

Rees-Doyle Extension Gets Committee Nod

The Assembly Finance and Insurance Committee this Monday further modified AB 23 (Rees) to extend the Rees-Doyle Health and Welfare Supervision Act, and, in its third try, sent the measure to the floor of the Assembly with a "do pass" recommendation.

The much-amended bill is up for passage by the lower house this Friday as we go to press. Rough going is still expected on the Senate side, although flat predictions of its defeat in the upper house appear to be on the wane.

Amendments adopted in committee this Monday broaden the exemptions from the Act, which, as proposed for extension, would be confined essentially to giving the Insurance Commissioner authority to supervise, regulate, examine and investigate employee benefit programs.

Examinations would be made at the expense of the state whenever the Insurance Commissioner has reason "to believe that an employee benefit program is being operated in a manner contrary to the rights of the beneficiaries of the program," as set forth in the instruments creating such program, or as otherwise provided by law.

Exempted in their entirety from

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Meany Spells Out Labor's Stand on Civil Rights

In unequivocal terms, AFL-CIO President George Meany this week explained to some 500 delegates attending the Jewish Labor Committee's Silver Jubilee Convention in New Jersey, the nature and extent of labor's commitment to civil rights legislation.

"If we have to lose a vote in Congress on minimum wages, or the Forand Bill, or unemployment compensation, because we take a stand on civil rights," Meany said, "that is the price we are prepared to pay."

The statement was made in a transcribed message from Washington, D. C., in the acceptance of a testimonial proffered to the organized labor movement for its leadership in the fight against oppression, bigotry, and injustice at a banquet sponsored by the JLC.

"There are still some units with-



THOS. L. PITTS
Executive
Secretary-Treasurer

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Lawmakers Approve State Budget; Turn to Remaining Special Session Items

The California legislature wound up its 1960 budget session last Saturday night with the eleventh hour enactment of a near-balanced budget of \$2,481,103,813 for fiscal year 1960-61.

With the budget session out of the way, state lawmakers plunged into what was expected to be a final week of considering special session items placed before the legislature by the Governor. Tops among these are motor vehicle air pollution and the proposed master plan for higher education.

The approved budget, hammered out by a joint free conference committee of the Senate and the Assembly, is expected to balance out within a potential General Fund deficit of \$2 million when the next fiscal year ends, June 30, 1961. Passage marked a clear-cut victory for Governor Brown on the politically hot issue of tax cuts proposed

generally by opponents of the Governor's pay-as-you-go financing of state institutional building projects.

The compromise budget passed by legislators did not disturb Governor Brown's program to finance capital outlay in this way, utilizing some \$75 million in estimated General Fund surpluses from the current fiscal year which some legislators were eyeing as a source of tax cuts.

All tax-cutting proposals and related fiscal bills died automatically with the mandatory adjournment of the budget session at Saturday midnight.

Two tax measures passed by the Assembly were killed in the upper house, which in the closing days rallied behind the Governor to block consideration of any substantial tax cuts. The lower house measures, AB 2 and AB 9 respectively, would have exempted prescription drugs from the state sales tax and allowed cigarette smokers to deduct their tax payments as consumer levies in federal tax filings.

Earlier in the budget session, the Senate Revenue and Taxation Committee had sent to the upper house floor several tax-cutting measures opposed by the Governor, including two bills exempting drugs and medicines from the sales tax. In the final hours of the budget session, these measures were returned to committee which sat on the Assembly-passed bills through adjournment.

One minor exception, however,

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was the passage of companion measures (AB 8 and SB 19) cutting back the \$100 minimum bank and corporation tax on credit unions to \$25 for credit unions whose gross income is \$20,000 or less. The credit union bill is designed to give relief to small groups organized under state law which last year came under an increase in the minimum bank and corporation tax from \$25 to \$100.

Budget Changes

The final version of the state budget, although several million below the Assembly-passed bill, is somewhat larger by a few million than the budget originally recommended by the Governor.

The compromise budget contains \$7,500,000 for increases in salaries of state employees.

