

Legislative Notes

Unemployment Insurance

AB 590 (Munnell-D), the major unemployment insurance measure of the session, is running a close race with the deadline for adjournment, midnight June 19th.

The bill, as amended by opponents of the Federation-negotiated package (a swap of some 11.9 million dollars in increased coverage benefits to non-profit and public employees for 4.8 million dollars in a liberalized, \$55 maximum-benefit schedule) was passed by the lower house last Friday by vote of 55 to 14.

On the Senate side, it will not be heard until next Tuesday, June 16, only three days before the session deadline. The best that can be hoped for is passage by the upper house on Thursday. If it is amended further in Senate committee the measure may very well find itself in conference during the last minute log-jam.

SB 945 (Miller-D), providing for the extended duration of unemployment insurance benefits for up to thirteen weeks, cleared the Senate last Friday and will be heard in Assembly Finance and Insurance Committee Monday, June 8th. It is anticipated that this bill will clear the Assembly without any trouble before adjournment.

Disability Insurance

AB 494, authored by Assemblyman Jesse M. Unruh (D-Los Angeles), providing for an increase in unemployment disability insurance benefits from a maximum of \$50 to \$65 was temporarily side-tracked last week when it was referred to Finance Committee. This Monday, however, it received final clearance and was sent to the floor of the upper house for passage. As we go to press, it is expected that the measure will be sent to the Governor without further delay.

Redevelopment Projects

The Governor has on his desk for signature an important piece of legislation which would eliminate some of the major road blocks which have stymied re-development projects in California. The measure, SB 703, is authored by Senator Alan Short (D-San Joaquin County).

SB 703 carries a provision inserted on the Assembly side which declares it to be the policy of the state that in undertaking community re-development or urban renewal projects "there shall be no discrimination because of race, color, religion, national origin, or ancestry."

(Continued on Page 2)



C. J. HAGGERTY
Executive
Secretary-Treasurer

Weekly News Letter

JUNE 12, 1959
Vol. 1 No. 20

Published by California Labor Federation, AFL-CIO



Legislature Enacts Vast Improvements In Workmen's Compensation Program

The California Legislature, this Monday, sent to Governor Brown the first major piece of social insurance legislation to be enacted by the 1959 session.

AB 1015, authored by Assemblyman Robert W. Crown (D.-Alameda Co.) was passed by the Senate without opposition. It was steered through the upper house by Senator Edwin J. Regan (D.-Shasta and Trinity Co.).

The bill contains far-reaching improvements in California's workmen's compensation program which will increase benefits for injured workers by over 16 million dollars a year. Having already been approved by the Assembly, the bill goes directly to the Governor for signature.

C. J. Haggerty, Secretary-Treasurer of the California Labor Federation, AFL-CIO, commended the legislature for its action in enacting "the most substantial improvements in workmen's compensation in my fifteen years as legislative representative of organized labor in the State."

The State AFL-CIO head added: "The workers of this State, I am sure, are appreciative of the action of the legislators and also of the support extended by the Governor during the process of consideration of AB 1015."

(Continued on Page 3)

GOVERNOR BROWN ANNOUNCES REVISED STATE FARM PLACEMENT POLICY

Governor Edmund G. Brown, this Monday, announced a ten-point program to "strengthen controls over the State's farm labor placement service."

The announcement was made in the face of growing criticisms of the State's policies in certifying the need for imported Mexican nationals for farm work. In the past ten years the number of imported nationals has increased to the point where many farmers view this "cheap labor" as their primary source of supply to the detriment of many domestic farm workers who go unemployed.

The California legislature this session, despite its "liberal" control, has

(Continued on Page 4)

Haggerty Issues 1959 AFL-CIO Convention Call

An official call to the 1959 convention of the California Labor Federation was issued this week to all affiliated organizations by C. J. Haggerty, Secretary-Treasurer of the State AFL-CIO body.

The convention will meet in Conference Hall in Balboa Park, San Diego, starting Monday, August 10, 1959, and continuing from day to day until the business of the convention has been completed. It is anticipated that more than 2000 delegates, elected by labor organizations throughout the State, will travel to San Diego to attend the convention, the second to be held by the merged state AFL-CIO organization.

