or a posture of isolationism. The military must, however, remain under the firm and absolute control of elected civilian authority, subject always to the checks and balances of the Congress, and of an informed public opinion.

In short, we believe the Constitution has served and continues to serve this nation well. We would not change its basic precepts, subvert them or allow others to do so.

The veterans of the Vietnam war deserve to receive, as all American veterans before them,



the best of care and of benefits and the gratitude of this nation.

We believe that America has not treated the Vietnam veteran as is his due. We believe they are entitled to the training and education benefits that earlier veterans received, but in terms of today's costs.

### Summary

Our proposals for the platforms of both parties would make people and their welfare the primary focus of government policy. They would reverse the unhealthy trend toward concentration of wealth and power in the hands of a few individuals and corporations.

In advocating these "unalienable" human rights, we also plead for preservation of the basic civil rights and liberties that guarantee that all Americans are free men. Erosion of freedom, in the pretense of protecting the public interest, has long been the way of dictatorship. That, we submit, is totally incompatible with democracy.

We reject the demagogue who incites racial unrest or the administrator who coldly refuses to carry out the law of the land, because we are convinced that the American people still hold as "self-evident" the truth that all men are created equal. Much progress has been made toward equality of opportunity for all Americans, and demagogues and administrators must not be permitted to undo that progress.

Those who would divide America along racial, age, ethnic or income lines really are dividing people from their government—undermining pub-

lic confidence in the ability of their government to function for the benefit of all citizens.

We are firmly committed to the proposition that there is no problem too large or complex for the American system of government to correct if that government truly puts the welfare of the people above all else.

We ask both parties to restore public confidence in the government. We fully realize that there is a wide streak of cynicism among politicians and political commentators whenever the subject of platforms is raised. "Platforms are made to run on, not stand on," is what some say. The American people deserve better.

The American people do not want platforms that are glib advertising slogans—pap fed to voters before election day and forgotten afterward. As far as we are concerned, and as far as the American people are concerned, platforms are a solemn pledge—a pledge that must be kept. We believe that the party conventions must restore public confidence in their platforms by binding their standard bearers and their legislative leadership to keeping the party's word.

And, so, we urge each party to say what you mean, mean what you say, and do what you say.



President

# National Economy and Jobs

## *The National Economy*

The chaotic state of the national economy poses serious problems for today and for the future.

The Administration taking office in January must initiate decisive action to counter the cumulative impact of economic policies which threaten the intrinsic fibre of the nation, warp the economy and divide the people.

The incumbent Administration has relegated workers, middle income citizens and consumers to second-class economic status. Its policies have provided lush dividends to the corporate community, banks and wealthy individuals and families.

These policies have fueled the alarming trend toward a massive and unhealthy redistribution of income—making the rich richer and the poor poorer. The middle income groups are in a major economic bind.

Since this Administration took office on January 20, 1969, it has operated on the single-minded and misguided belief that the only economic problem in America was inflation. It has not solved the problem of inflation but it has created major new problems in the economy, including:

- Continuing high unemployment.
- The first increase in the number of people below the government-defined poverty line in a decade.
- The highest interest rates in a century.
- A massive rise in the number of welfare recipients.
- A drastic slowdown in the war against poverty, in the campaigns to end urban decay and to improve America's educational opportunities and meet social welfare needs.
- Persistent industrial slack, with industry operating at only 75% of productive capacity.
- Record balance-of-payment deficits.
- First balance-of-trade deficit in this century.
- Record peacetime federal budget deficits.

The foremost casualties of the Administration's economic policies have been the unemployed workers and their families. In addition, consumers, employed workers and middle income taxpayers find their income restricted while their costs and taxes have grown.

The full impact of the unemployment problem is almost lost in the maze of official statistics. The harsh fact is that during 1971 some 15 million workers experienced unemployment. About 5 million were jobless 15 weeks or longer.

All this is an important factor in crime and delinquency, drugs and other manifestations of social unrest. The high rate of unemployment

among young people, particularly minority group youth casts them ominously in the role of outsiders.

This frightening human tragedy did not just happen through the free interplay of economic forces. It was the result of a planned and engineered recession in 1969-1970 with the avowed objective of fighting inflation. Despite contrary protestations, the Administration deliberately made unemployment an instrument of national policy.

On August 15, 1971, in an unplanned, shoot-from-the-hip, 180 degree switch, the Administration, refusing to acknowledge that its management of the economy had been a rank failure, announced a so-called New Economic Policy. Phase I of the NEP was advertised as a wage-price freeze. It solidified all the existing inequities during a 90-day period while the machinery for Phase II was evolved.

A key part of the NEP provided an immense tax bonanza to big business at the expense of the wage earner, the poor, and federal employees.

Under Phase II, in effect since November, wages and salaries were placed under rigid controls. A theoretically tripartite Pay Board of management, labor and public members was established. When four of the five labor members of the Board reached the conclusion that the public members were, in fact, either tied to the corporate community or were Administration puppets, they resigned. A revamped "public" board was set up.

The overall Administration policy was designed to provide management with rich benefits from wage controls. Desperately-needed pay increases won by workers through collective bargaining were to be denied and management was to pocket the difference.

In a major successful legislative campaign, the trade union movement won backing in Congress on deferred wage increases. Congress provided that wage increases under previously negotiated contracts or by law must be paid. To that extent, the Administration was foiled in a portion of its intent to massively redistribute income to benefit corporation stockholders and the wealthy at the expense of the rest of the community.

But most of the damage was not rectified.

Wage increases for most organized workers in the smallest establishments require approval if they exceed the Pay Board's guideline. However, with the unequitable and confused rules their employers are not required to file any notification about price or rent increases and may be completely exempt from such controls.

The Cost of Living Council has ruled that all workers making more than \$1.90 an hour are subject to wage controls. This action, which flaunts the will of Congress, places millions of the working poor in a straitjacket that severely restricts their efforts to raise their depressed living standard.

Price Controls under Phase II have been a sham. Even the President's Council of Economic Advisers reports that 21 percent of the Consumer Price Index is not subject to any controls whatsoever.

In addition to interest rates not being controlled, neither are fresh foods, so essential to every family. Controls have not been set on life insurance premiums, prices of land and homes, used cars, used furniture and other used goods which are bought by the poor. Price controls have been lifted from three-quarters of all retail stores, nearly half of all rental units and most small establishments.

Where controls do exist, there is hardly any effective machinery except in the case of wages. Every employer is the happy enforcer of the Administration's wage controls.

In contrast, business profits are free to rise. Interest rates and stock options are not controlled and neither are executive bonuses. All of this adds up to favoritism for the corporation.

In sum, even if the rate of inflation is reined in, millions of people across the land will be a long time recovering, if ever, from the one-sided Administration policies.

The theory of the Administration is that all the benefits to business and the wealthy will somehow trickle down to the people. The trickle-down approach, disproven many times over the years, has only assured that a major share of any business expansion that might take place in 1972 will go to business, the banks and rich families.

The desperate need today is a carefully planned program to create jobs and mass consumer income to lift the economy and bolster confidence. Instead, there are tax bonanzas to business that amount to over \$80 billion in a decade that simply are not providing the stimulus needed. It is the low and middle income taxpayer who must make up the multi-billion loss to the U.S. Treasury.

Further, American jobs and technology are being sacrificed upon the altar of profits. Multi-national corporations, recognizing no national loyalty, are exporting both of these precious commodities.

Successive huge budget deficits have marked the Nixon Administration. They have not reduced unemployment. The deficits are the product of economic slowdown, high unemployment, high interest rates and massive giveaways to big business and the wealthy.

And deficits have brought no compensatory benefits to the people in the form of expanded public services.

The Administration claims that today's mass unemployment is directly related to major cutbacks in national defense outlays, both in defense production and the return of American armed forces from Vietnam.

In fact, these cutbacks are being carried out without any reconversion plan. Vietnam veterans are scorned at the market place. Defense workers find their skills casually cast aside. America needs their manpower and talents to meet public needs but all of these riches are being dissipated.

As far back as February 1966, the AFL-CIO urged reconversion planning, declaring:

"Just as the government should be prepared for the contingency of a rise in military expenditures, it should also be prepared to offset a weakening of business investment and a leveling off or decline of military spending.

"We do not want an economy based upon spending for destruction. Military expenditures are a necessity for the defense of freedom; they must never be the bedrock of our national economy."

When the Administration combined the slowdown in the economy in 1969 and 1970 at the same time it initiated the sizable drop in outlays for national defense—both without the essential planning for the next step—it assured the economic crisis America faces today.

In capsule:

**Unemployment**—January, 1969—2.7 million people or 3.4 percent of the labor force. March, 1972—5 million people or 5.9 percent of the labor force.

**Unemployment Areas**—Major industrial areas with unemployment over 6 percent: January, 1969—6 areas. March, 1972—55 areas.

**Longterm Jobless, 15 weeks or longer**—January, 1969—334,000. March, 1972—1.3 million.

**Part Time Workers because full time jobs not available**—January, 1969—1.6 million. March, 1972, 2.4 million.

**Factory Workers**—January, 1969—20 million. March, 1972—18.6 million.

**People in Poverty**—The number of people below the government defined poverty line had declined in the decade before the Nixon Administration from 39.9 million to 24.3 million. Under two years of Nixon policies, however, it rose to 25.5 million.

**People Receiving Public Assistance**—January, 1969—9.9 million. November, 1971—14.6 million (most recently available figure).

**Foreign Trade**—1968 surplus of \$837 million. 1971—deficit of \$2 billion. First deficit in 79 years. Deficit in February, 1972 was at an annual rate of \$7 billion.

**Federal Budget**—Fiscal year ending June, 1969—\$3.2 billion surplus. Fiscal years 1972 and 1973—Administration estimates combined deficits of \$64.3 billion or an average annual deficit of about \$32 billion.

**Profits**—The nation's 100 largest corporations scored a sensational 76 percent increase in profits last year. It is estimated that this year American corporations may pick up their first \$100 billion profits' year in history.

**Taxes**—The Administration initiated a whole series of regressive tax proposals which, in effect, cuts the corporate tax rate 15-20 percent. At the same time, it threatens a national retail sales tax under the guise of a value added tax.

**Corporate Power**—The concentration of economic power has accelerated to the point that in 1971 there were 111 industrial corporations with assets of \$1 billion or more. They held at least 51 percent of the assets and amassed 56 percent of the profits of all corporations engaged primarily in manufacturing.

**Industrial Output**—Government reports show that the economy is operating at about \$70 billion below its potential. Output continues to limp along at about 75 percent of industrial capacity.

**Productivity**—Shot up in 1971 after a two-year lag and the increase of unit labor costs was cut in half. However, the lion's share is going to profits and other business income.

After three years of developing economic chaos, the size of the task of turning the economy around is gigantic.

Some 1.5 million to 2 million new jobs are needed in the next year just to keep unemployment from rising any more. To cut into joblessness, 2.5 million to 3 million new jobs must be created.

To start the economy on the road to full employment would require a sharp rise in the real volume of total national output of about 7 percent in the next 12 months. And that's only the beginning. America needs year-after-year economic growth.

Immediate, selective government measures are required 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. Such measures would boost industry's operating rate, the only sound basis for increasing business outlays for new plant and equipment. They would boost productivity and reduce pressures on costs and prices. And they would provide the government with increased tax receipts to meet public needs.

Moreover, immediate boosts in public investment to create jobs and lift the economy would

meet American society's need for expanded public facilities and services.

To create jobs and turn the economy around, we urge:

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

A special program of federal financial aid is required to step-up job-creating, short-term public works construction and repairs in areas of high unemployment.

2. Justice in the federal tax structure and additional tax revenues can be achieved by eliminating the major loopholes of special tax privilege for corporations and wealthy families.

3. Congress should direct the Federal Reserve System to allocate a significant portion of available bank credit, at reasonable interest rates, to effectuate the construction of housing and community facilities.

A congressional review of the entire Federal Reserve System and the nation's monetary policy is long overdue. America's central bank must be brought fully into the federal government structure and be made more representative of the major groups of the economy, including workers and consumers.

4. Congress must increase the federal minimum wage to \$2.50 an hour and extend the coverage of the Fair Labor Standards Act to millions of low-wage workers who are still outside of the law's protection. Early action along these lines would improve the living standards of the working poor and provide the economy with high-velocity buying power that will be quickly spent.

5. Increases in the buying power of workers' wages and salaries are a basic prerequisite for economic growth—to provide workers with a share in the benefits of economic progress and to establish the foundation of the needed expansion of consumer markets. Rapid economic growth will not be possible without a substantial boost of consumer sales, which account for almost two-thirds of national output. The needed rise of consumer expenditures completely depends on increases in the real incomes of workers.

6. Eliminate the inequities that abound in the stabilization program and are undermining public confidence in the government's ability to manage the national economy on a fair and equitable basis.

7. Congress should adopt the Burke-Hartke bill to stop the export of American jobs and to repatriate the profits of American subsidiaries abroad.

## *Unemployment*

Unemployment is one of the most distressing and humiliating experiences possible. It not only denies a worker the income essential to provide for himself and his family but it cruelly deprives him of his self respect as a viable member of society.

The economy, too, suffers from the reduced purchasing power which accompanies unemployment.

Yet, unemployment was actually fostered in 1969 and 1970 as part of a deliberate and misguided Administration policy to dampen the inflationary fires.

This is the only goal the Administration achieved but the desired effect on inflation did not develop. America was left a legacy of high unemployment as well as rising living costs. The Administration could not reverse the consequences of its policy decision.

To fully appreciate the devastating impact of joblessness on America's workers, a full analysis of the unemployment picture is needed.

Labor Department reports show a continuing and serious unemployment picture since early 1969. With an average unemployment of 5 million or an unemployment rate of 5.9 percent in 1971, joblessness reached its highest levels in the past 10 years.

In 1968, unemployment averaged only 2.8 million and the rate was 3.6 percent. In January 1969 there were 2.7 million unemployed or 3.4 percent of the labor force. Then the Administration's policies went into action and from this point on, unemployment edged up.

The average number of jobless jumped to 4.1 million in 1970 and 5 million in 1971. The unemployment rate increased to 4.9 percent in 1970 and 5.9 percent in 1971. In 1972, unemployment continues to be close to the levels of 1971.

These government statistics paint a serious picture but they still do not reflect the full impact of unemployment.

In 1971, the government reported that among Negroes and other minorities the unemployment rates were 9.9 percent. Among teenagers the rate was 16.9 percent. Among black teenagers it was 31.7 percent. Vietnam veterans, 20-24, were 12.2 percent unemployed and unskilled workers suffered an unemployment rate of 10 percent. These are statistical monthly averages. As such, they reflect not only the personal, human tragedies but also the deteriorating economic picture. In terms of the total number of human beings affected, the picture is even more depressing.

The government reports that in 1970, when unemployment averaged 4.1 million—almost 1

million less than in recent months—there were 14.6 million people unemployed sometime during the year. Of these, 4.5 million were unemployed for 15 weeks or more.

On that basis, it can be concluded that some 15 million people have been unemployed at some time during the course of the past 12 months and some 5 million people have been out of work for 15 weeks or longer.

Even these statistics fail to reveal the full extent of the unemployment problem. In fact, they are recognized as an understatement. The Labor Department estimated 800,000 people are so discouraged they have given up looking for jobs and that figure may be underestimated by half.

A recent report, prepared for a Senate subcommittee, classes 30.5 percent of all workers in poor urban areas as subemployed. This includes the unemployed, those who are working part-time and those who have stopped looking because they were discouraged about finding a job, and full-time workers earning less than \$4,000 a year.

Rather than come directly to grips with the employment crisis, the Administration continues to play games with statistics and continues to mislead the American public with false propaganda statements that "all does not appear to be as bad as it is."

The Chairman of the President's Council of Economic Advisors claims that 5 percent unemployment is full employment.

He contends that unemployment among women or teenagers is not as serious as unemployment among male adults. Those are totally false concepts.

