LABOR

An activist at the top and bottom

While UAW regional director, Paul Schrade was an active supporter of efforts to organize farmworkers.

By Sam Kushner

LOS ANGELES—Paul Schrade is one of the more unusual people in the labor movement. Nationally known, he has, over the past 30 years, earned a reputation for activism, persistence and advanced thinking.

Schrade knows the labor movement from both the top and bottom. He is at home with rank-and-filers, in and out of unions, but he has also moved in more rarified atmospheres. For four years he was administrative assistant to the late United Auto Workers president Walter Reuther, and for ten years he was the union's West Coast regional director.

Undaunted by his defeat for a sixth term as regional director, Paul Schrade returned to the shop where he had begun.

Schrade started at North American Aviation, now Rockwell International, as a stock clerk in November 1947. The UAW was then weak in the plant, having lost a bitter strike in 1941 after federal troops intervened. Schrade's department was especially poorly represented on the union's membership list.

Schrade joined the union and in short order became a shop steward, a committeeman, local (887) executive board member and editor of the newspaper, *The Propeller*. By 1951 the workers had elected him local union president, and in 1953 he led a bitter and successful 53-day strike.

In 1957 Schrade moved to the union's international headquarters in Detroit, eventually becoming Reuther's administrative assistant. Then in 1962 he ran for and won the regional directorship for the West Coast.

While regional director, Schrade was heavily involved in the civil rights movement, the campaign to organize farm workers, and the anti-war and "Dump [President] Johnson" movements. When Robert Kennedy was assassinated after the California primary in 1968, Schrade was wounded by one of the bullets.

But in 1972, due, he says, to maneuvering in the union hierarchy, Schrade was defeated for his sixth two-year term as regional director. Undaunted, he returned to Rockwell International, to the shop where he had started.

He began a campaign to win the right of workers facing discharge or disciplinary action to stay on the job while management charges are arbitrated. The worker ought not to be punished, he says, until a grievance is settled and guilt determined.

It was not a new issue for Schrade. While regional director he had put the proposition before the UAW's executive board in 1970. Despite opposition from Leonard Woodcock, later to become UAW president, the idea was adopted. It was never implemented in the union's bargaining program, however.

Schrade is still carrying on the battle as a rank and file union member and as a member of the executive committee of the American Civil Liberties Union of Southern California. The ACLU is now considering legal challenges to end what Schrade sees as a violation of workers' rights.

Paul Schrade, ironically, has become a case in point. In September, just 20 days before he had completed 30 years of seniority at the aerospace firm, he was fired. He was charged with parking his car in a lot, one-third full, that was reserved for management personnel.

Although he admits that "this particular time they got me" (on the parking violation), Schrade is suspicious of the combination of circumstances that preceded his firing. On Labor Day the militant aerospace worker, now 52, became a member of the New American Movement with a public announcement over Pacifica radio station KPFK. "There may have been at least an indirect connection" between the discharge and his joining NAM, he says.

But Schrade was also under attack from local union officials, long-time opponents, for a variety of reasons. He was accused, for instance, of authoring an article in a left-wing publication distributed at the plant that included criticism of UAW's bargaining position in negotiations with Rockwell. Even his lunchbox became an issue with some of the local leaders. They contended that the lunchbox, purchased by Schrade while on a trade unionists' tour of China, had a Communist slogan on it. Schrade had it translated and found that it was only a trade mark.

Schrade has had trouble with the local ever since he returned to the plant. Local leaders had been instrumental in the "coup" that had ousted Schrade from the regional directorship. He recalls that his first warning notice at Rockwell, in 1973, came as "a result of a Local 887 committeeman reporting me to [management's] labor relations!"

There followed a series of disputes with the union and management. Disciplinary notices began to pile up; he was laid off for a while. Finally, after Schrade threatened to file suit against the union, it agreed to take his case to arbitration. The final ruling cleared Schrade of all past infractions and demerits and awarded him three weeks back pay.