In issuing the call, Haggerty pointed out that the history of the growth and development of the trade union movement in California and the nation is "the story of the improvement of the conditions of life and labor in the State and the nation."

"We have demonstrated to the world the potential for a better life which unity of action affords free workers in a democratic society," he added.

In a reference to this year's convention call "to extend and perfect the new unity won last year with the merger of separate federations of labor into the California Labor Federation, AFL-CIO," Haggerty warned:

"Never has it been more pressing that organized labor in the state and nation find the means of translating this new found unity into action and deeds. The modern techniques of subtle manipulation in the world of commercial advertising have infiltrated the mass me-

(Continued on Page 2)

CONVENTION CALL ISSUED

(Continued from Page 1)

dia in the formulation and direction of public opinion. The historical enemies of free labor who were defeated at the polls in their efforts to wreck the California labor movement have seized these techniques in an insidious and unending campaign to turn the minds of workers against the very organizations workers themselves have established to give meaning to their hopes and aspirations."

The State AFL-CIO leader concluded: "California labor must rise to the challenge by reaffirming its dedication to full freedom of expression and assemblage. We meet as the elected representatives of free workers to discuss our problems and chart the course which free workers want to follow in the year ahead.

"Let this convention be the model of democratic in this trade union movement in this great State. Let our answer to the manipulators who would destroy us be the unity of action which evolves from a democratic assembly of workers dedicated to the principles upon which the labor movement was founded. No force in our society can undo the unity we seek to give expression as a means of continuing the advancement of the conditions of life and labor."

Delegates and voting strength at the convention will be determined on the basis of two delegates for the first 500 members or less of an affiliated organization; one delegate for the succeeding 250 members; and one delegate for each succeeding 500 members, not to exceed 10 delegates from any one local union.

Each delegate must vote an equal percentage of the membership of the local union he represents. The Federation constitution prohibits proxies, except that in a roll call or per capita vote, one delegate, upon prior written approval of all co-delegates of the local union, may vote the entire delegation.

Affiliated Central Labor bodies and similar councils are entitled to two delegates, each having only one vote.

Haggerty notified affiliates that credentials and lists of authorized delegates will be mailed as soon as the computation of per capita membership and voting strength of each voting union has been completed.

Resolutions submitted by affiliated organizations to the convention must be in the hands of the Secretary-Treasurer in triplicate not later than July 27, 1959, except for resolutions acted upon and approved by regularly constituted and affiliated state-wide organizations at conferences held in the period July 27 to August 9, 1959. These conference resolutions must be filed with the Secretary-Treasurer not later than 9:00 PM on

Assembly Dumps Private Employment Agency Fee Regulation Bill

The lower house of the State Legislature last Thursday effectively dumped a bill to regulate the fees charged by private employment agencies when it sent AB 2796 to interim committee for study.

Authored by Augustus Hawkins (D-Los Angeles) and supported by organized labor, the bill would have established a maximum fee of 25% of the first month's salary of a person employed through a private agency. Before defeat the bill was further amended on the floor to restrict its application to jobs paying less than \$400.

The measure was bitterly contested by the Private Employment Agency Association, which claimed in effect that the right to exploit is a matter of freedom of contract. Employment agency representatives descended on the capitol in mass to defeat the bill.

Organized labor has long been in the front in the campaign to provide some reasonable regulation in the fees private agencies are permitted to charge. The 25% limit in AB 2796 would have permitted all legitimate employment agencies with a service to offer to continue to operate.

It is the position of organized labor that the primary responsibility for job placement should rest with the free public employment service, and that private agencies should be carefully regulated if they are to be permitted to extract fees from those who are jobless.

In support of the Hawkins' measure, the Federation pointed out to legislators that jobless persons who are unable to find employment often resort to private agencies in desperation. The agency, in turn, is in a position to extract every dollar it can, because the fee schedule which the agency must post by law in its office is not in any way regulated by the Labor Commissioner. Once a contract is signed by an applicant, there is no possibility of contesting the fee charged, no matter how exorbitant, so long as it conforms to the posted schedule.