As the Labor Department, itself, points out, women workers have become an essential part of the labor force. Almost 8 million wives in 1970 earned between \$4,000 and \$7,000 and two-thirds of them were married to men who earned less than \$10,000 a year. More than 20 million people look upon women as the "breadwinners" in the family and a great proportion of these are poor and black.

The true unemployment picture is one of vast economic waste. It is a picture of family hardships and has created some of the most grievous social problems of the day. One of the root causes of racial discord, disaffected youth, crime, drugs and many other social problems have their roots in unemployment.

America must have from both major political parties complete dedication to full employment—job opportunities at decent wages for every person who is willing to work and seeking employment.

Nothing less is tolerable.

## ***Corporate Power and the People***

Continuing concentration of money and influence into fewer and fewer hands while millions of American citizens are denied any real share of the nation's wealth poses deep and serious problems.

The Administration's policies have intensified this trend through billions of dollars in tax giveaways to the corporations and the wealthy while undercutting the purchasing power of low- and middle-income citizens.

Out of these inequities emerge many of the social and economic problems of the times. Until and unless these inequities are resolved many of America's problems will remain unresolved.

The size, power and influence of corporate America dominates the entire economic picture and creates the vast contrasts in this country.

In 1971 there were 111 industrial corporations with assets of \$1 billion or more. They held at least 51 percent of the assets and acquired 56 percent of the profits of all corporations engaged primarily in manufacturing.

While powerful corporate conglomerates dominate the economy, most citizens find themselves in a tight economic squeeze.

The median income for a family of four was around \$10,000 in 1971. And this \$10,000 probably did not come easy. Often it required two jobs to bring home their earnings.

Also in 1971, 25.5 million persons, or 12.6% of the nation's families, were below the poverty income threshold which, according to official government estimates, required an income of \$3,968 for a family of four in 1970.

Corporate power and massive conglomerates were developed in two ways.

Mergers have enlarged already enormous enterprises and created entirely new ones. Newcomers among these conglomerate giants, like International Telephone and Telegraph, Ling-Temco-Vought, Gulf and Western and Northwest Industries, have been spotlighted recently.

Moreover, many companies that were already large continued to expand their economic power base further. There is no better illustration of this than General Motors, Standard Oil of New Jersey and U. S. Steel.

Our concern with corporate conglomerates and power concentration is not just that these firms are large. Serious questions involve the power of these corporate giants over the life style of all Americans and government, itself, as well as their impact on efficiency, innovation and the private enterprise system.

Significantly, 1970 is the latest year for which Census tax-returned data is available. Thus, though the regressive impact of the Nixon Administration's trickle-down policies is being felt

every day by people, the effects are only beginning to show in the body of data that statistically indicates how the rich, the poor, and those in the middle are faring.

This widening gap, with wealth and corporate power centered in a relatively few people, on one hand, with millions of people in poverty or near-poverty status, on the other, cannot be tolerated any longer.

As the first crucial step, we ask that the tax system be restructured on a firm basis of ability to pay, that more than \$20 billion in tax shelters for the corporations and the wealthy be immediately wiped out, that taxes be assessed more nearly in conformity with ability to pay.

Taxes are the foundation of income distribution. If the corporate community and the wealthy shoulder their fair share, the middle income groups will not be forced to bear a disproportionate share. Federal revenues, which could be applied to meeting social and public needs, would be increased.

In addition to taxes, we support efforts to establish a special Senate Committee to investigate economic and financial concentration, interlocking relationships between corporations and banks and the extent to which provisions in the federal tax structure contribute to the trend of mergers and acquisitions.

We also urge the government to enforce the penalty tax provisions which apply to excessive amounts of retained profits.

Corporations should be required to file economic and financial reports with the Securities and Exchange Commission for major divisions as well as for the firm as a whole. This would provide essential information on the operations of conglomerates to the public, employees, investors and the financial community.

In short, we are opposed to government of the corporation, by the corporation and for the corporation. We remain wedded to government of the people, by the people and for the people.

## ***Tax Justice***

The tax policies of the federal government play a key role in establishing the economic and social climate of this nation. Increasingly, the tax patterns have a high priority among the tools for achieving national goals and objectives.

Our concern with the tax structure is two-fold:

- The burden of taxation must be shared on the basis of ability-to-pay, and
- The federal government must have sufficient revenues to meet its commitments and provide for growing public needs.

The present tax structure is patently unfair. It places a cruel and unjust burden on the low- and middle-income groups. Carefully designed loop-

holes in the tax laws benefit the wealthy and the corporations resulting in severe and unnecessary limitations on the nation's ability to meet its pressing economic and social obligations.

Instead of one standard, the present tax policy is so unjust that three vastly different standards are applied:

1. Wages, salaries and other forms of so-called ordinary income are taxed in full. For workers, the tax is regularly deducted through payroll withholding.

2. Only one-half of profit from the sale of stocks, real estate and other so-called capital assets sold at a profit is taxed.

3. Some forms of income escape taxes entirely such as interest on state and local bonds or income that is washed out by phantom costs such as oil depletion, fast depreciation writeoffs and book-keeping farm losses.

Under existing tax laws, a family of four with an income of \$10,000 a year would pay the following Federal taxes:

—If income came from wages and salaries—\$905 tax.

—If income came from profit from selling stock or land—\$98 tax.

—If income came from state and local bonds—No tax.

These rank injustices have created bitter resentment across the land. The great mass of workers and middle income citizens are being squeezed hard, paying more than their fair share of taxes while the wealthy pay less than their share and sometimes even nothing.

We have fallen further and further away from the concept of taxation based upon ability to pay. Indeed, the tax laws are becoming increasingly tailored to the interests of the wealthy and privileged. Following are four such examples:

- In 1970, the most recent date available, there were 394 individuals with incomes of \$100,000 or more—who paid no taxes whatsoever. Three had annual incomes in excess of \$1 million. This is only reported adjusted gross income. The true picture is even worse. For example: interest income from state and local bonds and one-half of the capital gains is not included.

- Internal Revenue Service statistics show that 25 percent of U.S. corporations with net income subject to taxes paid no federal income taxes in 1969.

- The U.S. Steel Corporation, the nation's 12th largest corporation and the largest dollar volume steel manufacturing corporation in the world, paid not one cent of Federal income tax in 1971, according to its own annual report. In 1971, U.S. Steel carried on a total business of almost \$5 billion and reported a net income of \$154,515,754.

- A small, elite group of six-tenths of one percent of taxpayers—those with an adjusted gross income of \$50,000 a year or more—received 40 percent of the capital gains bonanza and 76 percent of the tax break gained by individuals on state and local bonds.

- The corporate share of the federal income tax is falling. It was 35 percent in 1960, and, it is estimated, will fall to 26 percent in fiscal 1972.

Overall, as a result of antiquated, built-in benefits to corporations and wealthy individuals and families, the federal treasury is losing more than \$20 billion a year through tax shelters such as:

**Capital Gains**—\$5.2 billion.

**Capital Gains through Property Transfers At Death**—\$2.2 billion.

**International Tax Preferences**—\$500 million.

**Real Estate**—\$500 million.

**Farm Loopholes**—\$800 million.

**Depletion and Other Natural Resource Preferences**—\$1.5 billion.

**State and Municipal Bonds**—\$2.7 billion.

**1971 Law Depreciation Speed-up**—\$2.5 billion.

**Investment Credit**—\$3.5 billion.

**Bank and Other Financial Institution Preferences**—\$400 million.

**Maximum Tax**—\$100 million.

In addition, the federal treasury could substantially increase its revenues if the minimum tax were strengthened, if an excess profits tax were imposed during this period of wage restraints, and if the long overdue reforms in estate and gift taxes were enacted.

A sum in excess of \$20 billion each year would enable this nation to begin to meet its urban problems and begin to fulfill the critical needs for schools, hospitals, housing, mass transit, recreation areas, pollution controls and the other public investments that are essential if the country is to serve all the people.

These are investments which must be made. They are vital to the health and wellbeing of America today and tomorrow. Tax justice can promote the economic growth and the public revenues to meet these goals.

Tax justice means, simply, shifting a fair share of the burden to wealthy individuals and corporations, bringing the tax structure closer to the principle of ability to pay. It means that the lower and middle income groups must not be asked to pay a lopsided proportion.

Today the federal tax structure is rigged against wages and salaries—against income from work. It is rigged in favor of unearned income.

America is told that tax shelters are needed to create necessary capital and stimulate job development. We reject this argument. It cannot justify foregoing the billions of dollars in needed public

investments. This argument is a veiled excuse for favoritism and injustice.

Since the Administration took office the injustices in the tax structure have been compounded and currently the Administration is threatening to increase the tax burden for low- and middle-income citizens by a national sales tax in disguise. This is not the way to resolve the budgetary problem or the public investment crisis.

This national sales tax is called a "value-added tax." It is a cowardly tax since it is imposed covertly. Prices to the consumer would be increased at the very time the Administration is allegedly trying to hold them back.

The cost of a 5 percent value-added tax to the average American family of four would be about \$200 a year. This would be equivalent to cutting the personal exemption in the income tax structure from \$750 down to \$500 a person.

The value-added tax was first proposed for the United States by the Committee for Economic Development, a business-supported research organization. The CED, however, did not attempt to obscure the reasons for this tax. It recommended the VAT, simply and directly, as a means to reduce the corporate income tax.

The Administration is pursuing the same end but hiding behind the veil of dissatisfaction with the property tax as the means to this end.

We hold little brief for the property tax. Substantial reforms are necessary to bring this tax closer to the concept of ability-to-pay and alleviate the particular hardship it places on poor homeowners and tenants and those whose income falls due to unemployment, death, disability or retirement.

Property tax breaks given to industrial and commercial concerns, in many localities at the expense of the homeowner and renter, are scandalous. They must be corrected. It is particularly unfortunate that education, one of the most important public investments, is supported in the main by local taxes on real estate. Carefully planned tax reform at all levels—Federal, state and local—should be fairly evolved to support education.

We recognize that this nation has major public obligations and these obligations, whether at home or abroad, must be met. And they should be financed on the only fair basis—ability to pay.

This is why the AFL-CIO insists on tax justice.

### ***Fiscal and Monetary Policies***

The federal government's tax, expenditure and monetary policies, in combination, should encourage sufficient job-creating economic expansion to reach and maintain full employment—job opportunities, at decent wages, for all persons who are able to work and seek employment—and reasonable stability of the price level.

Trickle-down measures should be abandoned immediately. They result in the loss of billions of dollars of much-needed revenue for expanded and improved public investment. They widen the gaps between the different economic groups in American society. They create economic imbalances that result in instability of the national economy. Social equity and economic balance are urgently needed in the federal government's fiscal and monetary policies.

Moreover, the history of the past decade underscores the need for substantial emphasis on selective expenditure and monetary policies, rather than mere reliance on aggregate measures. The American economy is too large, too diverse and too complex to depend essentially on simplistic, aggregate measures, which have proven to be much too expensive—in unemployment, unmet public-investment needs, gross inequities, idle productive capacity, and huge losses of federal revenue.

An emphasis is needed on pinpointed, selective expenditure and monetary measures to get at specific problems, as well as on tax policies to raise the needed volume of revenues through equitable measures, based on ability-to-pay. Selective programs are needed, with an emphasis on the economic and social impact for each dollar of expenditures. Monetary policy, too, must be much more selective, with a similar emphasis on the consequences, in terms of effectiveness, economic balance and social equity.

The AFL-CIO urges the adoption, for example, of an expanded and strengthened public-service employment program—federal grants to the states, local governments and federal agencies to create jobs, while providing needed public services.

A special program of federal financial aid is also needed to accelerate job-creating, short-term public works construction and repairs in areas of high unemployment.

Immediate increases in public investment to meet America's needs for public facilities and services would create jobs, increase the use of industrial capacity and strengthen American society. Such actions would also boost federal revenues, as employment and incomes rise—the soundest way to reduce federal deficits that have resulted from the Administration's engineered recession and persistent under-utilization of the economy's growing capacity to produce.

This nation needs a sufficiently rapid expansion of money and credit, at reasonable interest rates to stimulate and sustain economic expansion. The AFL-CIO urges the Congress to direct the Federal Reserve system to channel credit where it would most benefit the economy and to curb the flow of credit for such activities as conglomerate takeovers, land speculation, gambling casinos and foreign subsidiaries. Congress should also em-



power and direct the Federal Reserve to provide available credit, at preferential lower interest rates, for urgently-needed community facilities, health care projects and low-income housing.

A congressional review of the entire Federal Reserve system and the nation's monetary policy is long overdue—to bring America's central bank fully into the federal government structure, to provide improved coordination of the nation's monetary policy and to make the Board of Governors and the managing boards of the district banks more representative of the major groups in the economy, including workers and consumers.

Budget policies lie at the heart of financial and economic programming of the Federal government. Modernization of the federal budget is indispensable if the President is to manage adequately government resources and to formulate sound monetary, tax and public investment policies. The lack of a federal capital budget makes it difficult to plan and execute long-term public sector programs, particularly those calculated to stimulate job-creation and to meet the needs of a rapidly growing population for expanded and improved public facilities and services.

A modern, business-like capital budget system for the federal government would establish one account for general housekeeping expenses and national security. The other budget account would be a capital expenditure or investment account, which involves creation, improvement or acquisition of assets or recoverable claims.

The capital budget is used by most western democracies, by at least one-third of the states and by most large American cities. Modernization of the federal budget would provide the government with an essential tool for more effective federal planning and implementation of programs.

### ***Fair Labor Standards***

More than any other piece of social legislation, the Fair Labor Standards Act is in desperate need of updating to provide for a more adequate minimum wage, universal coverage, double time for overtime and a shorter work week without extending the eight hour day.

There is no single legislative route that America could take that would more effectively alleviate poverty than across-the-board improvements in the Act. Its benefits and protections, absolutely essential to the working poor, have been seriously eroded because of the Nixon recession and the inflation which has continued through his Administration.

Legislation is now before the Congress which provides major improvement. But that is not enough. Our goals in this area are:

#### **\$2.50 Minimum Wage**

When the FLSA was first passed in 1938 its declared purpose was to provide workers with sufficient earnings for a minimum standard of living necessary for health, efficiency and general wellbeing.

In 1966, this was achieved through the establishment of the \$1.60 an hour minimum wage. Since that time, living costs have gone up more than 25 percent, all but destroying the buying power of \$1.60 an hour.

In keeping with the legislative intent of the FLSA, we urge a full minimum wage of at least \$2.50 an hour and maximum hours coverage for all workers.

#### **Subminimums**

The minimum wage and maximum hour standard should be the same for all workers: whatever age, occupation, location, color or sex.

We are absolutely opposed to the President's recommendation of a subminimum wage rate for youth. It is a step which would undermine the minimum wage itself, and would not create any new jobs for young people.

Unscrupulous employers would fire older workers, including heads of families, and substitute for them the cheapest labor available. Young workers would be condemned to subminimum wages. The President would not create employment but merely rearrange the employment statistics.

#### **Coverage**

Currently some 45 million workers are covered by the provisions of the FLSA. We believe the time has long since passed for extending coverage of the law to the 16 million workers not presently covered.

Some 2 million domestic workers, among the most exploited groups in the nation, are totally excluded from the protections of the law now and should be included. We want extension of coverage to 3 million state and local government employes, 4 million employes of small retail firms and 2.5 million in general services.

#### **Double Time for Overtime**

We want the present rate for overtime work at one and one-half to be increased to double time for two basic reasons:

One is simple justice to the workers who are asked to extend their working day.

The second is directly related to using the FLSA as a tool for reducing the high level of unemployment. With a large proportion of an employe's compensation being excluded from over-

time work—such as fringe benefits, unemployment insurance and workmen's compensation—employers find it less expensive to schedule overtime work for their existing work force rather than hire new workers.

As a deterrent to overtime work and to open new jobs for the millions of unemployed workers we want double time for overtime in excess of eight hours a day plus a shorter work week.

### ***Manpower and Training Policy***

With unemployment continuing at critically high levels, a meaningful manpower policy must receive a special priority.

The key to an effective manpower program is job creation. Training, while important and necessary, is not an end in itself. Training must be followed by a job if it is to have any value.