Schrade is once again concerned about union support in his battle to regain his job. He has talked with UAW president Douglas Fraser, whom he had supported for the union's presidency some years ago against Leonard Woodcock, and has been assured that his case will be processed vigorously. In the meantime, he waits. ■

Sam Kushner is author of Long Road to Delano.

ENERGY

Who'll finance Alaskan gas line

By Nellie Scott

WASHINGTON—In the cold reaches of Alaska's arctic north, oil is not the only treasure locked beneath the tundra. Gas from the Sadlerochit reservoir on the North Slope promises billions of dollars in profits for companies like Exxon, Atlantic-Richfield, and BP/Sohio.

Before they can collect these profits, however, the gas must be shipped to markets in the lower 48 states. How high those profits will be depends in part on who finances the transportation system.

The House and Senate, following the lead of the Carter administration, approved in early November an application from the Alcan Pipeline Company to construct a 3,600-mile pipeline across Canada —with legs into California and Illinois— to carry the North Slope gas.

The project would be the most expensive undertaking of its kind. The final tab for the estimated 20 trillion cubic feet of recoverable gas in the Alaskan reservoir —about a year's supply at current rates of consumption—could reach $40 billion.

Neither the gas producers—primarily Exxon, Arco and Sohio—nor Wall Street's bankers seem anxious to finance the project. There is considerable speculation that public financing will be necessary to get the project underway.

Rep. Clarence J. Brown (R-Ohio) warned in House debate on the proposal, "All of you should know that by voting for this resolution, you may be faced later with a vote on whether or not to guarantee the financing of this project."

An aide to one of Alaska's senators expressed the fears of investigators that construction costs and gas prices might outstrip the price of alternative sources of energy, making the Alaskan gas unsaleable: "We may find out two years down the road that this is going to be the world's most expensive gas and then where will the investors be?"

Indeed, there are many variables in the Alcan proposal that could make the gas very expensive. If the House version of Carter's energy program is enacted, gas from Alaska would be classified as "old gas under a new contract," and Alcan would have to pay a wellhead price of $1.45 per thousand cubic feet. (The price would be higher if the Senate gets its way in negotiations with the House on a final energy bill.)

Producers claim that Alaska's weather will drive the cost of preparing the gas for the pipeline as high as 90 cents per thousand cubic feet, and they want to add this on top of the $1.45 well-head price. (In the rest of the U.S. the regulated price covers modest processing costs.)

Pipeline charges, according to administration figures, will add another $1.24 per thousand cubic feet to the wellhead price, but this figure could easily be too low.

The administration assumes that at least 2.4 billion cubic feet of gas will go through the pipeline each day. But Alaskan state officials and the gas producers maintain that the pipeline's daily volume will not go over two billion cubic feet. This would mean the costs of transportation would be higher than the administration allows.

Though little stressed so far, the power of Canadian provinces to tax the gas as it flows through their territory could also add to the final cost.

Once these and all other charges are added up, the delivered cost of gas could easily exceed $4.00 per thousand cubic feet. Mexican gas will probably be available before 1983 at $3.00 or less.

In anticipation of high costs Alcan has proposed to the Congress and the Federal Energy Regulatory Commission, charged with regulating the gas industry, that gas companies be allowed to average

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NEWS ANALYSIS

Business wins on tax reform

By Alan Wolfe

Rebounding from its defensiveness during the Vietnam war, big business has made a remarkable political comeback in Washington. Aggressive, dominating and arrogant, large corporations appear determined to write legislation in their interest, whatever the consequences.

And with little or no opposition manifesting itself at the national level to this campaign, business has managed to get its way in Carter's first year.

The most drastic examples of the resurgence of corporate domination over the policy process are energy legislation and Carter's plan for tax "reform." In the former, business is making its stand within Congress; in the latter, its impact has been felt even before the proposals leave the White House.