Only six assemblymen voted against killing the bill by referral to study committee. These were Cunningham, Elliott, Hawkins, Lowrey, Thomas and Chas. H. Wilson.

Sunday, August 9th, the day before the opening of the convention.

All organizations will be mailed hotel lists and reservation forms with credentials sent out by the Secretary-Treasurer.

Convention headquarters in San Diego will be at the El Cortez Hotel.

LEGISLATIVE NOTES

(Continued from Page 1)

Rees-Doyle Health and Welfare Act
Federation - sponsored AB 1163 (Rees-D), providing for extending the scope of the so-called Rees-Doyle Act regulating health and welfare programs to management-established as well as negotiated programs, was passed by the Assembly this Tuesday by vote of 71 to 3. The bill carries with it amendments designed to prevent overlapping jurisdictions by the State Insurance Commissioner and other state agencies.

Another bill authored by Assemblyman Rees, AB 1164, is following closely behind the Federation-sponsored measure. This bill repeals the June 30, 1960 termination date in the Rees-Doyle Act, deletes the requirement that the insurance commissioner shall examine health and welfare programs at least once every three years, and provides instead that an examination shall be undertaken whenever the commissioner has reason to believe that any health and welfare program is being operated in a manner contrary to the rights and interests of the beneficiaries of such program.

All such examinations under AB 1164 would be at the expense of the state. However, the measure provides that a charge shall be collected in advance for registration of a health and welfare program in accordance with a statutory schedule ranging from \$5.00 for a plan covering less than 50 persons to a maximum of \$50.00 for plans covering over 1,000 persons. This registration fee would be paid only once by covered programs.

In the week that remains prior to the adjournment of the legislative session, AB 1164 must be passed or the Rees-Doyle Act will expire on June 30, 1960.

Federation Sponsored Measures

Besides AB 1015, providing for vast improvements in California's workmen's compensation program (See lead story), six other Federation-sponsored bills were sent to the Governor for signature during the week. These include: **AB 1543** (Nisbet-D) permitting payment of supplemental unemployment insurance benefits under negotiated agreements without reducing an individual's entitlement to state unemployment insurance payments; **AB 302** (Gaffney-D), prohibiting employers from requiring the execution of any wage release prior to the payment of wages; **AB 608**, providing that informal bids on state construction projects shall be let only to licensed contractors; **AB 232**, (Dills), amending the county employees' re-

(Continued on Page 3)

Workmen's Comp Bill Passed

(Continued from Page 1)

Benefit Provisions:

Within the present wage-loss formula in California's workmen's compensation law, AB 1015 increases the maximum weekly benefit for temporary disabilities from \$50 to \$65, and the maximum for permanent disabilities from \$40 to \$52.50 a week.

In the case of both temporary and permanent disability the minimum benefit amount is increased from \$15 to \$20 a week.

These new benefit amounts will permit a large majority of injured workers to receive indemnity benefits in accordance with the principles of compensation which have been in the workmen's compensation law for better than forty years. At the present time, the artificially low ceilings on earnings which may be counted in computing the benefit of an injured worker has the effect of restricting the application of the 65% wage-loss compensation principle in the law to about 35% of injured workers. AB 1015 would extend the application to close to 70% of injured workers.

Death Benefits

Death benefits, payable at the temporary disability benefit amount, are also increased substantially by the liberalization measure on the Governor's desk.

A totally dependent wife with children will receive a death benefit of \$20,500 instead of the present \$15,000. In the case of a totally dependent spouse without dependents, the death benefit increase is from \$12,000 to \$17,500. The maximum for partial dependency in the case of death is raised from \$12,000 to \$15,000.

The effect of these improvements in death benefit payments will be to give a wife of a fatally injured worker with children, for example, up to \$65 a week for approximately six years. Under present law such a surviving spouse of a fatally injured worker can receive only up to \$50 a week for four and a half years.

Other Provisions:

AB 1015 contains many additional improvements in California's workmen's compensation program.