Attainment of full employment is the basic prerequisite of an effective and comprehensive, national manpower policy.

When the regular job-creating channels in the economy, both private and public, do not create enough jobs, the federal government must provide sufficient funds for a large-scale public-service employment program. Such a program to create jobs for the unemployed and seriously under-employed would provide badly needed services in hospitals, schools, fire and police departments, recreational facilities, sanitation, pollution controls and other state, local and federal government facilities.

Federal legislation for a public-service employment program was adopted by Congress in 1970, but it was vetoed by the President. A similar bill was passed in June 1971 and this time it was signed by the President. Under this legislation, about 150,000 public-service jobs would be created and the program scheduled to terminate in two years, would operate only when the unemployment rate remains about 4.5 percent for three consecutive months.

With unemployment in excess of 5 million, this legislation will nowhere meet the critical needs for public service manpower. It was compromise legislation, in the right direction but designed to avoid another Presidential veto.

Even if all these slots should be filled no significant dent would be made in unemployment. We do believe, however, that the Emergency Employment Act, properly administered, could be used as a model for the creation of a large-scale public service job creation program.

Such a program on a sufficiently large scale would aid the unemployed, improve and increase public services and ease the financial plight of hard-pressed state and local governments.

In the establishment of manpower programs, in both the public and private sectors, we insist on provision of adequate wage and working standards. Wages, under these programs, should be at least at the level of federal minimum wage or the prevailing rate of pay for the occupation, whichever is higher.

Manpower programs should not be used to subsidize low-wage, substandard employers and to undermine the wage and working standards of other workers, to aid runaways, to subsidize high labor turnover or jobs which do not call for training before hire, or to discriminate against present employees in either the public or private sector.

The needed comprehensive national manpower policy would consolidate the multiple and varied, federally-supported manpower programs under a federal, centrally consolidated administration under the Department of Labor. Over the past 10 years, new manpower agencies have come into being, with conflicting and overlapping jurisdictions.

As a part of such consolidation, we urge that the U. S. Employment Service be federalized. At present, there are 50 state systems. An effective, nationwide employment service should be established to meet the needs of workers and employers on a national basis.

Until federalization is accomplished, we urge that steps be taken immediately to strengthen the ability of the U. S. Employment Service to enforce higher standards of performance by state employment service agencies and to assure that the service will pattern its operations according to the needs of workers and employers to match workers with job-openings and not be hemmed in by community and state boundaries.

We are opposed to the Administration's manpower revenue sharing proposals which represent an abdication of federal responsibility to state and local governments with practically no strings attached. It would jeopardize the existence of national programs. It makes no provision for the protection of labor standards.

A comprehensive national manpower program must be national in scope. Such a program would retain overall federal government control of policy and direction, while sharing administration of programs with the state and local governments. It would establish a comprehensive manpower set-up that would consolidate and coordinate all manpower activities under a central administration and, at the same time, retain such significant categorical programs as the Job Corps.

In addition, it should have enough flexibility to allow the emphasis to be shifted from one type of program to another, as the situation might warrant; to give special manpower aid to depressed areas; to provide specialized training and

job assistance to hard-hit occupational groups; to provide for a large-scale public-service employment program.

## ***Rural America***

American agriculture produces the greatest abundance of food and farm products the world has ever known. Yet nearly one-half of all impoverished people in the country live in rural areas, according to government estimates.

Rapidly rising agricultural productivity has resulted in sky-rocketing agricultural output, displacing several million marginal farmers, with resultant economic distress in many rural farm communities. In the past quarter of a century this process has also accelerated the stream of city-bound migrants, particularly from the South and Southwest.

Changes in rural America have been moving at a rapid pace. Corporate agri-business conglomerates on large farms—with modern technology and rising productivity—are changing the rural scene.

As of January 1972, the Department of Agriculture reports that the number of farms in the U.S. is down to about 2.8 million. It is estimated that the 300,000 largest farms account for nearly two-thirds total agricultural sales.

The number of small, family farms is dwindling. In 1970, one-half of all farms had sales of less than \$5,000 and these accounted for less than 5 percent of cash receipts from farm marketing.

Less than 5 percent of the nation's labor force produces more food and fibre than Americans can consume.

In the face of these rapid changes, existing public programs need re-evaluation and overhauling. While much is being done to enrich the prosperous few in commercial agriculture, too little aid is reaching those most in need in rural America. For example:

- Farm income support programs provide large federal subsidies for profitable agri-business type farms, often owned by corporations and absentees.

- Loopholes in the tax structure provide financial assistance to wealthy hobby-farmers, who use their ownership of agricultural assets as tax shelters.

Yet there is no comprehensive program for the retraining and reemployment of those displaced from agriculture.

While rural redevelopment plans have been enacted to counter the decay of many small rural towns that have lost their economic base, the resources appropriated are still too scant to meet the needs of such depressed communities.

Rural people deserve to share equitably in the economy's progress. Also, solving the urban crisis partly depends on ability to improve living standards in rural areas.

The unique problems of agriculture require government aid to help many farmers obtain a fair return on their production. However, more effective action is needed to enforce the ceiling on the amount paid to any farm. Maneuvering to draw excessive payments to large and profitable farms must be stopped.

Since most farmers must sell their products in markets dominated by a few buyers who enjoy superior bargaining power, we support appropriate efforts by farmers to bargain collectively for a reasonable price. By this means, dependence on government income-maintenance outlays should be reduced.

Special programs must be developed to provide rural inhabitants, and especially migratory workers and their families, with adequate education and library facilities, the opportunity of decent housing, health-care facilities and day-care centers.

Continued failure to adequately cope with the ill-health, malnutrition, and even hunger in rural areas is not tolerable. A federal welfare system is essential or, at least, adoption of adequate minimum federal welfare standards, with sufficient federal financing. Food distribution programs must be federally administered wherever states and local communities refuse to cooperate and they should be dedicated to meeting human needs.

## ***Farm Labor***

Despite determined and effective trade union organization by the AFL-CIO Farm workers National Union, the nation's 3 million agriculture workers continue to be denied almost all of the rights and benefits enjoyed by other workers under federal and state laws.

With few exceptions, they are excluded from coverage of labor relations laws, fair labor standards, social security, unemployment compensation and workmen's compensation—all the protections so critically needed by this most exploited group of workers in the nation.

That such a situation should continue to exist reflects almost a callous attitude that the nation should not permit.

Farm workers should be immediately brought into the mainstream of the national economy and be extended the full coverage of the protections enjoyed by other workers.

The Farm Workers Union is still a relatively young and struggling union with the titanic task of bringing trade union benefits to the millions of unorganized farm workers.

Many farm land owners have now aligned themselves with powerful agribusiness conglomerates and organization of the "radical right" to frustrate farm union organization. We intend to do everything in our power to insure that farm

workers get their fair share of the wealth they helped create.

We believe that the conditions faced by the Farm Workers Union and the millions of organized and unorganized farm workers must be faced squarely and legislation must be enacted to make them, finally, recognized and accepted workers in the mainstream of American life, entitled to all the benefits due all American workers.

### **Maritime Problems**

The United States has a vital decision to make in the near future. As a seafaring nation, there are two possible routes:

To restore America's historic place as a major sea power with a far-ranging merchant fleet and a strong naval force, or

Become a second-class sea power with an obsolete, uncompetitive merchant marine and an outmoded, impotent navy.

To the AFL-CIO, only the first of these is tolerable.

The U.S. merchant marine has been in a steady state of decline for more than a decade. From a total of 1,008 vessels of 14 years' average age in the privately owned active commercial fleet in 1960, the U.S. has fallen to 542 vessels of almost 20 years' average age as of December 1, 1971. During the 11-month period between January 1, 1971, and December 1, 1971, the rate of loss was an alarming 22.8 ships per month.

Now less than 5 percent of America's total waterborne import-export cargo is being transported in American flag ships. The United States must depend on ships from other nations to bring to its shores a whole range of critical materials essential to the United States as a major industrial power.

There are two basic facts to this problem. One is for the utilization of American flag ships by American shippers. The other is stepped up construction of U.S. merchant vessels in American shipyards. The solution of the second part of this problem depends upon the first because ships will not be built without the assurance cargo will be available for them.

#### **Ship American**

We ask full support for legislation requiring that 100 percent of all government-financed cargoes must be carried in American bottoms.

We ask that 50 percent of all U.S. oil and natural gas imports be carried in American flags.

This would lessen the nation's dependence on other countries, since reliance on a third party for transportation doubles the risk of the United States being cut off from needed supplies.

It would lessen the risk of oil spills and pollution since stricter controls and licensing standards will assure that these potentially dangerous

and polluting cargoes will be carried in the safest, most ecologically conscious manner possible.

It would improve the U.S. balance of payments since the transportation cost would not result in a drain of U.S. dollars.

It would provide thousands of jobs for Americans who build and man these vessels.

We ask full support for legislation which would authorize adequate funds for operating and construction subsidies to keep the American merchant marine afloat.

We ask for full implementation of the initial spirit of the Jones Act, enacted more than 50 years ago, mandating that domestic commerce be carried only in American flag vessels. We believe the Jones Act remains vital to the protection and growth of the American merchant fleet, which is of paramount importance to America's economic and military security.

Therefore, we ask for closing of all loopholes which could be used to undermine and evade the Jones Act. Specifically, we call for repeal of the Korean Emergency Loophole, the extension of the Jones Act to the Virgin Islands and action to prohibit the export of Alaskan oil.

It is of overriding importance that the tax havens enjoyed by American owners of runaway foreign flag ships be tightly and rigidly closed and that these "flags of convenience" be required to meet American standards of safety.

#### **Shipbuilding**

The passage of the Merchant Marine Act of 1970 was an essential first step in the revival of the American merchant fleet.

The goal under the Act is the construction of 300 new U.S. flag merchant vessels in American shipyards over the next 10 years. These ships would be built with the assistance of federal construction subsidies.

That Act has been in effect for more than a year and a half. During that period a beginning has been made, some shipbuilding contracts have been let, others have been promised. The shipbuilding industry, however, can no longer operate on promises. When the active private fleet is dropping an average rate of 20-plus ships per month, hopes for an improved situation are not enough.

The situation at the shipyards remains bleak—they are operating at only 65 percent of capacity. Private shipyard employment remains at a consistently low level nationally. Employment at North Atlantic yards continues to stagnate at the lowest level for the region since 1955. Pacific Coast yards are at the lowest level since 1965. Naval shipyard employment is well below the average for the 1960's.

If the United States expects to possess a viable shipbuilding industry through the Seventies and Eighties, contracts at the proposed 30-ships-per-year level must be in evidence during the next few months. This level must be accelerated to 50 ships per year in the immediate future.

As we have said, ship construction depends upon the guarantee of cargoes for American ships after they are built. This can be accomplished in two ways: by enactment of the cargo preference legislation which we have outlined and by a continuing effort by government, labor and management to assure American shippers of the reliability and efficiency of the U.S. merchant marine.

### **Public Health Service Hospitals**

We are deeply concerned by the intensive campaign, led by the Department of Health, Education and Welfare and the Office of Management and Budget, to close the remaining eight U.S. Public Health Service Hospitals.

In a concurrent resolution, the Congress asked that all alternative uses for the hospitals, including PHS control, be examined. HEW, instead, continues its efforts to transfer the hospitals to community control.

We ask that the hospitals be kept open and operated effectively and that action be taken to assure that the hospitals, which meet the needs of U.S. merchant seamen, Coast Guardsmen and their families, injured government workers and many other groups, be established permanently as a vital segment of America's health care system.

### **Labor Relations**

We ask that both major political parties reject compulsory arbitration or any form of government interference in any manner in collective bargaining.

### **Railroad Problems**

A healthy railroad network is essential to a healthy nation. We ask for a definitive policy which will provide us with reliable, safe, efficient ground rail transportation, including rapid transit.

National emergency disputes in transportation continue to be a major issue. We are particularly disturbed by Administration proposals in this area which would, in the final analysis, deny to some 4 million workers employed in five transportation industries—railroads, maritime, trucking, long-shore and airlines—any right to strike.

To take away completely from any group of workers in a free society the right to strike is a serious step. It should not be advanced lightly since rights once lost are rarely restored. We have learned, too, that without the right to strike—even if the right is never used—collective bargaining becomes a mockery. And free collective bargaining is a keystone of our free society.

The U.S. Supreme Court pointed the way to the resolution of this problem without in any way jeopardizing the health and safety of the nation. This was a High Court ruling legalizing selective strikes on the railroads in national bargaining.

Our initial experience with this approach indicates that it permits collective bargaining to work its will without in any way endangering the health and safety of the nation. We ask for legislation to authorize selective strikes.

There are large, well-financed anti-labor groups pressing to outlaw strikes in the transportation field. This is not their ultimate goal which is to undermine the entire collective bargaining process to the point that employees will not be able to effectively organize for their mutual wellbeing.

We ask that the major political parties, dedicated to free trade unions, be on the alert against this direct onslaught against a basic American institution and repudiate this Administration's support of anti-strike legislation.

In another area, when the Railroad Safety Act of 1970 was passed we had hoped that inroads would be made in the high level of on-the-job accidents. It has not happened. The failure, we believe, lies not in the legislation but in weak administration and weak enforcement.

Many of our hopes for revival of inter-city passenger transportation were embodied in the quasi-public AMTRAK. While we did not expect that AMTRAK would achieve an early breakthrough and restore rail passenger transportation to its former level, we have been disappointed in its performance, to date. It has been underfunded but what funds it has obtained, too often, are wasted through unneeded bureaucratic and legal processes.

Employee protections have not been implemented by AMTRAK, and displaced employees are deprived of sufficient protections and safeguards.

Private management of the nation's railroads has led us to a worsening railroad crisis. It has been inept. It has been callous in its disregard for adequate maintenance and exploitation of its properties.

In the case of the Penn Central, we have witnessed one of our largest carriers floundering in reorganization. It has an insatiable appetite for the taxpayers' money but offers no evidence that any amount of government funding can ever be rescued from the wreckage created by conglomerate ownership.

Congress should be asked to establish a commission representative of all elements in our society to make an in-depth study to determine what new steps should be taken to provide this nation with a healthy rail ground transportation system.

# Urban America

America's metropolitan centers, where more than 70 percent of her people live and work, are in a perilous economic and social state:

- Many of its people are impoverished.
- Housing is inadequate.
- Air and water are polluted.
- School systems are breaking down.
- Traffic jams are everywhere.
- Mass transit is collapsing.
- Crime is around the next corner.
- Drugs are turning kids into junkies.

Many, if not most, of these urban problems are a legacy of a social system, particularly in the South. Black citizens were denied equal rights and equal opportunities and even hope. Many states long denied to poor citizens of both races decent standards of living, decent schools or decent health facilities. Sharecroppers and tenant farmers, white and black, were pushed off the land. So in search of a better life, millions flocked to Northern and Western cities seeking what had long been denied them.

The migrations started after World War II and by the 1950's reached the level of a mass movement. Most were without skills and what education the South had provided for them was inferior. They piled into the cities and the grim ghettos grew and grew.

The inner cities rapidly were abandoned by upper income groups and fell into an advanced state of decay. Only a few wealthy pockets broke the pattern. Yet the populations of the inner cities continue to increase through the steady influx of the poor and minority groups.

Today the suburban outer rings, with their higher income populations, are growing rapidly, usually without essential planning and often without provision for fair housing. By 1985, 63 percent of the metropolitan population is expected to be living in the suburbs.

The line between urban and suburban creates a climate of division and hostility and fundamentally threatens the stability of American society.

The problem is compounded by the fact that industry is moving outside the central cities and inadequate mass transportation facilities act as a barrier to job opportunities for inner city residents. They are precluded from moving to the suburban communities by the continuing absence of low cost housing as well as vestiges of color bars despite fair housing laws.

And now at the very time that the inner cities need additional resources and revenues to cope with their mounting problems they are finding that they have a vastly reduced tax base. The constantly rising demands for housing and hospitals and

schools and mass transit and crime control and other needed public facilities and services are not being met.