Originally, the Governor proposed a five percent jump for all state workers, effective July 1. This was increased in the Assembly, with the active support of the state AFL-CIO Teachers, to ten percent for University of California and state college faculty members.

The approved budget grants a general salary increase of six percent, effective July 1, with seven and one-half percent for U.C. and state college instructors. Some low income state employees, however, would get as much as ten percent.

In the final version, the new FEP Commission was also given somewhat more liberal treatment. The allowance for meetings of the Commission itself was increased from six to ten meetings a month.

The California Labor Federation had urged the legislators to give the new Commission and Division the funds necessary to do an effective job in administration of the state's law against employment discrimination.

On another hot issue, the approved budget makes no allowance for a requested textbook fund increase of \$2,155,000 to meet the "completed" school readers contract price of Eastern book publishers who refused to lease their plates to the state printing plant.

Recently, the State Board of Education abandoned its state printing

policy and awarded contracts to private firms which insist upon selling only completed textbooks to the state at a substantial increase in the cost to the taxpayers. Restrictive language was inserted in the budget declaring that whenever the state buys finished textbooks from such private publishers, the price may not exceed by more than ten percent the cost of producing competitive books in the state printing plant.

Other Budget Session Actions

The budget session concluded with the adoption of several resolutions on vital national issues:

AJR 1 (Elliott) deplores recent acts of anti-Semitism and desecration of places of worship of members of the Jewish faith, and calls upon law enforcement agencies in the United States and nations of the world to exert every effort to apprehend and prosecute to the full extent of the laws those responsible for such acts.

AJR 3 (Burton) memorializes Congress and the President to retain and expand the six percent differential allowed for bids of West Coast shipyards for the construction of ships by rejecting HR 8093 and supporting the Shelley bill, HR 9899.

AJR 4 (Luckel) urges the President and Congress to enact legislation giving the American people re-

President Gruhn Takes Up Post In San Francisco

Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, this week announced that Albin J. Gruhn, in his new office as president of the Federation, would be working out of the San Francisco headquarters of the state AFL-CIO.

Gruhn is moving to the San Francisco area from the Eureka area where he has served for twenty years as a district vice president, formerly of the state AFL and, since December 1958, of the merged organization.

Pitts said that Gruhn's assistance in the San Francisco office will be needed to carry out major functions of the Federation which frequently relate to major legislative activities centered in Sacramento.

The Los Angeles office, he added, will continue to operate under the direction of Curtis J. Hyans, southern California representative of the Federation, with limited staff. San Francisco will remain the principal office and headquarters of the Federation.

lief from the "cabaret" tax, either by its repeal or reduction of its rates.

AJR 9 (Hawkins) urges Congress to enact effective and comprehensive legislation to remove all inequities in the treatment of minority group citizens in the country.

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to wait until we educate the unorganized."

Pointing out that organized labor has nothing in common with Southern Senators, the AFL-CIO President said:

"I do not propose to argue, a century after the civil war, that discrimination will disappear if we just leave it alone. We haven't left it alone; we're not leaving it alone today; and we will never leave it alone until we wipe it out.

"While I do not pretend to enjoy criticism, I do not resent it when it is honest and factual, although sometimes I wish our friendly critics would keep in mind the ground

we have already covered, as well as the distance we have yet to go.

"I think the record proves we have come a long way. Many of our older unions were born and grew up in an earlier and less enlightened period. They reflected the attitudes of their communities -- prejudice based on ignorance. Discrimination was not only accepted; it was respectable.

"It is a measure of our progress that where discrimination still survives in the labor movement, it is a bootleg product, sneaked in by subterfuge. Even those who practice discrimination know that its days are numbered. And we are going to make sure of it."

COMMUNITY RESPONSIBILITY TO OLDER WORKERS TOLD

The two most serious problem areas affecting older worker well-being before and after retirement are those dealing with their health and employment opportunities.