For the first time in many years improvements are made in the provisions for medical care. Where an injured worker requests a change in physician, AB 1015 gives the employer fourteen days to nominate three additional doctors from which a worker may choose another doctor. If the employer does not advance this choice within the new time limit, the injured worker would be given free choice of doctor at the expense of the employer. In any event, in a serious case, an injured employee is given

Legislative Notes

(Continued from Page 2)

tiement law to prohibit reduction in retirement allowances to members who retire for disability and who are gainfully employed in an occupation not in county service; **AB 256** (Dills), also amending the county employees retirement system to provide for pro-rated contributions to the system for employees who are paid semi-monthly; **AB 317** (Z'berg), providing that prevailing rates on public works shall include fringe benefits.

the right to select his own consulting physician at the expense of the employer.

Still other improvements are as follows:

1) Eliminate the present waiting period when the industrial injury requires hospitalization.

2) Increase the ceiling for separate recovery of benefits in serious and wilful misconduct cases from \$3750 to \$7500, and provides for the awarding of costs and expenses not to exceed \$250.

3) Provide substantial increases in the life payments to permanently disabled workers with disabilities of 70% or more. The level of wage loss compensation is increased from 10% to 15% for a 70% permanent disability; from 20% to 30% for an 80% disability; from 30% to 45% for a 90% disability; and from 40% to 60% for a 100% disability.

4) Boost the burial benefit from \$400 to \$600.

5) Provide that where a petition to reduce a permanent disability award which has become final is denied, the IAC may order the petitioner to pay the injured workman for all costs incurred with respect to X-ray, laboratory services, medical reports, and medical testimony, in connection with the proceedings to reduce the injured worker's award.

6) Provide for reimbursement to an injured employee of expenses reasonably, actually, and necessarily incurred for medical testimony to prove a contested claim, in addition to X-rays, laboratory fees, and medical reports; provides also that an injured employee shall be given reasonable expenses for transportation, meals, lodging, together with one day of lost wages, when requested to submit to a physical examination.

7) Provide that an injured individual shall have five years to receive the maximum of 240 weeks of temporary disability compensation, thereby permitting small breaks in the continuity of payment without any loss in total benefits.

BROWN TAX PROGRAM FALLING SHORT OF MARK

Governor Brown's two million plus tax program to balance the 1959 budget received further setbacks in both houses of the legislature during the past week.

The Governor this Tuesday admitted that his twenty-eight million dollar severance tax, embodied in AB 1174 is dead for the session. Final efforts by the administration to get the bill moving by tying the revenues to state college salaries and social welfare payments were defeated last Saturday when the Assembly refused to withdraw the bill from the lower house committee on Revenue and Taxation, which had previously rejected it.

On top of this twenty-eight million dollar loss in the Governor's tax program, the upper house this week lopped off another six million dollars when the Senate Committee on Governmental Efficiency cut-back the Governor's proposed beer tax hike in AB 1171. The two to seven cents per gallon increase proposed in the bill was trimmed back to four cents, thereby reducing the anticipated revenue from ten to four million dollars a year.

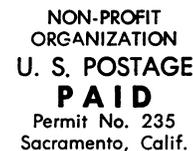
The reduced beer tax measure, opposed by organized labor as another tax on consumers, has been sent to the Senate floor with three other Brown tax proposals—AB 1175, designed to produce 33.6 million dollars in increased bank and corporation franchise taxes; **AB 1176**, providing for a two million dollar increase in inheritance taxes; and **AB 1173**, which increases the tax take on horse race betting by \$10.4 million.

The horse racing measure has been cut back from \$12.5 million.

To date, the only proposal of the Governor's to reach his desk and be signed into law is AB 1177, which will yield about 60.7 million dollars in fiscal year 1959-60 by personal income tax adjustments.

The 3-cent per pack tax proposal, AB 1172, is still in conference committee between the Assembly and the Senate pending settlement of differences between the two versions passed by the respective houses of the legislature. At stake are same eight million dollars cut from the sixty million dollar consumer tax bill when the Senate deleted the fifteen percent excise on the wholesale price of cigars and other tobacco products.

It appears certain that the fate of the Governor's tax program will be written in the closing minutes of the 1959 session.



FORM 3547 REQUESTED

Farm Placement Policy

(Continued from Page 1)

steadfastly refused to do anything about the worsening domestic farm labor situation in the state.