The major burden of trying to solve these problems has fallen on state and local governments. Their expenditures and taxes have shot up in recent years. Most of these governments, though, have unfair as well as inadequate tax systems. They simply lack the necessary resources.

Since 1960, local governments have just about doubled their expenditures and income as they have tried to keep up with their burgeoning needs.

Yet, even with the helping hand of the federal government the needs of the central cities have multiplied far faster than they can be met. As a result, many states and most cities face an immediate and potential financial crisis.

America is paying a monumental price not only for the legacy of segregation and discrimination in the South but, also, failure to meet the increased public needs through essential public investments.

Many public needs were neglected because of shortages of money during the depression and because of shortages of money, manpower and materials during World War II. For a brief period of eight years, from 1933 to 1941, the New Deal started vast federal efforts to modernize and strengthen the underpinnings of American society—including the social insurance system, public housing, a federal home mortgage system, rural electrification, flood control, conservation, development of parks and recreation areas.

However, federal efforts to help meet public needs lagged through the late 1950's and early 1960's. Finally, in 1964-1966, the long delayed federal response came with an outburst of programs, involving grants-in-aid for such programs as elementary and secondary schools, model cities and public safety. The increase of grants-in-aid was from \$13 billion in the fiscal year ending June 30, 1966 to \$24 billion for the fiscal year 1970.

Nevertheless, actual appropriations for these programs fell increasingly behind the planned expansion of their authorized funding—from about 80 percent of authorizations in fiscal year 1966 down to 65 percent in 1970. In addition, President Nixon withheld millions of dollars appropriated by the Congress to meet the social needs and at the same time needs spiraled.

So the great hopes for the Great Society did not materialize. The recession of 1969-1970, high interest rates and tight money further pressed state and local finances at the same time the welfare burden was increased.

The growth of unmet public investment needs plus massive urban population growth deteriorated

the quality of life for many Americans: the near collapse of elementary and secondary education, increase in violent crime and lawbreaking, traffic jams on city streets, on the highways and in the air above airports. The poverty-slum areas spread and pollution of the environment increased.

The entire system of taxation at federal, state and local levels, which provide the foundation for public investment outlays, moved further and further from ability to pay.

Property taxes, which currently account for 80 percent of local tax revenues, are no longer adequate, failing on both counts of equity and productivity.

Since rent or payments on a home take a large chunk of a low or moderate income, the burden of the property tax falls hardest on those least able to pay. If earnings drop due to unemployment, death, disability or retirement the tax must still be paid.

In addition to the income tax, the state tax base is mostly sales taxes. This form of taxation is the most retrogressive possible since the largest share is carried by the lower and middle income groups.

And on the federal level, tax loopholes benefiting the wealthy and the corporations, place an additional burden on the low and middle income groups.

It adds up that the tax base—local, state and federal—must be restructured on a progressive, ability-to-pay approach. However, no state or local government can solve their vast public investment needs in isolation. Neither can private enterprise, even with the promise of tax subsidies.

The basis for meeting these needs requires national policies and nationwide measures. It demands adequate funds and standards—and the cooperation and support of the states, local governments, business firms and private groups.

A long-range, planned national effort to meet the needs of the American people for public facili-

ties and services can also provide for economic growth in the period ahead.

The first prerequisite of such an effort is the full funding by the federal government of present public investment programs—plus a temporary acceleration of funds for short-term projects, to lift sales, production and employment.

Such immediate step-ups in the appropriations of federal grants to state and local governments and federal agencies for the expansion and improvement of public facilities and services could be the key to reconversion—to offset the declining military and defense proportion of total national production.

To sustain the planned expansion of public investment the federal government should develop, coordinate and maintain a national inventory of public investment needs. This should be based on both estimated future population growth and present backlogs in each major category such as low and moderate cost housing, schools, health facilities, day care centers, parks, pollution controls, etc.

These are programs that can no longer be delayed without risking the future of American society.

The Bureau of Census recently reported that the 1970 census revealed that 73.5 percent of the population now lives on 1.53 percent of the land. Out of a total population of 203 million persons, about 149 million live in urban areas on 54,103 square miles of land. The U.S. consists of 3.5 million square miles.

Unless and until we assure high quality of life for the three-fourths of Americans—in metropolitan centers—America's future is not very bright.

The answer is public investment in the future of America.

# Housing

The concept of decent housing for all Americans in viable neighborhoods and at prices they can afford is no nearer today than in 1949 when the first major housing program was passed.

Housing—particularly low income housing—continues to be the victim of fiscal and monetary policy. Basic shelter needs remain unmet.

The hopes raised by the passage of the Housing Act of 1968 were dashed by the Administration's tight money policy with its accompanying high interest rates.

Even those who have purchased housing in recent years must now carry the burden of these high interest rates in 20- to 30-year mortgages for a long time in the future.

Despite increased housing production, the central cities have not demonstrated any perceptible halt in their slide into deeper crisis. There is, on the contrary, an increasing tempo in the rate of defaults on recently completed central cities' projects and among government-insured existing housing.

The production of public housing fell 20,000 units below the goals of 100,000 in calendar year 1971. That goal itself is unrealistic with requests for 400,000 units awaiting approval. Housing starts under the combined subsidized housing programs for low and moderate income families missed national projections by 100,000 units. These shortfalls must be added to previous failures to reach proposed targets. The administration of the Federal housing subsidy programs has been revealed as costly and susceptible to abuse and scandal. It has been estimated that more than half the total federal subsidy goes not to the ultimate occupant but to real estate speculators, escrow agents, title companies, consultants, mortgage brokers and sellers.

With the public disclosure of these problems and potential subsidy costs of \$100 billion over the life of the program, the current housing policies are in jeopardy. Such concern must not permit low income families to fall victim to sudden changes in housing policy.

The existing housing stock in the central city is in poor condition. The rate of housing abandonment threatens to leave the inner cities devoid of stable residential communities. Structurally sound as well as substandard housing are being deserted, and the overall statistics are potentially catastrophic.

In New York City, estimates of abandonment are as high as 30,000 to 50,000 units annually. In Chicago, there are approximately 5,000 vacant and derelict units at a time when the vacancy rate

is at a low of less than 2 percent. In addition, the vacant parcels that once contained residential structures stand in mute testimony to the failure to utilize present resources.

There has been no marked progress in breaking down racial and economic discriminatory housing patterns despite extensive mechanisms and principles set forth by law in 1964 and in 1968, along with definitive Supreme Court action in the latter year. In addition to the more obvious direct discrimination is the evidence of discriminatory lending policies toward would-be homebuyers from minority groups.

Currently, a questionable "fair share" policy is being offered by the Administration as its program to disperse low income housing into the suburbs. Federal housing assistance funds are being withheld from cities pending suburban acceptance of a fair share of low income housing. The net result of this policy has been to slow production of much needed central city housing while suburban communities continue to bar such housing.

The low income family is not the only victim of present housing policies. The middle income family is frequently unable to afford adequate housing at present costs. Congressional action to assist moderate income households in purchasing homes in the Emergency Home Finance Act of 1970 was indicative of the seriousness of this situation.

From 1970 to 1971, the national median cost of a new house rose 3.8 percent to \$24,800. This national figure hides the unconscionable costs in metropolitan areas, such as the Nation's capital, where the median cost of a new home rose to \$35,500.

While the Administration talks about labor costs it says nothing about the more significant land and money costs which continue to soar. A recent FHA estimate of average land market prices for FHA-insured one family home sites indicated that prices had increased 101.1 percent from 1960 to 1970.

The ability of homeowners, particularly the low income minority family, to obtain financing at affordable interest rates has not improved markedly and future projections are pessimistic.

Efforts to revitalize the central cities fail repeatedly because the total neighborhood is rarely given adequate attention, preventing even new housing efforts from creating "communities."

Housing production is increasingly impeded by the failure and/or financial inability of States and local government to provide adequate supportive facilities. Housing moratoriums are becoming a common phenomenon as a result of inadequate



sewage treatment facilities. Poor transportation facilities and overcrowded schools have further complicated site decisions for new housing. The failure to match employment opportunities with housing availabilities is critical.

A much greater commitment to policies employing both public and private efforts is required if America is to meet its housing needs for all income levels throughout the nation. There must be a comprehensive housing program in which, at least, the following factors are dealt with:

1. A basic prerequisite is low interest rates for home building and home purchasing.

2. Congress should direct the Federal Reserve System to allocate a significant portion of available bank credit, at reasonable interest, to encourage the construction of housing and other socially desirable construction over the building of such structures as luxury homes, gambling casinos, etc.

3. Low income housing programs must be so administered as to avoid deterioration of projects and give occupants a real sense of participation.

4. A national land use policy should be pursued that will make land available at reasonable costs.

5. An urban development bank should be established to assist in financing community facilities by state and local governments such as parks, schools, recreational centers, day care centers, etc.

6. There should be complete dedication to the implementation of the full spirit of the fair housing laws. Until we have fair housing in fact and not just on the statute books, America will never solve its housing problems.

7. State and metropolitan housing authorities should be established with the responsibility for planning and implementing programs responsive to regional housing and community needs.

# International Trade and Investment

This nation's most disastrous year in world trade was 1971.

For the first time in 79 years, the U.S. had an officially reported trade deficit—\$2 billion. The deficit for the first quarter of 1972 was \$1.5 billion or at an annual rate of \$6 billion.

Behind these grim statistics lies the deterioration of this nation's position in world economic relationships and the erosion of America's economic wellbeing through the export of technology, capital, productive capacity and jobs.

International trade relationships have undergone fundamental changes in the years since the end of World War II. These changes have accelerated in the last decade and this nation must face up to this changed picture:

- Other nations have managed economics which provide direct and indirect subsidies for exports as well as direct and indirect barriers to imports.

- American technology has been rapidly exported through the shifting of American industrial plants to other countries spurred by foreign subsidies of American companies as well as licensing and patent arrangements with foreign firms.

- Vast amounts of American capital have been exported since the late 1950's.

- Multinational corporations, that know no national loyalties, have been mushrooming in the past dozen years.

- Powerful new trading blocs have developed in places like the Common Market.

- The composition of these imports has sharply changed from raw materials to finished products and components.

No longer do the old clichés of the past—"free trade" and "protectionism"—apply to the world trade picture. This nation must deal with the new realities with new remedies.

Today the U.S. worker is virtually helpless in protecting his job and his standard of living. U.S. markets have been overrun with imports costing tens of thousands of U.S. jobs in such industries as textiles, apparel, office machinery, shoes and electronics.

At the same time U.S. owned multinational firms, seeking to maximize profits, have moved production of huge parts of U.S. industry abroad, including typewriters, sewing machines, radios, black and white TV's, quality glassware, stainless steel dinnerware, bicycles and others. While these products come in, U.S. technology, patents, capital and jobs are shipped out.

Trade is not just an American problem, it is worldwide. America must deal with other trading blocs and other nations—such as the Common Market and Japan—realistically. These blocs, in a combination of various practices of managed economies, make it impossible to engage in anything approaching free trade. Imports into the U.S.—which are frequently subsidized by foreign governments, directly and indirectly—surge onto the huge and lucrative American market, a market based on a high consumer purchasing power.

America must also deal realistically with the export of technology, capital and jobs by U.S.-based multinational corporations.

The U.S. market is the most open for imports of all major industrial nations. At the same time, U.S. exports are frequently retarded by direct and indirect barriers by other governments or trading blocs.

The American trade union movement is concerned about the evergrowing impact of these events on the health of this nation's economy and on U.S. jobs. The U.S. is in very great danger of losing its diversified industrial base, and with it the high standard of living which has made America economically strong.

Job loss is not an easy figure to obtain. The AFL-CIO has made projections on studies by Dr. George Shultz, the former Secretary of Labor, and has concluded that between 1966 and 1971 this nation sustained a net loss of 900,000 job opportunities in the trade field.

The failure of the federal government to come up with hard figures in this critical area is irresponsible and harmful to a full understanding of the problem.

In January 1972 the Department of Commerce's Bureau of International Commerce issued a study on "Policy Aspects of Foreign Investment by U.S. Multinational Corporations."

Not only did this study fail to estimate the impact of the multinational firms on U. S. jobs, it acknowledged that "data dealing with the effects of international investments on exports, imports, employment, and technology transfers are still unavailable." The most recent figures were gathered six years ago.

Comprehensive information on direct job-displacement is lacking because trade experts and government agencies have essentially ignored the employment and related social impacts of these fast-moving developments.

Beginning in 1954, the American labor movement supported trade adjustment assistance for workers who lost their jobs due to imports. It hasn't worked. For almost ten years, the Tariff Commission repeatedly denied workers' claims.

Suddenly in 1969—under the same law—workers began to get token relief. But the job loss has continued and is accelerating.

The American taxpayers cannot afford to subsidize the export of their jobs. This country cannot substitute a dole program as a replacement for a diversified industrial society. An entirely new trade policy has become imperative.

Much of the job loss and plant shutdown is the fault of the American-owned multinational corporations and their world-wide operations. According to reports of the U.S. Commerce Department's Office of Business Economics, overseas investment for plant and equipment by U.S. corporations jumped from \$9.4 billion in 1968 to \$14.7 billion in 1971. This acceleration means thousands of jobs lost here in potential new industry and the loss of markets abroad for products produced in the U. S.

We view with real concern the warmness with which the Administration has embraced the multinational corporations as being "good for America." These international runaway firms, however, don't have the same sense of warmness for America. Their heart is the profit dollar. These companies insist they are not American but "international" in fact.

This outlook was recently expressed, to perfection, by Robert Stevenson, Executive Vice President of the Ford Motor Co. for Foreign Operations. He declared:

"It is our goal to be in every single country there is, Iron Curtain countries, Russia, China. We at Ford Motor Company look at a world map without any boundaries.

"We don't consider ourselves basically an American company. We are a multinational company. And when we approach a government that doesn't like the U. S., we always say, 'Who do you like? Britain? Germany? We carry a lot of flags. We export from every country.'"

As a result of this attitude, corporations have abandoned U. S. factories and U. S. communities where they made their profits. They have abandoned tens of thousands of American men and women who once worked in their U. S. plants, leaving their care to the community and to state and federal governments.

Helping to spur these global runaways by the multinationals are the U. S. tax and tariff laws with their incentives to encourage U. S. firms to manufacture their goods abroad. These loopholes should be removed because they have resulted in the substitution of foreign production for U. S. production with the consequent loss of jobs.

An example is the deferral of U. S. taxation of profits earned by foreign subsidiaries of U. S. corporations until the profits are returned to the U. S. Such deferral should be ended and the present tax credit allowance for taxes paid on

foreign-earned income should be replaced by a tax deduction.

Tariff law provisions also encourage firms to establish foreign facilities where U. S. parts are assembled for re-entry of the final product into the U.S., under a low-duty provision. This practice results in the export of jobs. It adds to imports and disrupts U. S. production. Such incentives for foreign production should be removed.

Tax bonanzas to business, in the name of encouraging exports—such as DISC—add to tax burdens at home, without assuring significant gains of U. S. production. U. S. tax policy should be geared to the needs of American taxpayers for a progressive, equitable tax system at home.

The U. S. government now encourages the export of production and jobs through legal mechanisms, technical assistance and information as to the best way to manufacture abroad or to transfer licenses and patents to foreign producers. These policies should be reversed.

Clear legislative direction is necessary to give the President authority to regulate, supervise and curb the outflow of U. S. capital. At the present time, controls on foreign investment are loose, inadequate and not related to trade and production.

Authority within the President's hands should include consideration for the kind of investment that would be made abroad, the product involved, the country where the investment would be made, the linkage of the investment to the flow of trade and its effect on U. S. employment and the national economy.

The President should be granted clear authority to regulate, supervise and curb licensing and patent agreements on the basis of Congressionally determined standards. All of these presidential determinations should be on the basis of the impact of the U. S., particularly the impact on employment.

A "sliding door" concept on quotas should be applied to products and parts of products imported into the United States, allowing for a flexible growth factor related to U. S. production of each item. Only by nourishing America's economic base can this country prevent it from being overrun and smothered.