But in both cases the sheer catering to the needs of large corporations is extraordinary, even given Washington's general pandering to this kind of influence.

Surely the clearest lesson to be drawn from the debates over Carter's energy proposals is that the oil companies have managed to add the U.S. Senate to their list of corporate acquisitions.

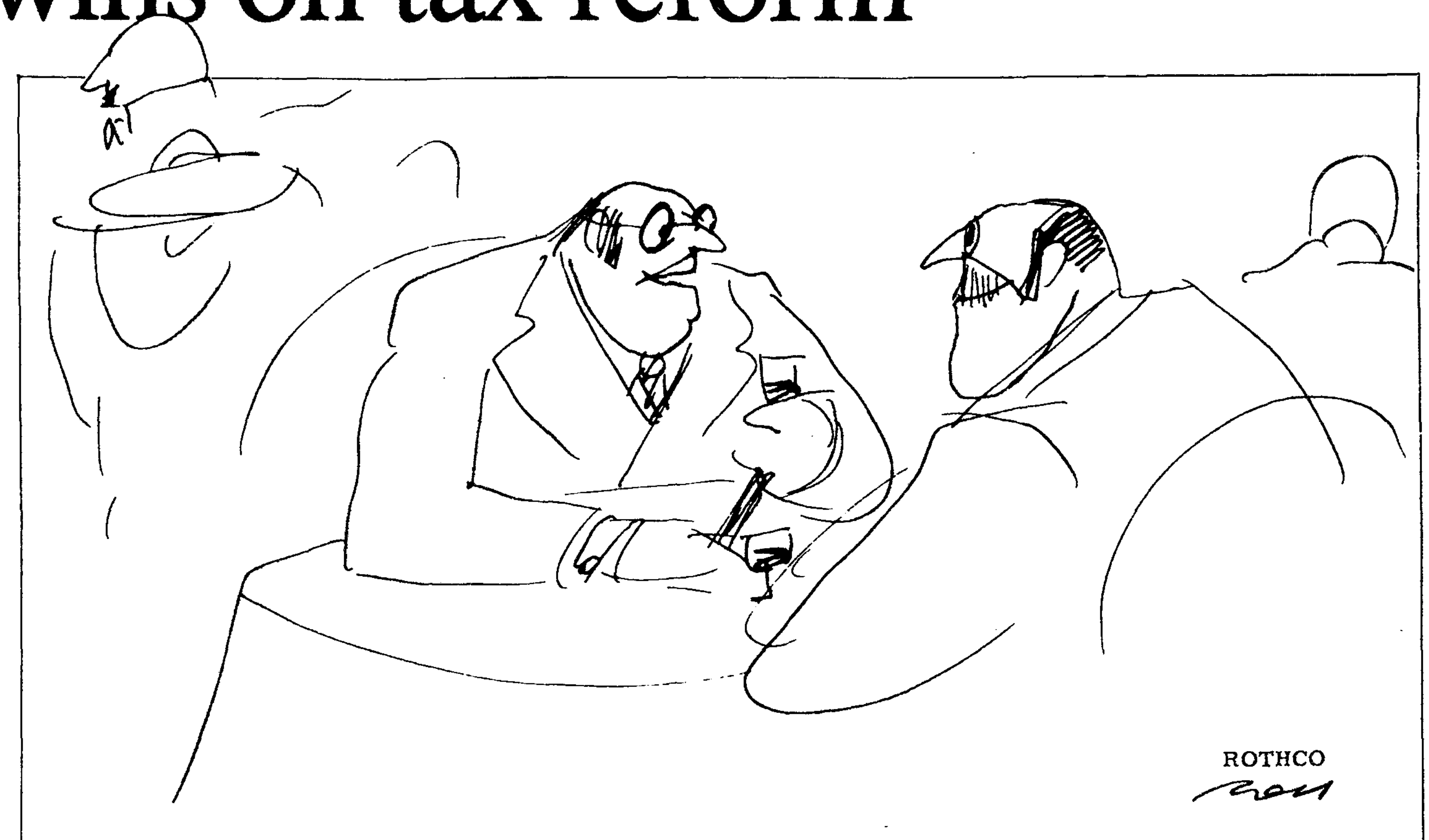
It was only recently that Sen. Jackson (D-Wash), no radical, felt he could make political hay while attacking oil company executives on prime time television. Now the tables have turned.