The placement program announced by Governor Brown this Monday was developed by the State Department of Employment at the Governor's request and presented to him in a letter from John E. Carr, the Department's Director.

Carr said the new program "would improve the Farm placement service both to agriculture employers and to domestic farm workers."

The Employment Director outlined the following 10 points which he assured Governor Brown would be instituted immediately:

1. Farm placement offices will be open longer hours to better serve the public and reduce the loss of wages between jobs.

(Carr said the hours will vary with demand. He said the department maintains 25 regular placement offices and 28 temporary offices on a seasonal basis. The latter will be manned with two persons instead of one as at present, he said.)

2. Careful field work will be done to see that the "prevailing wage" represents a level which will attract and retain domestic workers.

3. Grower associations will be required to keep domestic workers continuously employed as a condition of permission to use foreign workers as a supplemental labor source.

4. We will certify the use of foreign nationals only when necessary to supplement the domestic worker supply, and will guard carefully against any tendency toward "adverse effects" on domestic workers, or for the crop-area to become dominated by foreign nationals.

5. We will insist on "gate hire" and "day haul" of domestic workers whenever practical.

("Gate hire" means employment of the worker at the farm or growers' as-

CONSTRUCTION SAFETY WEEK

All branches of the construction industry will unite during CONSTRUCTION SAFETY WEEK, June 15-20, in an all out effort to reduce the heavy toll of injuries and deaths to construction workers in California, it was announced this week by John F. Henning, Director of the State Department of Industrial Relations.

"Construction is one of our most hazardous industries," Henning stated. "One out of every thirteen construction workers is injured seriously enough during the year to prevent him from coming to work the following day."

"During the week of June 15-20 the Division will seek to reach as many construction projects and workers as possible to bring about correction of unsafe conditions and unsafe acts, and to establish a system for continued, high-level performance," Henning said.

Contractors, organized labor, insurance companies, and other organizations concerned with construction safety are cooperating in CONSTRUCTION SAFETY WEEK, according to Henning.

sociation, rather than sending him to the service office for placement. "Day haul" means transportation of workers from cities and return on a daily basis.)

6. We will document all complaints and follow up to see that necessary action is taken and the law enforced where indicated.

7. We will work closely with other State and federal agencies for better housing, sanitation, and working conditions.

8. We are making certain internal readjustments within the Farm Placement Section for faster action and more field work, and to assure closer supervision over the entire operation.

9. We are issuing specific, clear-cut policy statements to all growers and associations using foreign labor, and will enforce their observance.

10. We will listen to and work with unions and other public groups having a legitimate interest in the program, and solicit their full cooperation.

Housing Anti-Discrimination Bill Heads for Final Test

One of the most important pieces of civil rights legislation before the 1959 session of the California legislature is on deck for its final test in the State Senate.

The measure is AB 890, by Assemblyman Gus Hawkins and lists 20 bipartisan co-authors. It would prohibit discrimination because of race, color, religion, national origin or ancestry in the rental or sale of publicly assisted housing accommodations constructed or otherwise aided with public funds.

The measure breezed through the lower house of the legislature in mid-March with a large majority vote of 67 to 9. Although the bill incurred no open opposition in the upper house, it was delayed a full two months with prolonged hearings in Senate Judiciary Committee.

Several weakening amendments were adopted in this Senate committee, including the exclusion of non-profit housing and a modification of the enforcement provisions.

When the measure reached the Senate floor, it was delayed further by referral to Senate Finance Committee even though the bill in no way involved any cost to the state. A further amendment was inserted in Finance Committee which removes application to Cal-Vet Housing.

As the measure comes up for its final test on the upper house floor, however, it represents a long step in the field of housing discrimination. The major feature of the bill is its application to tract housing available under FHA and federal VA insured loans.

The enforcement section provides that any aggrieved person shall have the right of action in any court of appropriate jurisdiction for restraint of a discriminatory act and for other equitable remedies, including such relief as may be necessary to undo the effects of a violation of the bill. The measure also provides for damages to an aggrieved person of not less than \$500.00.