Exceptions should be permitted, where a voluntary government agreement exists or is negotiated or where a failure to import the item would disrupt U. S. production and/or markets.

A single agency should be established with quasi-independent authority to serve the Congress in all matters affecting trade and international investment.

U. S. negotiators should press for international fair labor standards in international trade agreements.

The United States should require reports by foreign based producers on wages, hours, employment, etc., on goods imported from abroad. Such reports should be public.

Current law has not resulted in clear information for consumers about the country of origin of products or parts of products and their producers. Safety and health standards adopted by the Congress for the U.S. are frequently ignored in the name of free trade. Products and advertisements about them should clearly show the country of origin for components and parts, as well as finished products, to provide consumers with full information. Laws designed to protect the safety and health of American consumers should be enforced.

The Anti-Dumping Act of 1921 must be modernized to assure effective action against dumping, with reduction in the amount of time for action by the government. A single agency should make such determinations.

The escape clause of the Trade Expansion Act of 1962—the mechanism to find injury—should be changed to make tests of injury more realistic and less complex. Decisions on trade adjustment assistance should be transferred to the Executive Branch and should not be looked upon as a major solution for the loss of jobs.

Current legislative and administrative provisions for reporting imports and exports, as well as the operations of U.S. firms abroad, are outmoded. Reports on international transactions, exports, imports and investments should be geared to provide useful information for government policy-makers and private groups.

Federal standards for international accounting by U.S. firms with foreign operations should be established and enforced. Such accounting standards should be consistent with the uniform accounting, required by Section 718 of the Defense Production Act of 1950. Under current law, Customs officials classify imports under general categories related to the collection of tariffs, rather

than to the actual description of the imported product. Census and Customs Bureaus should have consistent reporting systems so that imports may be related to domestic production. The Tariff law should be amended so that shipping declarations and invoices include product descriptions.

Reports should be made to the Labor Department on wages paid by the military and U.S. business abroad. These reports should be on the same basis that U.S. law now requires reporting on wages, hours, etc., at home.

Trade and investment policies should be geared to the interests of the nation and the American people for a healthy and varied economy. U.S. policy must not be determined by the interests of foreign producers, multinational companies and banks.

The AFL-CIO urges recognition that multinational firms juggle their production, employment, bookkeeping, prices and taxes, from one country to another, to meet corporate needs. Such export and import transactions are intra-corporate, determined by the executives of the corporation for the benefit and profit of the corporation. They are not traditional trade transactions or foreign competition. The nation's trade policies must not promote private greed at public expense.

The United States needs effective control and supervision over the outflows of capital and technology, a policy geared to needs at home, and recognition that flexible international exchange rates will not solve U.S. monetary or international trade and investment problems. The operations of multinational companies and banks should be regulated to prevent recurring international monetary crises, such as threatened the American dollar's position in 1971.

We believe that the Foreign Trade and Investment Act of 1972—the Burke-Hartke Bill—is the one piece of legislation now before the Congress which would adjust this nation to the realities of modern international economic realities and meet the needs of this country and its people.

# The Environment

The present and threatened perils to the life-giving components of the world are biological, economic, social and emotional issues.

Workers, along with all citizens, are victims of any befouling of the environment—air, water or noise pollution. Our interest in a healthy environment makes us actively aware and actively concerned.

In many industries and in many industrial areas workers are subjected to occupational pollutions which, when added to the usual contamination in air and water, give them a threshold of poisons often near or beyond human tolerance.

Scientists are now recognizing that the combination of job environmental hazards with the general environmental hazards are the source of many cancer-related diseases and other diseases.

## *Environmental Blackmail*

Workers have additional environmental concern. Changes in the industrial processes to abate air and water pollution may cost jobs in one area and gain them in another sector, creating extensive but, sometimes, essential dislocations.

Facing this, workers are badly in need of protection against environmental blackmail by management and by possible misrepresentations of job loss resulting from the cost of complying with a government abatement order. Companies sometimes threaten to leave and relocate in another state or locality where laws and enforcement programs are softer on polluters.

We believe it is essential to establish national pollution standards on all existing sources of both air and water pollution that both meet the ecology problem and are reasonable.

The solution is not a special tax on polluters. In reality, this is a license to pollute, paid by the consumer. Nor do we accept weak enforcement of pollution control standards by a system of fines that industry would find cheaper to pay than to abide by abatement procedures.

The economic and social wellbeing of the nation cannot be disregarded in working out solutions to environmental problems. Just closing down polluting plants without regard for the workers involved and the economic welfare of the community is socially irresponsible.

If jobs are lost, the workers must be provided with special assistance and protections including job training, unemployment allowances, moving allowances and other special programs.

## *Air Pollution*

One of the greatest polluters of the air is the internal combustion engine for automotive ve-

hicles. We urge that the National Air Pollution Control Administration give top priority to developing alternative sources of power.

The 1970 Clean Air Act amendments streamlined the enforcement process. However, we believe that the federal, regional and state enforcement efforts have not been adequate. There should be reasonable enforcement of emission standards on all violators.

We continue to stress the need of federal standards for emissions, whether industrial emissions or auto emissions, and a recognition of the double impact of impure air on the workers who suffer both on the job and in the community.

## *Water Pollution*

The AFL-CIO supports amendments to the federal Water Pollution Control Act which would:

**Cover** all navigable waters, underground waters, lakes, coastal areas, contiguous coast areas, soil wash from all sources, feed lots, sanitary landfills, and associated land problems affecting water quality.

**Empower** the federal government to establish national emission standards. All industrial concerns releasing effluents into water would be required to measure and report the kinds and quality of such effluents to the federal government.

**Provide** for issuance of immediate abatement orders enforced by federal court orders. Civil and criminal penalties for violators should be stiffened. The 1899 Refuse Act should be made an important enforcement tool.

At least \$3 billion each year for the next five years should be appropriated by Congress for federal grants to assist municipalities in construction or modification of sewage treatment plants.

Such a program could create more than 250,000 new jobs, many in areas of high unemployment, with a multiplier effect. To assist needy communities, the present 66 percent federal matching ceiling should be increased to 80 percent.

State plans should require river basin planning as the foundation of its abatement program as a condition of receiving federal approval and financial assistance.

## *Noise Pollution*

Scientific studies show conclusively the critical damage that noise pollution can manifest on hearing through a combination of on-the-job noise plus routine community noise.

We strongly support provisions of the National Noise Pollution Control Program which specifically recognizes six areas of industrial noise and would combine the responsibilities of the Department of Labor, Department of Health, Education

and Welfare and Environmental Protection Agency in combating noise at the workplace.

### ***Land Use Policy***

The nation is in need of a national land-use policy as an important and logical next step to improve and enhance the quality of America's environment and at the same time, provide for sound use and development, consistent with the economic and social needs of the American people.

Such a national land use policy should include the following: a federal grant-in-aid program to assist state and local governments in establishing or improving their land-use programs and managements, and adopting broad land-use laws and programs; a federal program to improve land-use planning and operations on federally owned lands; developing data on major land-use and planning trends; strengthening federal, state and local soil conservation programs.

We continue to support family farm ownership, the breakup of huge land monopolies, and strict enforcement of the excess acreage provisions of federal reclamation laws.

### ***Solid Waste Disposal***

This nation lags in dealing with solid wastes—the vast and uncontrolled debris of industrial expansion and population growth.

Solid wastes are not merely local dilemmas. They constitute a most serious national environmental problem. They contribute substantially to air and water pollution, complicate land use, endanger public health, spread esthetic blight, and squander the diminishing stockpiles of natural resources.

We urge an expansion of the federal role and increased emphasis on solid wastes technology dealing, in particular, with separation, recycling and re-use of solid wastes. A broad and systematic program should give full consideration to human values, including the jobs of workers in the private sector as well as those employed in the disposal field.

### ***Energy***

The AFL-CIO calls for a comprehensive natural resources and energy policy integrated with a full-employment economic policy which would protect and preserve the environment, protect the interests of the consuming public, and eliminate duplication of functions and waste among the scattered federal resources departments and agencies.

A long-range national energy policy is needed that will influence the proportion of America's future energy requirement supplied by oil, natural gas, coal and uranium. Such a policy should develop a rational pattern of research, development and conservation of energy resources, resolution of problems of costs, supply, monopoliza-

tion, pollution, and the necessary restructuring of the federal agencies engaged in these fields.

Just as the President is now advised by a statutory Council of Environmental Advisers, a similarly constituted Council on National Energy Policy should be created by Congress. The council's functions should include a close consultative relationship with the Environmental Protection Agency, annual reports to Congress on the state of the nation's energy posture, projections of energy resources and needs, and recommend research and development programs to help solve present and future problems of competition, new and improved technologies, consumer protection and foreign supply.

We urge the establishment by Congress of long-range programs to develop the potentially enormous oil shale resources and to utilize domestic coal reserves by converting them into supplies of low pollution natural gas.

The creation of TVA-type development agencies are needed in order to most effectively achieve the national objectives of abundant low-cost supply of such new energy fuels, guard against monopoly, provide a federal cost yardstick to protect consumers, and conserve the environment.

We have long urged high priority to development of a feasible breeder reactor technology. We support Congressional authorization of a demonstration breeder reactor to be constructed and operated by the Atomic Energy Commission, with the most meticulous protection against the terrible hazards of plutonium, one of the most dangerous materials. This should be done with full participation by the nation's scientific community and protection against breeder reactors close to population centers.

While we endorse the recent strengthening by the Atomic Energy Commission of its standards, governing release of air-borne radio-active materials to the general environment, we insist that such reductions be made to apply to all radiation workers as well.

We cannot emphasize too strongly the need for more resources to be placed into the effort to achieve sustained energy from the fusion of the heavy hydrogen atom. The difficult problems that still lie ahead must be more rapidly resolved. Fusion power would make it possible to achieve an almost limitless supply of energy from the oceans.

The continuation of major and minor power brownouts and blackouts, in the past six years, underlies the need for legislation of the kind that the AFL-CIO has urged since 1959. Such a program would create a low-cost, reliable bulk power supply system for the United States, open to participation by all electric systems. The federal government should regulate the creation and operation of regional power supply systems. If such

agencies fail to carry out the aims of the program, the federal government should build and operate them.

Once again, we urge an investigation of the increasing control over major energy sources by giant integrated corporations, the accompanying decline in competition and the failure of the Federal Power Commission and the Department of the Interior to provide adequate protection of the public against energy monopolies.

### ***Pesticide Control***

An estimated 75,000 pesticide poisoning cases

annually result in 800 to 1,000 deaths. Because some pesticides have been found to cause long-term hazards to the environment as well as contribute to a decline in wild life population, we urge legislation restricting the use of those harmful pesticides.

We support legislation that directs the Environmental Protection Agency to regulate the manufacture, distribution and use of all pesticides through a registration and permit procedure which will allow for the determination of environmental effects of all pesticides through various experimentation and testing procedures.

# Occupational Safety and Health

At least 14,000 deaths and more than 2.2 million casualties are reported on-the-job each year.

Both the National Safety Council, which compiled these statistics, and the Department of Labor acknowledge that these estimates are understated. The full extent of on-the-job casualties is really unknown.

And now, recent scientific studies point to a frightening relationship between a number of occupations and cancer and other diseases that reach beyond the plant site and into the community.

Even before the country became fully aware of the dimensions of the occupational disease problem, the AFL-CIO worked hard for the Occupational Safety and Health Act and hailed its passage. We pledged our full cooperation to the federal agencies responsible for its administration and programs designed to show organized labor's responsibilities in helping make it work.

The Act has been in effect for more than a year. At the time it was passed, the President termed it one of the most important and far-reaching laws of recent decades. He promised the highest priority to its enforcement and effective administration.

The performance came nowhere near matching the promises. The record of the first year of the Act shows dragging, flabby enforcement and adulteration of the specific provisions setting forth specific rights and protection for employees.

The goals of this law have been debased and their achievement needlessly delayed. There is a similar lack of enforcement and implementation of the Railroad Safety Act.

The Occupational Safety and Health Administration's own report on its enforcement actions between July and January 1972 tells the story.

This report shows that 79 percent of all establishments inspected were in violation of the law, a commentary on the abject failure of the states to protect the lives and health of workers during the years when there was no federal law.

According to the report, \$1,003,250 in fines were assessed for alleged 42,942 violations—an average fine of \$68 per employer. That is too cheap a price tag on the lives and health of workers. More stringent fines are necessary to prevent employers from deciding that it is cheaper to violate the law than to correct the hazard.

With the present enforcement staff of over 300, 16,162 safety and health inspections were made between July and January. There are 4.1

million workplaces covered by the Act. This means it would take 170 years, at the present rate, to finally inspect each work site.

The fiscal year 1973 budget authorizes \$67.5 million for the Occupational Safety and Health Administration of the Labor Department, or an increase of 85 percent over fiscal 1972. But of that amount, nearly half is earmarked for assisting the states to regain jurisdiction over occupational safety and health. That \$30 million figure is one-third greater than the budget authorization for federal enforcement programs.

Up to now, few states show inclination to submit plans that will provide programs affording protections to workers equal to those provided by the federal program. We find little movement in the field of occupational disease.

In response to an urgent appeal from the AFL-CIO, OSHA adopted an emergency asbestos standard but until recently has failed to undertake, on its own initiative, a single inspection of any workplace where asbestos may be a hazard. And it is in this area of asbestos-related cancer diseases that the scientists are most alarmed.

The National Institute for Occupational Safety and Health is under the Secretary of Health, Education and Welfare. Its effective functioning is indispensable to carrying out the intent of the Act by NIOSH. To date, NIOSH has shown a callous indifference to its role. The budget does not provide authorization for training needed occupational health personnel as required under the Act.

We urge that \$28.3 million authorized for the vitally important program of NIOSH be doubled. This will enable more rapid development of criteria and recommended occupational health standards, expanded hazards evaluation, and plant surveillance, and accelerated training of critically needed occupational health personnel.

The Review Commission, which is responsible for adjudicating contested citations for violations of the Act, is both shorthanded, and faced with a weekly rate of new cases greater than contested decisions by the National Labor Relations Board. This has created a bottleneck to the entire occupational safety and health program.

The budget request of \$1.3 million for the Review Commission is only \$220,000 over that of the previous year. That is completely inadequate. We urge the Congress to increase it substantially.

We also urge the Congress to appropriate the necessary funds and provide for an adequate staff to enforce the Railroad Safety Act and carry out the intent of that law.



# Social and Public Needs

## *Education*

American education is in a state of deepening crisis. Vigorous defense of existing federal programs is essential, but that in itself is not enough.

The valuable beginnings must be escalated into a massive national effort to provide quality education for all children and young persons, wherever they may live, whatever their race or national background, whatever their family income.

There must be full appropriation of the funds presently authorized under educational legislation. Anything less is breaking urgent promises made to the American public. And the existing authorizations must themselves be substantially increased.

The low priority on education placed by this Administration was dramatized by the President's veto of two education appropriations bills.

The Fiscal 1970 bill provided some \$900 million more than the Administration wanted, some \$200 million designated to help the disadvantaged. The Fiscal 1971 measure provided for \$500 million more than the Administration's limit, some \$161 million of which was for the disadvantaged. The latter veto the Congress overrode.

Local revenue resources available for the schools have reached the breaking point. Several state and federal court decisions have brought into question the whole system of local taxes as the primary financial support of the schools.

States must relieve municipal governments of the principal burden of school financing and many of them are already moving rapidly in that direction. But full equality within each state still would leave gross inequalities between states. This can only be remedied by a greatly increased federal role which would act to equalize interstate educational inequalities.

Existing programs compensate for the extra costs of teaching educationally deprived children, physically and mentally handicapped children, bi-lingual children, isolated minority children, children needing the benefits of vocational and career education, and children in federally impacted districts.

Without such aid, major urban school systems face collapse. Several cities have already had to close down their schools for want of operating funds and at least one major city has had to resort to the depression system of paying its teachers in scrip.