This was the central theme hammered home by California Labor Federation, AFL-CIO President Albin J. Gruhn in a speech on the community's responsibility to older workers, which concluded the March 24 conference in San Francisco co-sponsored by the Institute of Industrial Relations and the Federation.

The conference also heard major addresses by national AFL-CIO Research Department's Ted Silvey, Institute Director Arthur M. Ross, and California Bureau of Chronic Diseases Director Lester Breslow, as well as various panelists representing physicians, labor, state and private health agencies. Silvey presented the AFL-CIO case on the urgent need for passage of the Forand Bill.

Gruhn declared, "We have done a great deal to conserve our natural resources. Yet the human resources, one of our most important natural resources, has to a large extent been ignored and wasted because we have failed to come to grips with the problem of age discrimination."

One of the most glaring unmet needs was seen by Gruhn as the lack of low cost living quarters for elderly couples and individuals. The need for a thoroughgoing housing program, physically integrating senior citizens into our communities, coupled with their effective participation in community life, was strongly emphasized. The creation of an artificial division in our society, reflected frequently in such forms as older citizens' opposition to school bonds, was viewed as a direct consequence of our failure to attend to their pressing needs.

Statutory prohibition of age discrimination in California by 1961, along with expansion of the federal-state older worker placement program, were set forth as part of labor's program.

Due to community indifference, it was pointed out, virtually all ex-

isting protections for older workers have been the result of collective bargaining. Nonetheless, labor has had only limited success in preventing age discrimination in certain crucial areas, such as hiring practices. Equally incomplete are contractual safeguards, such as vesting rights neutralizing employer temptations to deprive older workers of accumulated pension credits through dismissal.

The Federation president noted that the average Social Security beneficiary's income is under one-fourth of his normal take-home pay. Only 25% to 35% are covered by private pension plans. Furthermore, medical care benefits cease upon retirement for about 93% of Californians covered by negotiated plans.

Pointing out that there are some 35 million people aged 45 to 64, Gruhn stressed the community's responsibility to protect their employment opportunities. He cited a 1958 poll finding that 96% of 60 San Francisco firms practiced age discrimination regarding women clerical workers. Another Bay Area study found, "In many cases it is virtually impossible for workers approaching 35 to break through employment barriers."

The Federation President asserted that not only are such practices inflicted upon a worker when his responsibilities are greatest, but they seriously erode his ultimate OASDI benefits.

A warning was also sounded in regard to the danger of a serious manpower shortage by 1965. Gruhn cautioned, "We are flirting with permitting a substantial portion of this valuable pool of skill and experience to fall into a state of disrepair through disuse."

Labor support for increased federal funds for medical research was advocated within a rounded health care program, with special emphasis on chronic ailments such as heart disease, cancer, diabetes and cirrhosis of the liver, which account for 75% of our mortalities. Gruhn charged that it is in this area of chronic diseases that voluntary medical care programs are weakest and most inadequate.

Statewide Meetings On Consumer Credit Slated

Helen Ewing Nelson, state Consumer Counsel, announced this week a series of conferences in the state to be held in the months of April and May on consumer credit—uses and abuses.

Dates and places are as follows:

Fresno, April 14; El Centro, April 25; San Diego, April 26; San Francisco, May 5; Los Angeles, May 9-10; Salinas, May 11.

Afternoon and evening sessions are to be scheduled, with locations to be announced at a later date.

In a letter inviting the widest possible participation by organized labor, Mrs. Nelson emphasized her concern "with the growing number of people throughout the state who have serious problems and concerns over the use of credit . . .

"To become better informed about consumer credit problems and to gather accurate information," the state Consumer Counsel is planning the series of conferences to be held statewide. Specifically, Mrs. Nelson explained, they are intended to gather accurate information and recommendations from throughout California on the problems consumers face in credit buying, the cost of credit sales, revolving accounts, installment buying, personal loans, door-to-door credit buying, and teen-age credit.

In addition to consumers in the area, businessmen and community organizations are invited to attend, make statements, ask questions, or observe.