On the issue of natural gas pricing, the energy conglomerates are putting on a campaign the likes of which hasn't been seen since the Eisenhower years. Simply refusing to compromise, they are holding out for a policy that will maximize their profits from natural gas.

Their position is clear: We control the production of energy. Take it away from us completely or give us everything we want.

Since the former cannot happen under present conditions, the latter probably will. On this issue the oil companies are not even bothering with what is often called the "give and take" of parliamentary life. It is all take and no give. They have learned that blackmail is not illegal if conducted as part of capitalist political life and are proceeding accordingly.

But the debates of natural gas pricing are nothing compared to the tax proposals that President Carter announced on Dec. 20. In this case it is clear that Carter is unwilling to risk even the minimal fight he is putting up over energy pricing. Business couldn't have asked for more than Carter is planning to give.



"I FIND I'M EMBEZZLING MORE AND MORE AND FEELING LESS AND LESS GUILTY."

Under Keynesian theory, deficit spending—that is, intentionally creating deficits by spending more than the government takes in—can be brought about in two ways. Spending itself can be increased while holding taxes constant, or taxes can be reduced while holding spending constant.

Keynes himself and many of his more progressive disciples preferred the former alternative because it meant that not only would the economy be stimulated but such spending could also be used to bring about income redistribution and therefore stabilize the society as well as the economy.

But in 1962 when President Kennedy had to make this choice, his pragmatic advisers convinced him that only a tax cut could be gotten through Congress. Walter Heller, Kennedy's chief advocate of what was then called the "new" economics, proposed such a cut in what John Kenneth Galbraith called at the time the "most Republican speech since McKinley."

This tack is the one that has just been chosen by Carter. Only this time there was no debate between spending advocates and tax cut enthusiasts. Just the latter option was considered, which means that foes of income redistribution and egalitarian social policy won this issue even before it was sent off to Congress.

That in itself is a victory for big business. But when the details of the "package" are examined, the bias in the proposals becomes overpowering.

Carter's plans include the ritual reduction in individual income taxes in order to win popular support for the measure. But after that, the need to win business "confidence" takes over.

The corporate tax rate will be reduced from 48 to 44 percent over time, for one thing. In addition, Carter will ask Congress to make the currently existing 10 percent investment tax credit permanent, a symbol that big business has sought for some time.

Even more important than these concessions to business are the items not proposed by the president. Much talk had been heard early in the administration about taxing capital gains as income, which is what they are, but this idea has been dropped.

The largely symbolic attack on the three-martini lunch, which could have helped focus the public's mind on the inequities of the tax system, has been toned down. Under the present plan, corporations will be able to deduct only half of their entertainment expenses, but this is sure to be raised by a Congress sympathetic to conducting important business in French restaurants.

Codes and sign language.

All this boils down to a series of codes and sign language. Carter is giving business a green light to go about its business as it sees fit. No longer will the administration try to represent the general interest of the consumer while balancing off its needs to win support among big business. Rather the needs of big business have been deemed far more important than the desires of consumers.

But, ironically, even giving business exactly what it wants may not win its "confidence." Business is never confident. Should Carter turn over the entire federal treasury to large corporations for their disposal, they would still find something about which to complain.

Carter's plan is a sure-fire gimmick to lose the confidence of everyone. If he had studied Kennedy's experience with the business "community" more closely, he would have learned that, even with all his concessions to them, they will betray him the first chance they get.