Those who constantly repeat that "money isn't the answer" are evidently unaware that the crisis is no longer one of an inability to introduce needed new programs. It has come down to such basic matters as meeting payrolls, maintaining buildings,

and providing heat in the winter. Schools need funds for these things and they need funds also for the innovative programs.

Schools serving the rural poor are in many cases even less able than the inner-city schools to meet the challenges of Twentieth Century educational needs. Rural and urban problems are inter-related, with today's low income rural children becoming the poor and unemployed of the cities of tomorrow. Rural education, like urban education, requires massive support from the federal government.

Higher education has become the natural expectation of most American young people. Existing student aid programs have done much to raise the hopes of college bound young people and these need to be improved and expanded.

The most effective form of student aid is that which keeps the costs of college to the student at the very minimum. The growing costs of higher education are not simply a problem to low income students; they are a problem to most students and federal policy in higher education must be designed to meet that total problem, not just a piece of it.

Particularly this means direct federal support to institutions, substantial enough to provide low-cost or free tuition. Low-cost or free publicly supported education must be available to every young person in such alternate institutions as colleges and universities, community and junior colleges, and technical institutes.

The issue of busing school children cannot be disassociated from the issue of quality, integrated education.

The law of the land must be enforced. The "busing moratorium" as proposed by the President raises questionable Constitutional issues. It is a cynical attempt to reward those who said "never," and to undermine the moral leadership of those citizens who endeavored to comply with the Constitution and the Supreme Court's 1954 decision.

The AFL-CIO wholeheartedly supports busing of children when it will improve the educational opportunities of the children. We deplore the actions of individuals or groups who are creating a divisive political issue out of America's vital need for quality, integrated education. We are opposed to the constitutional amendment approach because it would do a disservice to the quality, integrated education which we support.

Education in our times must be a lifelong process. It should begin with the availability of early childhood education and it should continue on through greatly expanded opportunities for a wide range of adult education programs including a federally financed program of university exten-

sion services in the field of labor education, comparable to the long existing university agricultural extension service.

### ***Anti-Poverty Program***

Poverty can and must be eliminated. It demands a commitment to its eradication through short-term and long-term programs economic and social which help create and assure:

- Jobs.
- Living wages.
- Adequate minimum wage.
- Comprehensive social security.
- Education and training.
- End to discrimination.

Without moving on all these fronts there is no hope of meeting the problem of poverty.

The anti-poverty program requires strong federal direction and adequate funding to maintain the focus of national concern on the need to combat poverty.

The Nixon Administration by recession, by unemployment and by slowing down progress, has not provided this thrust. Essential programs designed to assist the poor and hungry have, too often, been cut back or eliminated, poorly funded and halfheartedly administered.

We oppose any effort to downgrade the status of the anti-poverty effort through political interference at the state level or by turning over to the states the responsibility for direction of the program.

We support the concept of a private, non-profit legal services corporation, and endorse a program of comprehensive child development.

### ***Day Care Centers***

Today there are some 3.7 million working mothers with children under the age of five. Yet, there are places for only 700,000 children in day care facilities—and many of these are inadequate.

At the same time the present welfare crisis has led to an increased emphasis in finding jobs for mothers. Any hope for enabling more mothers to move off welfare into adequately paying jobs was temporarily crushed when President Nixon vetoed a dramatic, new nationwide program of comprehensive child development.

The children of the poor are already disadvantaged. To further deprive them of opportunity in their most formative years makes them doubly disadvantaged. If these children spend their early years neglected in a back room or left to roam the streets unattended, the next generation will face problems much more severe than the cost of welfare.

We call for action, again, on the vetoed program to provide for a wide-range of educational,

health and nutritional services for the nation's young children with major emphasis on helping the children of both welfare recipients and working parents.

The day care centers should be controlled by local communities with provisions for parental involvement. Participation should be voluntary with fees based upon ability to pay.

### ***Consumer Protection***

Despite the seeming effervescence of the consumer movement, the legislative output to provide consumer protection has been severely limited.

In the last two years the principal accomplishments were the 1970 enactments to bring consumer reporting agencies under the rule of law, to ban the issuance of unsolicited credit cards and to provide for safety packaging of medicines.

This does not begin to meet the needs of the consumer who, today, is more aware of the vital necessity of strong consumer legislation than ever before. The AFL-CIO urges a broad program of consumer legislation which, specifically includes:

**Safety**—To safeguard individuals from harm or injury caused by consumer products, we call for a new comprehensive Consumer Product Safety Act for household appliances and improvement of existing safety legislation on specific consumer products such as automobiles, fabrics, drugs, cosmetics, medical devices, and household chemicals. We again stress the need for a Wholesome Fish and Fishery Products Act, with strict inspection requirements.

**Credit**—We support legislation and administrative actions to eliminate excessive or unfair finance and insurance charges for consumer credit, to expand and protect the full rights of borrowers in credit contracts, and to limit or abolish abusive creditor techniques for collection of debts.

**Insurance**—We call for federal enactment of comprehensive auto insurance reform legislation incorporating the "no-fault" principle for compensation, encouragement of group coverage, and provisions to reduce the costs of auto repair.

**Warranties**—We endorse legislation to remedy the problem of meaningless and ineffective warranties on consumer products and to induce manufacturers to honor their warranties in full.

**Labeling and Advertising**—We support legislative proposals to compel informative labeling for consumer products including ingredients, nutritional values, expiration dates, and durability. To aid price comparisons, we endorse pricing in terms of price per unit of quantity for packaged products and more extensive use of government product grading programs. We condemn false and misleading advertising and support proposals that would require proof of advertising claims.

**Legal Enforcement and Remedies**—We support enlarged powers for such agencies as the Federal Trade Commission to act in behalf of consumers both in the prevention and redress of fraud, deception and unfair practices. To enable the consumer to act more effectively in his own behalf, we endorse consumer class action legislation, enabling cheated consumers to sue in the courts as a group.

**Consumer Representation**—We call for prompt action on legislation to establish a federal agency to represent and act in behalf of consumer interests.

### ***Community Programs***

There are a number of community and public needs on which we urge action. They include:

#### **Crime and Delinquency**

Among many programs essential to reducing crime and delinquency is reform of the antiquated prisons and rehabilitation system and recovery of the criminals so that they may still have socially useful lives.

A vital part of this program is training for jobs, half-way houses and community support of rehabilitation efforts.

We seek the kind of criminal justice supported by reduction of the waiting time for trials, more

judges and better trained and better paid law enforcement officers.

Foremost, we recognize the contribution that poverty makes in creating criminals and we look upon the war against poverty as the first line of attack on crime.

#### **Blood Banks**

We support legislation that would direct the American Red Cross to develop one national, voluntary, non-commercial blood-banking service to provide free blood to all who need it.

The elimination of the private, commercial blood banks is needed to combat diseases such as serum hepatitis. Estimates of this disease range up to 35,000 annually.

#### **Drugs and Alcoholism**

We support full funding of the U.S. Public Health Center on Alcoholism as provided by the Hughes Act. In addition, we urge Federally-funded, comprehensive community facilities for detoxication treatment, rehabilitation plus adequate information and education on the dangers of alcoholism.

We support essential steps to meet the problem of drug abuse including stopping the flow of drugs and dangerous narcotics into the country, strong action against pushers and treatment of users.

# Civil Rights

The movement in this country toward equal rights and equal opportunity for all its citizens has been systematically undercut by the present Administration.

This has occurred in two basic ways: The unfortunate civil rights programs of the Administration and the disastrous economic policies with blacks and members of other minority groups the prime victims.

After more than a decade of steady and constant progress toward overcoming the evils of segregation and discrimination, the policies of this Administration are all the more unacceptable.

The President must provide leadership during periods of tension and uncertainty. Yet President Nixon and his Administration have inflamed race relations with such terms as "forced busing" and "forced integration."

We do not believe that the President can reverse the steady progress we have made in eliminating segregation and discrimination in one area in American life after another—public accommodations, voting, education, employment and housing—but he can slow down the pace and provoke bitterness and hate.

His Administration tried to change the direction of the Supreme Court by the ill-fated nominations of Haynsworth and Carswell and the successful nomination of Rehnquist. These were not merely attempts to bring the court to a more conservative stance but were specifically directed as part of the "Southern strategy" to appeal to anti-civil rights sentiments, North and South.

The obvious ineffectiveness of the Equal Employment Opportunities Commission and the Labor Department's Office of Federal Contract Compliance is directly related to the low priority given to both by this Administration.

Some progress was made in strengthening EEOC this year but the Administration's adamant opposition to providing the commission with cease and desist powers or in consolidation of its overlapping functions weaken its effectiveness.

An agency such as EEOC cannot effect social change by simply bludgeoning the parties into submission. Rather, enforcement powers are needed to insure that the parties come together and work out the needed change. Neither EEOC nor the OFCC have done this well to date.

The Administration subjects the nation to a torrent of words on civil rights which, ultimately, mean nothing. Nowhere is this better illustrated

than in the so-called Philadelphia Plan—the highly publicized Administration program to force minority quotas in the construction industry.

After one year of its operation, the Labor Department found that on 25 federal projects in the Philadelphia area, each more than one half million in volume, there were 41 minority workers out of 180 in the mechanical trades or 22 percent.

However, the Labor Department had found that there were 97 minority journeymen in the local unions cited prior to the institution of the Philadelphia Plan. Further there is no indication that any of the 41 came from sources other than existing union members or apprentices recruited in Operation Outreach.

Yet, after almost two years of failure, the Administration still trumpets the Philadelphia Plan as the answer to increasing minority job opportunities in the construction industry.

We are not satisfied with the progress, to date. We do believe though, that a fair appraisal will show the Operation Outreach programs, sponsored by the AFL-CIO Building Trades Councils, the Urban League, the Randolph Institute and the Workers Defense League have been productive.

While there has been steady progress, we believe it is irresponsible to promise hundreds of thousands of jobs to minority workers, through a penciled quota system, at a time when construction job openings are severely restricted by the economic slowdown. The real answer is a rapidly expanding economy coupled with effective affirmative action.

Even with all its contrived restraints on progress in civil rights nothing has contributed more to the slowdown in human rights than the economic policies of this Administration.

The prime victims of the Administration's economic policies have been the workers and, even more emphatically, the black workers.

The unemployment rate in 1971 was 5.9 percent. Among Negroes and other minorities the rate was 9.9 percent. However, among black teenagers the rate was an alarming 31.7 percent.

A black teenager, then, has extremely limited opportunity for employment. With this avenue, in effect, blocked, many turn to crime or drug use.

Until 1969, economic programs were successfully chipping away the number of minority group members below the poverty line. The black teenager had reason to hope that he had a healthy future. Today that hope is crumbling.

Programs that have worked, if not adequately in the previous Administration, have been dismantled or reduced instead of being improved. In their place one gimmick after another has been offered as a substitute—black capitalism, revenue sharing, the Philadelphia Plan and education voucher systems.

There is no possibility that equal rights and equal opportunity can become realities without a rapidly expanding economy. New opportunities

are founded on new jobs and an upward living standard. Nothing manufactures hate, bigotry and discrimination more than an economy where there is too little to go around.

We ask that all statutes on the books outlawing discrimination in employment, housing, education and other fields be implemented and strengthened and that this nation once again, re-dedicate itself to making this the land of equal opportunity.

# Social Security and Health

## National Health Security

American medicine is the most advanced in the world but millions of U.S. citizens are being barred from its benefits by our obsolete, 18th century health care delivery system.

America is spending more for health care than the citizens of any other industrial country—\$75 billion in the fiscal year ending June 30, 1971—yet we now see that pouring more and more money into the chasm of the health care industry is not the answer.

Health care is fragmented, disorganized, inadequate and spotty. It is a non-system—a haphazard collection of isolated and uncoordinated institutions.

Patients, for example, in this crazy-quilt health delivery system, usually receive in-patient care although it is the most expensive. The reason? Because under our private insurance programs this is the way the doctor is assured of being paid. The doctor could treat the patient just as well and sometimes better in his office.

Doctors and hospitals are paid only when the patient is ill. Preventive medicine and early treatment, which would reduce illness and shorten hospital stays, are not covered by insurance.

Today we find that 16 percent of all Americans under 65 have no health care insurance. Yet, those who do have some form of insurance have only spotty coverage.

When the total of what private insurance pays is compared to the nation's total bill for personal health services, private insurance pays only 25 percent.

These are some of the dimensions of the health care crisis:

- Costs are out of control;
- Care is inaccessible for many Americans;
- The health care system lacks coordination;
- There is waste and duplication;
- Too little attention is paid to keeping people well, and
- Many Americans cannot afford the medical care they need when they are sick.

At the present time 7.4 percent of this nation's Gross National Product goes into health care. With the spiraling of health care costs this figure will continue to rise unless our entire health care system is reformed.

Since 1950, health care costs have risen 600 percent. Broken down, this means:

- Hospital rates increased at a greater rate—14 percent—than any other cost and totalled \$29.6 billion.
- The cost of physicians' services totalled \$14.2 billion or an increase of 9.9 percent in the year.

- Medical costs are increasing twice as fast as consumer's other costs.

- The largest governmental health program is Medicare—\$7.9 billion in 1971. But Medicare pays only 47 percent of the total personal health care expended by the aged.

- Medicaid, primarily medical care for the poor, cost \$6.5 billion in 1971 with about one-half being paid by the financially-strapped states.

Even with these high costs it is apparent that this country does not provide the best quality medical care in terms of internationally-accepted standards of health.

The U. S. ranks 13th among industrial countries in infant mortality and the infant death rate for non-white babies is shockingly double that for whites. We rank 7th in the world in maternal death rates. Males live longer in 17 other nations and women live longer in 10 other nations. The life expectancy for non-white males and females is seven fewer years than for whites.

## Health Financing

The key to the health care crisis is financing.

The problem centers on the current systems of private insurance supplemented with public funds. This is both costly and inefficient. In the year ending June 30, 1971, private insurers took almost \$2 billion of the \$17 billion they received as premiums for advertising, commissions, executive salaries, stock options, and profit.

Commercial insurers spent 20 cents of every premium dollar on things other than health care. In contrast, Social Security pays out better than 98 percent of tax receipts in cash benefits.

One of the most damaging and significant indictments against the health care carriers is that they have neither the incentive nor the will to hold down health care costs. Audits of the private insurers under the Medicare program obtained by the staff of the AFL-CIO show that:

- Aetna Life Insurance Company made duplicate payments estimated at \$3.2 million and paid an additional \$1.3 million in claims in excess of reasonable charges.

- Connecticut General Life Insurance Company made an estimated \$1.2 million in over-payments.

- Michigan Medical Service (Blue Cross) cannot justify the reasonableness of approximately \$6.4 million in claims payments.

- Blue Shield of Florida paid approximately \$320 million to physicians without proper assurance that the charges were reasonable.

- Blue Cross and Blue Shield of Virginia made "lavish" expenditures for equipment, services and

supplies, and as a result "the funds were not available for carrying out the purposes for which the Plans were granted tax exemption."

These audits appear to be only the tip of the iceberg. However, they clearly demonstrate the utter failure of insurance companies to efficiently administer a federal medical insurance program, and the potential danger inherent in permitting private insurers to administer a national health insurance program.

#### **Restricted Services**

Another area where the current health care system has failed is in its inability to deliver services to all people regardless of income or geographical area.

The poor, for example, have twice as many illnesses; four times as much chronic illness, three times as much heart disease, seven times as many eye defects, five times as much mental retardation and nervous disorders. And yet they do not receive good care, if any.

We need a program which will encourage prevention and early diagnosis and treatment of disease and to stimulate increases in the supply of physicians and other medical personnel as well as provide incentives for their more effective use.

We need a program which will encourage hospitals to seek efficiency and eliminate unnecessary and wasteful expenditures and yet provide a superior form of care for patients.

Even more, we need a program which will effectively foster a group practice approach so that out-patient care will be more extensively utilized rather than the more expensive hospitalization.

#### **National Health Security**

There have been a number of proposals made to meet the health care crisis but only one faces up to all aspects of the problem. That is National Health Security which has bi-partisan support and is known as the Kennedy-Griffiths bill.