Organizations and individuals planning to submit statements at the conference are requested to send advance copies to the office of the Consumer Counsel, State Capitol, Sacramento.

Mrs. Nelson noted also in her announcement of the conferences that questions may be presented at the conferences or sent to the Consumer Counsel to be answered at the time of the area conference. Experts from state agencies, she said, will be on hand to answer them.

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Barbers'-Beauticians' Organizing Council Formed

Thirty-eight locals and guilds of the Journeymen Barbers, Hairdressers, Cosmetologists and Proprietors International Union in California, meeting in Fresno recently, voted to form a State Organizing Council.

Primary objective of the new organization, it was announced, is "to unite the entire membership in the state into an organizing body which will be financed through a monthly per capita tax from each member of every affiliated organization, and to carry on a militant, effective and productive campaign to organize the unorganized practitioners coming under the jurisdiction of the International Union." In

L-G Short Form Guide

Copies of a guide designed to aid small unions in filling out a short financial report required by the Labor-Management Reporting and Disclosure Act may be obtained at the local office of the Labor Department's Bureau of Labor-Management Reports, 444 Market Street, San Francisco, and 1031 S. Broadway, Los Angeles. The guide is designed to assist union officials who must fill out and file a report of financial activities and who qualify to use the short form.

In order to qualify for the short form, a labor organization must have had less than \$20,000 in gross receipts during the fiscal year, must not be in trusteeship, and must also indicate that because of its size, filing the long form would create a burden.

The U. S. Department of Labor estimates that 70 percent of the labor organizations in the country will be able to use the short financial report form.

A second guide for use in filling out the longer, and more detailed form is also available at the local Bureau of Labor-Management Reports office.

addition, the Barbers announced plans in the making to recruit the members and friends of organized labor to patronize union shops and enjoy the superior professional services of union members when seeking personal services.

Formation of the State Organizing Council culminated more than a year of effort and planning by international representatives and others under the direction of International Representative Vincent M. Pace, who is in charge of state organizing councils for the International Union.

Officers of the new organization are as follows: President, A. F. Nowak; Vice President, C. J. Becker; Secretary-Treasurer, E. K. Pat Birch.

Sick Leave Pay Study Available

Sick leave with pay is now provided in collective bargaining agreements covering more than one-third of all California workers under union contracts, according to John F. Henning, Director of Industrial Relations.

Most labor-management sick leave plans specify an annual allowance of from five to twelve workdays which may be taken as sick leave with pay, Henning said.

Sick leave benefits are now paid beginning with the first workday absent for 51 per cent of the California workers under union contracts providing paid time off for sick leave. The others have a waiting period at the beginning of each period of disability, most frequently of one, two, or three workdays, during which no benefits or reduced benefits are paid. Under the great majority of plans, sick leave benefits amount to at least full pay at straight-time and are paid only to

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the provisions of the Rees-Doyle Act would be the following:

1. Programs administered by the federal government, the state or any of its political subdivisions and instrumentalities.

2. Programs established and maintained solely for the purpose of complying with workmen's compensation, unemployment insurance and unemployment disability insurance laws.

3. Programs that cover not more than 25 employees.

4. Funds and insurance policies or both that are placed with a corporate trustee, which in turn is subject to the jurisdiction of the state Superintendent of Banks, the Board of Governors of the Federal Reserve System or the Controller of Currency of the United States.

5. Programs which the Insurance Commissioner may exempt in whole or in part because they are subject to the regulation of another state agency, i.e., pension programs by the Corporations Commissioner.

6. Programs covering more than 25 persons employed in the state which are registered with the U.S. Department of Labor under the federal Welfare and Pension Plan Disclosure Act, provided the program maintains copies of the reports required to be filed with the federal government which are available to the Insurance Commissioner.

Under the provisions of the extension bill, covered programs would be required to make annual financial reports available to every contributing employer and covered employee upon request only.

workers with a year or more of seniority.

Copies of the report are available on request from the Division of Labor Statistics and Research, P. O. Box 965, San Francisco.