How has it come to pass that big business has reached this extraordinary pinnacle of influence after being held in large public disrespect just a few years past? Three events converged around 1973 to produce this rebound.

First, the so-called energy crisis had a double-edged nature not fully appreciated at the time. On the one hand, the profit-taking revealed that corporations could not be trusted with the public good, and a vast number of Americans came to an anti-capitalist position, however vaguely expressed.

But at the same time, those events also revealed that in a capitalist society business holds all the key decisions. Something like the energy crisis provides a tremendous opportunity for building an anti-corporate consensus, but if the opportunity is lost, then business strength will increase. If we can put this one over on you, business seemed to be saying, we can get away with anything.

Second, the U.S. is still feeling the shock of the Nixon-Ford approaches to public policy. For eight years an administration saw its express purpose to turn the state over to large corporations. In those years it was as if the President was forcing business to take an aggressive stance that business did not even want.

Now, with the Democrats in power, the results have paid off. Well trained by Republican presidents, businessmen have lost their modesty. They remember, shades of the 1920s, what it means to be in control. Like Samuel Gompers, they have translated their desires into one word: more.

Finally, business tried out its new-found strength in the last year of the Ford administration on the people of New York City and discovered that not even the suspension of democracy would arouse much of a protest if handled correctly.

One cannot overestimate what the New York fiscal crisis means for social planning in America. It was widely predicted by radicals in 1975 that the ease of corporate capitalism's victory in the New York City events would show up in a national campaign to roll back social equality even further. The Carter tax proposals are the fruits of that lesson.

In short, the last four years of Republican rule created a situation that demanded of a new President some confrontation with business' new aggressiveness. No Democrat could come into power after these events and expect to appease business sentiment through suggestions for cooperation. Business had learned that the more outrageous the demands, the more seriously they would be considered.

Carter had only one choice. It was incumbent on him to remind big business that they exist at the mercy of the public and not the other way around. Carter refused. So long as he continues to do so, business knows that it can dominate politics in Washington, and it has shown no hesitation in continuing to do so. ■

Alan Wolfe writes regularly for IN THESE TIMES.

Alaskan gas

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the price of Alaskan gas with that of other gas selling at lower rates. In effect, they are asking gas consumers to subsidize the Alaskan costs.

Until the price issue is settled and the wellhead rate established, Alcan will not even try to enter into any financing deals.

In approving the project the Carter administration assumed that the gas-producing companies and the state of Alaska would help out, either with direct loans or guarantees. The producers, for instance, could guarantee to deliver specific amounts of gas, promises backed by the oil companies' assets.

The producers oppose such a guarantee, however. They want the flexibility to decrease their gas production if they decide it is in their best interest.

Wall Street and the oil companies would prefer to see the federal government take the risks in the Alcan project, either by offering a federal guarantee of the financing or by allowing the cost of the pipeline project to be added to consumers' gas bills. If the project succeeds, the investors, creditors and the oil and gas companies would reap the substantial benefits. If the project failed for any reason—bad management, for example—then taxpayers would swallow the losses.

Although federal guarantees of private, profit-making endeavors have grown more common in recent years, there is vocal congressional opposition to their use in the Alcan situation. Sen. Birch Bayh (D-Ind) said, "To ask consumers to assume this risk does not seem warranted, especially when other parties with a strong business interest and the opportunity to profit from the project stand by and refuse to assume any of the burden."

The Senate Energy committee vowed to monitor the project closely, and cautioned that "financial 'gimmicks' involving comsumer risk-taking via the federal treasury or special tariffs would not be tolerated."

While the Carter administration has so far resisted major federal involvement, it has already offered to put some of the burden of expected cost increases onto the pipeline's customers, proposing that cost overruns be shared by consumers by means of a "variable" rate of return that would have the consumer pay a greater share if the builders finished on time and a lesser share if they did not. ■

Nellie Scott writes frequently on energy issues for IN THESE TIMES.