Of all the proposals offered, only National Health Security provides for equal access to health care for all people; comprehensive coverage, restructuring of the health care system; effective incentives for quality and efficiency or controls on costs and elimination of the middlemen—the inadequate private insurance carriers.

More specifically, National Health Security incorporates the following features:

- Universal coverage as a matter of right.
- Comprehensive benefits without deductibles or co-insurance; no arbitrary cutoff points in dollars or number of days of coverage. There will be no exclusion of coverage for pre-existing conditions; no limitations on physical examinations and other preventive services and no waiting periods.

- Free choice of physician.
- Financed through Social Security approach with matching contributions from federal revenues.

- Provides for a Health Resources Development Fund to be used for health manpower education and training, group practice development and for expanding and improving health services.

Effective cost control. Only National Health Security provides health care directly at the lowest cost with no wastes of the health dollars on private insurance carriers as middlemen and with prior budgeting to assure effective control on all costs.

#### **Catastrophic Insurance**

A number of bills have been introduced into the Congress which are designed to provide protection against catastrophic costs associated with expensive, acute episodes of illness.

These bills do not purport to establish a national program to provide health services to all or a substantial proportion of the American people, but are designed to financially assist those persons who incur high medical costs.

All such proposals have common features:

1. There is a sizable deductible that must be met before any benefits are payable.
2. When benefits are payable, the beneficiary must pay a proportion, usually 20 percent of the total bill.

Catastrophic insurance is a rich man's program.

A \$1,000 medical bill is not a catastrophe in the home of a corporation president making \$50,000 or more a year. To a \$100-a-week worker with a family to support a \$1,000 medical bill is a catastrophe.

Although large numbers of people with relatively low incomes would derive no benefit from the program, they would be subject to payment of the Social Security tax on private insurance premiums. Thus, adoption of the program would result in the strange situation that low income people would be contributing toward a program which would largely benefit those at higher incomes.

#### **Social Security (OASDHI)**

The continued growth of the Old Age and Survivors, Disability and Health Insurance Program and its increasing public support is testimony to the wisdom of the early social security pioneers.

We look upon the very real steps taken to date in this field as a beginning of a massive program that one day will provide us with the protections and security that this nation can afford for its elderly citizens.

The major breakthrough in Social Security was in 1965 when Medicare was passed but to make

both the basic Social Security program and Medicare adequate much work needs to be done.

Constant increases in benefits under the program are mandated if our aged citizens are to be able to keep abreast of the rising cost of living. No segment of the population is harder hit by inflation than Social Security beneficiaries—those who must live on a fixed income because of age, disability or death in the family.

These people have been on an inflation treadmill—trying desperately to keep pace with the continuing rise in prices. Nor will the cost of living escalator provision solve their problem. Tying benefits solely to the cost of living would simply render the low standard of living of the elderly static while that of the rest of the nation progresses.

New actuarial assumptions have been recommended by the Advisory Council on Social Security and expert actuaries and economists.

The idea behind changing the actuarial assumptions for the Social Security Trust Fund is that wages and salaries subject to the Social Security Payroll tax will rise in the future as they have in the past. Up to now, Social Security financial policy has been based on the assumption that wages and salaries subject to the Social Security tax would remain level in the years ahead.

While we support proposals to increase benefits, we believe that Social Security beneficiaries must have more than sporadic, stop gap and piecemeal legislation to deal with their economic plight. What is required is a comprehensive reform on all fronts to lift the burden of poverty from the elderly and to insure that they will be able to live out their remaining years in comfort, security and dignity.

Among the major improvements we recommend are:

- Increase the real value of social security benefits by 50 percent in several steps in the next few years and base future benefit increases on the principle that beneficiaries should share in the increasing standard of living which they helped make possible.

- Increase the wage base to at least \$15,000 to restore the situation that existed in the early years of the program with respect to the proportion of covered earnings taxed and counted for benefit purposes and, thereafter, adjust in line with increases in wage levels.

- Reduce waiting period for disability benefits to one month and permit older people who are below retirement age but who are not totally disabled to receive benefits if they are unable to engage in their usual occupations because of disability.

- Pay for the cost of future improvements in the Social Security Act in part by payment of con-

tributions to the Social Security Trust Fund from general revenues.

For over 30 years, Social Security has been a dynamic program changing with people's needs. But much remains to be done if the nation is to fulfill the hopes of those who because of old age, death, disability or illness, look to improved Social Security to forestall deprivation and want.

## **Medicare**

Next to the basic Social Security system itself, Medicare is the program that most benefits the elderly. However, as important and as vital as this program has been it still covers less than 50 percent of their health costs.

We believe that only through enactment of Health Security will the nation's elderly—and, indeed, all citizens—receive the quality health care they need. But until Health Security is enacted Medicare must be broadened and improved.

Under the present structure we ask that the disabled be cared for by the Medicare program and consider this a priority item. We strongly oppose requiring the disabled to bear a longer waiting period for Medicare benefits than for cash disability benefits.

Medicare should also be expanded to cover early retirees—those eligible for Social Security benefits but not now eligible for Medicare. A good example is a man of 65 with a younger wife who must provide for his wife's health protection out of his low Social Security benefit.

The premium for Medicare's supplementary medical insurance program (Part B), originally \$3 a month, has now been increased to \$5.60 or \$11.20 for a couple and is scheduled for increase again next July. For the great majority of medicare beneficiaries this is a heavy burden. We ask that Part A (hospital care) and Part B (doctor care) be combined into a single program, that the premium be eliminated, and that the government make a general revenue contribution to the trust fund equal to one-half the cost of the combined program.

Another great shortcoming in the Medicare law is the lack of reimbursement for prescription drugs—drugs which may very well be the greatest single contributor to preserving and protecting good health.

The elderly account for 25 percent of all out-patient drug costs. Per capita drug expenditures for the aged are three times the per capita outlays for drug purchases by those under 65.

We have three major studies by the Secretary of Health, Education and Welfare and the Advisory Committee on Social Security and all recommended that the program cover prescription drugs. We urge an immediate enactment of a prescription drug program under Medicare.



## ***Welfare Reform***

There is a national consensus that our present Federal-State partnership of welfare to families with children has miserably failed.

If we accept the basic approach of the President, and improve upon it, we can assure all Americans the necessities of life in a program which would provide at least an income floor for those who can't work but are eligible for welfare payments and provide an incentive for all who can work to improve their income.

Major legislation by Congress falls far short of what is really needed for genuine welfare reform. We need to establish a basic floor of income and steps would lift all the poor within a few years out of poverty. Welfare is a national problem. We believe it must be resolved, insofar as is possible to resolve welfare in a great society, at the national level.

To continue our present approach to the problems of welfare must mean that we wish to continue our "welfare mess." We should seize this opportunity to pass what could well be the most important legislation since the 30's.

Therefore, we urge a federal minimum basic family assistance payment of \$3,000 for a family of four with automatic increases to not less than the Social Security Administration's poverty level within a few years.

We insist that no payments should be reduced below current levels; no welfare recipient should be referred to a job paying less than the applicable minimum; no mother should be referred to work in the absence of adequate child care for the children, and the job rights and employment conditions of state and local employes who presently administer welfare must be protected when the federal government takes over the program.

We believe the time for action on welfare reform is now!

## ***Pension Legislation***

Adequate income for retirement has become one of the goals of the American labor movement. Logically, this should be provided under the Social Security program, which organized labor has done everything possible to improve, but since Social Security fails to meet these needs the labor movement has negotiated private pension programs through the collective bargaining process.

Private pension plans now cover approximately 40 million employes, both union and non-union, and its assets are expected to exceed \$200 billion at the end of the decade.

However, as private pension plans have grown certain problems have emerged. Many workers fail to qualify for a pension because of their inability to meet length of service or vesting requirements established under private pension and

profit sharing plans. Workers have also lost their rights to a pension because of business failures, mergers, and acquisitions. Because of family business failures, as well as plant shut-downs in firms continuing to operate, a small but significant proportion of employes covered by private pension plans have lost not only their jobs but also their earned rights to pensions.

Others have been similarly victimized when their employers have been delinquent in making previously stipulated contributions to pension funds thereby seriously jeopardizing the soundness and stability of the trust. Still others have lost their pension rights when runaway employers, often encouraged by plant piracy through tax-free industrial bonds, have moved their operations to other communities.

Any legislation to meet these problems, which might be enacted by the Congress, must take into consideration the great diversity of employe benefit programs, the wide variation of conditions under which these plans have been established and the substantial and varying impact on costs which such regulations might entail. Any federal standards should not be so restrictive as to discourage the spread of new plans or inhibit the growth or impose substantially higher operating costs on existing plans.

We favor a federal fiduciary statute, enforceable through the Federal courts, which would preempt state law and under which appropriate safeguards would give plan participants, beneficiaries or their representatives the right to bring suit with appropriate civil remedies for violation of the law. Such a statute should apply uniformly to all health, welfare, pension and profit sharing plans whether self-administered or insured.

Every organization, corporation or person who has substantial control or authority over such a plan should be held accountable for his actions and duties. Fiduciary standards should not be so stringent as to restrict or inhibit investment, either at home or abroad, in socially useful projects.

With respect to retirement plans for state and local government employes, we favor federal legislation to impose reporting and disclosure requirements similar to those now in effect in the private sector, as a first step toward the development of appropriate standards for such public employe plans.

Persons convicted of crimes involving corrupt or fraudulent financial activity, such as theft, embezzlement, grand larceny, extortion or bribery, should not be allowed to hold positions of trust or administration in a health, welfare, pension or profit sharing plan. However, prohibitions against persons holding office should not be so broad as to include a wide variety of offenses not involving the element of fraudulent financial practice.

The AFL-CIO favors the inclusion in any Federal statute regulating health, welfare, pension and profit sharing plans of a provision for imposing appropriate civil and criminal remedies upon employers who fail to comply with their financial obligations to an employe benefit trust. Where employers go bankrupt leaving unfulfilled obligations to the trust, the employe benefit plan should have a prior claim, after wages, against any assets of the employer.

We also ask for the inclusion in private pension plans of adequate and appropriate vesting and funding provisions. To provide adequate safeguards to workers covered by single-employer plans we favor federal legislation establishing minimum requirements of vesting and funding. Because multi-employer plans, whether financed by employer contributions, joint contributions or solely out of union dues, contain built-in safeguards for the pension rights of workers covered by them, any such legislation should exempt multi-employer plans.

The AFL-CIO also supports pension reinsurance and calls upon Congress to pass legislation providing, at reasonable cost, protection to workers against the loss of pension rights.

### ***Workmen's Compensation***

Our current workmen's compensation structure, involving 52 different programs, is inadequate, unworkable and unfair whether in coverage, medical care, rehabilitation or the weekly benefit structure.

The only real answer to workmen's compensation is the establishment of federal standards so that protection of workers will be uniform across the nation.

There is a critical need for compulsory coverage of workmen's compensation, too, with no numerical exemptions and that coverage be extended to agricultural workers.

Also, benefit levels should be sufficient to maintain a decent standard of living for injured workers and their dependents with weekly benefits of not less than two-thirds of the injured workers' average weekly wage.

There are a vast number of other areas in workmen's compensation that demand updating and improvements but the most critical is a recognition of the need for minimum federal workmen's compensation standards for weekly benefit amounts, complete coverage of all occupational injuries and diseases, full medical care, and rehabilitation.

We also need substantial improvements in the Longshoremens and Harbor Workers Compensation Act. This Act furnishes workmen's compensation protection to workers mentioned in the title

and to workers employed in private employment in the District of Columbia.

In the past, this Act has been considered a pace-setter in the field of workmen's compensation. However, it has not been amended for 11 years and improvements are needed to restore the program to its former place of prominence in the field of workmen's compensation.

### ***Unemployment Compensation***

With unemployment continuing at high levels, both as a percentage of the labor force and in numbers, unemployment compensation that meets the twin needs of protecting the income of the jobless and providing a sufficient built-in economic stabilizer becomes imperative.

This is possible only if we have a comprehensive reorganization and fundamental improvement of the unemployment insurance system under a single federal program.

This new program must be all inclusive, bringing under its cover all wage and salary workers, including workers in small firms, as well as all public employes, agriculture workers and domestic workers.

Immediately we seek an adequate compensation program—the key to this—is a Federal benefit standard. Every Administration in recent years has recommended that a maximum benefit standard of 66⅔ percent of the statewide average weekly wage to be established in each state program.

President Nixon made this recommendation in 1968, saying that if there was no movement toward this goal that Federal standards might be necessary. By July 8, 1971, only three jurisdictions had acted to meet the goal. AFL-CIO President George Meany wrote to the President and reminded him of his pledge and asked his support for a Federal benefit standard.

The current hodge-podge of extended unemployment benefits is confusing and fundamentally inadequate. Programs operate on three separate levels—national, state and so-called emergency—and the jobless worker often does not know to what he is entitled.

We want to get away from the so-called "trigger" devices used to put extended programs into operation. A federal program that provides extended benefits on a continuing basis for the long-term unemployed who have a firm attachment to the labor force is needed.

This program should also provide adequate opportunity for such workers to obtain vocational guidance and training as well as other appropriate types of assistance needed to qualify them for suitable jobs.

# Labor and Management

## *Labor-Management Relations*

Collective bargaining is the keynote in the arch of America's system of economic democracy and private enterprise.

There is no compatibility between effective economic democracy and control of the collective bargaining process by governmental fiat. The totalitarian regimes have established that beyond question.

The national labor policy established a generation ago by the Congress of the United States, with the passage of the Wagner Act, recognized this. Despite successive amendments of that Act by the Taft - Hartley and Landrum - Griffin changes, the National Labor Management Relations Act still retains, in its preamble, the original declarations and intentions of encouraging "the practice and procedure of collective bargaining" and the preliminary process of organizing to obtain bargaining.

Barriers designed to circumvent these declarations, however, remain in one form or another:

- The intervention of the employer into what should be essentially an employe determination of whether collective bargaining is desired has been sanctioned under the guise of the "free speech" section.

- Employers have been able to distort and influence the outcome of representation elections on the premise that words, that are not established as clear and instant coercive threats, are not an unfair labor practice.

- So-called "labor-consultants" are being hired by anti-union employers to advise their clients on how to break or bend the law maintaining a facade of compliance but, in effect, violating its intent.

- The Act continues to contain Section 14(b) which permits states to restrain union security in ways more restrictive than the federal statute. This section is patently inconsistent with the purpose of the Act.

- The Act permits employers to receive physical and financial assistance from fellow-employers, individually and collectively, during labor-management disputes, while, at the same time, denying employes the right to enlist the aid of fellow workers or fellow unionists.

- Workers in desperate need of union organization, such as agricultural workers and employes of non-profit hospitals, are excluded from coverage of the Act.

- More adequate remedies are needed for an employe who has been illegally dismissed by an employer in violation of the Act.

- Appropriate legislation should be enacted insuring state and local government employes the right to bargain collectively.

The National Labor Relations Act must be revised in order to return the national labor policy to its original purpose. It should also be broadened in coverage so that no group of employes, eligible for congressional concern, should be denied the benefits of participation in the national labor policy.

## *Compulsory Arbitration*

Radical, new proposals are now before the Congress which would substantially undercut collective bargaining while purporting to prevent temporary inconveniences sometimes caused by railroad or longshore strikes.

These proposals rely principally upon a new and untried form of compulsory arbitration designated as "final offer selection." Under this scheme, strikes would be forbidden and an arbitration board appointed by the President, or, in some proposals, by the Secretary of Labor, would choose, without change or revision between a final offer or offers made by management and those made by the union; and the winning offer would be put into operation by force of law.

A novel new phrase cannot hide the fact that this is compulsory arbitration.

We do not believe that it is compatible with American freedom to compel workers in private employment to work for their employers, for the profit of their employers, on terms dictated by the Government.

While the Administration and other similar proposals are currently limited to particular industries—railroads, airline, longshore, maritime, trucking—if these governmental restrictions and controls are enacted for these industries, they will be extended to others as the opportunity affords. In fact, one of the bills would create a study commission to determine whether similar denials of freedom should be applied to workers in other industries.

Compulsory arbitration is incompatible with private enterprise. Government fixing of the terms and conditions of employment will inevitably lead to price fixing, profit fixing, and complete government control. We do not want to see this nation set its foot on that road.

We are aware that strikes cause financial loss, both to the workers and employers, and sometimes major inconveniences to the public. However, there are solutions other than government repression.

We support legislation that would provide new and effective incentives for collective bargaining in the railroad industry and eliminate the causes for nationwide strikes.

The soundest solution is to revise the Railway Labor Act to make it clear that unions have the legal right to strike a particular carrier or carriers and that railroads have no right to transform these limited disputes into nationwide strikes or lockouts.

We also favor allowing the government to require limited operation of struck lines to insure the continued movement of passengers and essential commodities.

### **Strikes**

Frequently either management or the government can act to make a localized strike ostensibly a national emergency. In the recent West Coast longshore strike, the union offered to carry essential cargo. If this offer had been accepted any hardship to the public would have been greatly reduced.

Certainly, localized disputes should not be made the excuse for broad, repressive and permanent legislation which would curtail the right to strike and bargain effectively.

### ***Federal Employee Relations***

There are serious deficiencies in the Federal Government's labor relations policy for its employes outside the Postal Service justifying enactment of legislation, which will state clearly and concisely, in statute, the rights and responsibilities of labor and management in the Federal Government.

More than a half million Federal workers are paid under the wage board system in keeping with rates in effect for similar work in private firms in the areas surrounding their employment.

This program is administered solely by the Executive Branch on general authority enacted by Congress many years ago. As a result, the agencies and the Civil Service Commission control the system.

Participation in the process by unions is limited. In the National Wage Policy Committee, which advises the Civil Service Commission on this subject, management maintains the controlling vote.

Wage grade workers cannot advance more than three steps in their pay levels.

A large segment of workers is employed by non-appropriated fund facilities. They are not subject to the same system as other Federal wage board workers. Their rates of pay can be established almost at the will of their superiors.

To correct these injustices, it is essential that Congress enact and the President approve legislation pending in Congress.

More than thirty years ago, the "Hatch Act" became the law. Today with the complex problems which call for maximum involvement in the political system of all voters, the "Hatch Act" has become an anachronism. This law is in serious need of revision.

Federal employes as citizens should be accorded the opportunity to participate in partisan politics to the maximum extent consistent with merit in hiring, promoting, and separating them from their jobs. At the same time, it is imperative that protection from political coercion to engage in politics or contribute to a candidate or party be retained.

### ***Non-Profit Hospital Workers***

There are no moral or legal grounds for denying non-profit hospital workers the protection of the National Labor Relations Act. For-profit and non-profit hospitals serve the same communities and both compete in offering quality care and both are involved in interstate commerce.

The right to organize and bargain collectively for better wages and working conditions should be granted to these 2 million workers to avoid their further exploitation.

### ***Davis-Bacon Act***

Workers in the construction industry have witnessed recently direct and indirect efforts to weaken the Davis-Bacon Act of 1931. The Act as amended is designed to assure that contractors in federally-aided construction pay wage rates prevailing in the area of the project, and for similar work.

There must be no tampering with this Act whose basic premise is that federal monies must not be used to depress local prevailing standards. There should be, in fact, legislative adjustments to make automatic the application of its provisions to all federally-aided construction.

# Government Administration

## *Campaign Financing*

We share with many other observers the very real concern over the fact fewer and fewer people are financing our election campaigns.

In round figures, the last Presidential election cost \$100 million. Nonpartisan and objective studies indicated that about 90 percent of this figure was raised from less than 1 percent of the people. The 1 percent are essentially wealthy individuals, wealthy families and front groups for the big corporations and vested interests.

We find a widespread recognition that campaign financing of Presidential elections has emerged as the most serious problem in our electoral process—the wealthy financing the campaigns and, at the same time, receiving the most gentle consideration or outright favoritism for their own economic interests.

In 1968 President Eisenhower described this problem:

“We have put a dollar sign on public service and today many capable men who would like to run for office simply can't afford to do so. Many believe that politics in our country is a game for the affluent. This is not strictly true; yet, the fact that we might be approaching that state of affairs is a sad reflection on our election system.”

The 92nd Congress took some significant steps in putting some limitations on campaign spending and establishing stronger reporting requirements on the source of funds. These are necessary steps in the right direction.

A key section of the campaign spending does not go into effect until the 1976 Presidential election. This is public financing, the so-called \$1 checkoff on tax returns to finance Presidential elections.

No other approach to campaign financing meets the problems of the present abuses more directly than this approach. For so long as campaign financing depends on private funds the danger of conflict of interests is ever present.

## *Universal Registration*

In 1968, 116 million Americans were eligible to vote in the Presidential election. Thirty-eight percent of these—44 million citizens—did not vote. Of these, 27 million were not even registered.

According to election experts, some 10 million of the unregistered could have registered but did not. However, 17 million of the unregistered were prevented from registering to vote by arbitrary and restrictive residency requirements, by unnecessary stringent absentee ballot requirements and by other voting laws designed to discourage rather than encourage use of the franchise.

No one can accurately guess how many would have voted but it is reasonable to assume that millions would have if these conditions did not exist.

Despite some progress in easing voter registration—especially court decisions on length of residency—the books of many states and localities teem with laws that stifle voter participation. It is time to wipe the books clean and to cease playing around piecemeal with our election laws. It is time to enact national registration and voting standards.

We support a national, federally-operated system of voter registration for voting in Presidential, senatorial and congressional elections. The system, we believe, should be administered by a National Voter Registration Administration in the Bureau of the Census.

This Administration would send postal card registration forms through the mail to each postal address accompanied by a registration form pre-addressed for mailing to the appropriate state or local registration office. We believe that a 30-day residency requirement for voting in all federal elections should be provided.

Legislation establishing national registration and voting standards should not attempt to set state or local requirements but could provide for financial inducements for postal card registration and 30-day residency requirements for state and local elections.

We believe that carefully devised fraud prevention safeguards can be established in each state in cooperation with local election officials.

Modernization also is needed in absentee registration and voting. Under the Voting Rights Act of 1970 application for absentee ballots in Presidential elections must be accepted up to seven days before the election and ballots must be accepted up to the time the polls close.

Nine states have more restrictive deadlines for absentee ballot requests ranging from eight to thirty days before the election. We think uniform standards are needed for absentee registration and voting as well as for registration procedures and for residency requirements.

## *Home Rule for D.C.*

It is a national disgrace that American citizens who live in the District of Columbia should be denied the fundamental democratic right to help choose those who establish their public policies and make their laws.

The citizens of the District of Columbia are entitled to local self-government and national representation. The capital city of the world's greatest democracy should have these basic rights.

Therefore, we again call for action by Congress to provide the broadest possible measure of home rule and the right to have full voting representation in the U. S. Congress for Washington, D. C.

### ***Hand Gun Control***

The absolute need for federal hand gun control legislation is seen by the unassailable facts: in the

past 10 years 560 policemen have been killed in the line of duty, three-quarters of them by hand guns; nationwide comparably the United States has more homicides than any other country in the world, 52 percent caused by hand guns.

The AFL-CIO stands firmly committed to legislation that will provide for registration of all guns in private possession, an action which has the overwhelming support of the American people.

# Foreign Policy and Defense

The AFL-CIO believes the foreign policy of the United States must be based upon an absolute commitment to the concept of freedom for all people, in all places, at all times.

We have not retreated—nor will we retreat—from the concept of government so eloquently stated in the Declaration of Independence nearly two centuries ago.

Thus it follows that we are implacably opposed to governments which suppress the freedom of their people—whether these governments be dictatorships of the right or the left.

We do not believe that the governments of other nations must—or even should—be patterned on that of the United States. We do believe that, in order for a nation to be free, there must be full political self-determination for all citizens; that they be governed only with the free—not the coerced—consent of the governed; that there is a paramount, unconditioned right of the people to freely change their government through due process and regular procedures; and that free peoples have an absolute right to be secure against aggression and invasion from other nations.

We believe in peace—honorable peace—between nations. We do not believe in the peace of the prison camp or the peace of subjugation. We believe in international law to protect and preserve peace, through the provision of a forum for the just resolution of disputes. We believe the negotiating table to be far preferable to the battlefield.

We believe in the indivisibility of freedom, for no man is truly free while any of his fellows is a slave.

We believe that in the conduct of international affairs, the Executive Branch has an obligation to confide in the American people; to inform them of decisions which affect their futures and their very lives; to abide by the Constitutional obligation to make no treaties or commitments without the advice and consent of the Senate; to refrain from political adventures which, for some momentary political gain, would put the good will of the United States on the side of a dictator against freedom; to refuse to conduct international diplomacy as though it were a television spectacular; to refrain from building the public's expectations to unattainable heights; to honestly report to the public on the results or lack of results of international conferences; and, finally, never to use international relations as a domestic political vehicle.

And we believe the United States of America—as the largest free nation in the world—has an inescapable obligation to the rest of mankind. We flatly reject the concept of isolationism.

We believe in a defense establishment strong enough, but no stronger than necessary, to meet these obligations. The scope, size and nature of a program of defense spending must be related to the realities of the modern world and the extent of America's known international commitments, rather than the world Americans wished they had, or a posture of isolationism. The military establishment must, however, remain under the firm and absolute control of elected civilian authority, subject always to the checks and balances of the Congress, and of an informed public opinion.

In short, we believe the Constitution has served and continues to serve this nation well. We would not change its basic precepts, subvert them or allow others to so do.

Against this background, we present our views on crucial individual matters facing this nation at this hour in history.

## *Defense and Disarmament*

We firmly support international negotiation and agreement to reduce strategic offensive and defensive nuclear and other sophisticated weapons and ultimately to prohibit all weapons of mass destruction through an effective, on-site system of international inspection, supervision and control. Until universal disarmament is achieved, we believe the United States must maintain a defense capability that will protect its national security.

## *NATO*

We believe NATO has made a major contribution to the prevention of global war and should now be transformed into a more effective partnership with adequately shared joint responsibilities for maintaining peace.

## *Foreign Aid*

We believe America's foreign aid program, conceived in compassion and humanitarianism, continues to serve a vital need. So long as hunger, pestilence, desperation and illiteracy continue there can be no stable world peace. The needs of other nations for economic progress and social justice are so compelling that America should dedicate a regular percentage of its annual national GNP to continued foreign aid.

## ***The United Nations***

We continue our belief in the great goals for which the United Nations was formed. We continue our hope that the nations of the world can make the UN a viable, effective instrument of international peace. To achieve this end, the United States must take the leadership in reviewing and improving the organizational structure, fiscal operations and activities of the UN in order that mankind's faith in it be restored.

## ***Vietnam and Indo China***

This tragic war was, is and will continue to be a war of aggression. It was begun, escalated and continues because North Vietnam—aided and armed by Moscow and Peking—is seeking to impose a military dictatorship upon the peoples of South Vietnam.

The United States has proposed a ceasefire, a peaceful, negotiated settlement, with U.S. withdrawal, free elections in South Vietnam under international control, and exchange of prisoners of war. Support for these principles by the United Nations and the major Communist nations could bring the Southeast Asia war to a halt.

We are especially concerned with the plight of U.S. prisoners of war, since Hanoi continues to violate the Geneva Convention which it signed. POW's are treated inhumanely; many of their families are denied even the knowledge that their loved ones are alive; the Red Cross cannot even visit the prison camps. Once again, the major Communist nations could demonstrate humanness by urging Hanoi to keep its word on the treatment of POW's.

## ***Trade with the USSR***

On repeated occasions, we have urged the platform committees of both parties to use trade negotiations with Communist nations to solve political questions. This is precisely what the Communist nations do.

Trade with the USSR for the sole purpose of increasing the profits of big business is self-defeating. Trading off the sale of goods or services in return for substantive political actions that would reduce world tensions should be the first step in expanding trade and other economic relations with the USSR.

## ***Policy for Asia***

The United States must not destroy its relations with the democratic nations of Asia—principally Japan and India—in order to pursue closer ties with Peking or Moscow or the Pakistani dictatorship. Massacres, like that in Bangladesh, are too high a price to pay for a television spectacular at the great Wall of China.

## ***Latin America***

The ties of the trade unions of Latin America with those of the United States have been as long and valuable as the ties of the U.S. to the countries of Central and South America and the Caribbean. We believe that the futures of these people and the U.S. people are inescapably intertwined.

Thus we support every effort to promote the political, economic and social progress of the people of Latin America, the great mass of whom are still plagued by social injustice, massive poverty, inadequate housing, poor educational opportunities and dictatorial military rule.

Humane considerations as well as the vital national interest of this country necessitate generous assistance to the development of democratic institutions and forces in this area.

## ***Africa***

Though most of Africa has become nationally independent, the struggle for national freedom and independence continues in Southern Africa, Rhodesia and the Portuguese territories. The U.S. should openly and generously help the democratic nationalist forces and movements devoted to social justice and not the racist and colonialist regimes such as South Africa, Rhodesia and Portugal. Unless such a course is pursued, there is grave danger that this part of the developing world will sooner or later be steeped in violence and fall prey to the domination of Moscow or Peking.

## ***Middle East***

There is grave danger of a new war in the Middle East because of Russia's direct massive military involvement in the Arab-Israeli dispute—providing sophisticated arms, technicians, combat pilots and advisers, especially to Egypt and Syria—and continuous support for advocates of new aggression against Israel. This is a real threat to the existence of democratic Israel as a sovereign state and to world peace and freedom.

We urge the U.S. government to adhere consistently and firmly to the policy of recognizing, in deed as well as word, that peace in the Middle East can be based only on agreement between the parties, that agreement can be achieved only through negotiations between them and that no agreement among the powers can be a substitute for agreement among the parties themselves.

The U.S. should provide Israel with the economic and military help needed to meet this threat. The U.S. has a vital political and economic, as well as moral, obligation to help Israel preserve her nationhood.



## ***Freedom of Jews to Leave the Soviet Union***

We urge U.S. government initiative for prompt Soviet guarantee to its citizens of Jewish origin of the right to emigrate from the USSR and go to Israel and other countries.

In so acting, the U.S. would render a great humanitarian service and lend prestige to the U.N. whose Charter and Declaration of Human Rights call for the right of freedom to exist. Such action by the USSR would be in compliance with the International Convention on the Elimination of all Forms of Racial Discrimination which has already been ratified by about 50 nations including the USSR and the Ukraine.

## ***Needs of Vietnam Veterans***

For the first time in American history, men and women who served in the armed forces are returning home to find indifference—indifference from their government, indifference in the job market and indifference from the educational system.

The G. I. Bill, which helped thousands of World War II and Korean War veterans and veterans of the Cold War get training and education has not kept pace with soaring education and living costs. As a result, many veterans who would like to continue their education have been forced into a job market already overburdened by widespread unemployment.

While G. I. Bill benefits have dropped sharply below a level comparable to those enacted in 1948, the Administration has proposed an utterly inadequate 8.6 percent increase in benefits and has threatened to veto any bill increasing benefits more than 14 percent—the level in the House-passed bill. Neither increase is sufficient.

Veterans must have substantial increases in G. I. benefits or many will be unable to continue their education. In addition, the benefits should be supplemented with a tuition-loan program to enable veterans to attend the college of their choice.

For those veterans who do not desire to further their education the government must, at a minimum, double its veterans employment programs.

The Administration's program is little more than a public relations gimmick. The needs of 400,000 unemployed veterans cannot be met by empty advertising promises.

While there are many reputable trade schools, a more effective accreditation procedure by the Veterans Administration is necessary if fraudulent practices are to be eliminated.

Many of the V. A. hospitals are understaffed, outdated and over-crowded and inadequate rehabilitation services are provided for the physically disabled and the victims of drug abuse.

There was a time when American veterans received the best of care, the best of benefits and the gratitude of a nation. The AFL-CIO believes that time must return.

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