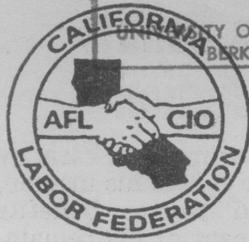


JUL 6 1960



Weekly News Letter

Vol. 2—No. 23
July 1, 1960

THOS. L. PITTS
Executive
Secretary-Treasurer

Published by California Labor Federation, AFL-CIO



AFL-CIO Leaders, Mitchell Meet on Farm Labor

California AFL-CIO leaders this Wednesday and Thursday met with Secretary of Labor James P. Mitchell concerning the present efforts of growers to use governmental agencies for recruitment of domestic farm workers and importation of Mexican nationals as strikebreakers.

Federation Secretary-Treasurer Thomas L. Pitts, accompanied by General Counsel Charles P. Scully, flew to Washington, D. C., Tuesday night, where he joined AFL-CIO Secretary-Treasurer William Schnitzler and Norman Smith, Director of the Agricultural Workers Organizing Committee, for the "crisis" meeting with Mitchell.

(As we go to press, the meeting, originally scheduled for one day on Wednesday, was extended into Thursday. Neither Mitchell nor the AFL-CIO leaders released any information on the progress of the meeting.)

Mitchell is under heavy pressure from reactionary grower groups in California who are seeking the reversal of interpretations of law issued by the State Department of Employment.

Last week a group of California's most powerful growers and their lawyers, in two long sessions with Mitchell in Washington, protested the refusal of the State Department of Employment to refer domestic workers or Mexican Nationals to farms picketed by AWOC.

(Continued on Page 3)

San Francisco Labor Boycotts Sears Stores

San Francisco unions have launched an intensive consumer boycott against Sears Roebuck & Co. as their answer to Sears' attack on its employees' unions.

The consumer boycott, launched recently under the direction of the San Francisco Labor Council, AFL-CIO, bloomed around the two big Sears' stores and service centers in San Francisco with leaflets urging "Please don't shop at Sears," and proclaiming "Sears? Not for me!"

The basic issue pegged by the Council is that "Sears Roebuck & Co. has launched a deliberate effort to drive its employees' unions from its stores and service centers in San Francisco."

The council charged the company had fired 262 employees solely because they respected the sanctioned picket line of another union during a two-week strike last month.

The council also charged that the company, by hiding behind "so-

Pitts Blasts 'Means Test,' Wires Senate Labor's Demand for 'Forand' Action

Thos. L. Pitts, state AFL-CIO secretary-treasurer, this Thursday, said the medical care provisions in the House-passed social security liberalization bill were a "sham and a fraud."

In a statement wired to the Senate Finance Committee, the state AFL-CIO leader urged upper house rejection of all proposals "based on any kind

of a means test" and asked "prompt Senate action to approve a sound health care measure for the aged, based on the social security concept, which would adequately reward our senior citizens with dignity and legal rights for their years of productive effort and contribution to the welfare of the nation."

The Senate Finance Committee this Wednesday and Thursday called quick hearings on the social security measure passed last week by the House on a roll call vote of 380 to 23. The measure had been brought to the lower house floor on a closed rule, barring any amendment to add the AFL-CIO-backed Forand bill.

Faced with a legislative log-jam as Congress entered its stretch drive for early adjournment, labor-liberal forces are pressing for action in the Senate, which holds the fate of legislation providing health care for the aged through the social security system.

Wires from all over the nation were reported flooding the Senate Committee hearing room demanding passage of a social security health care bill.

The following is the text of Pitts' wire:

"The California Labor Federation, representing more than 1,300,000 AFL-CIO members in this state, urges the adoption of a social security measure which contains health care provisions for the aged within the social security system.

"Our membership is categorically opposed to medical care benefits based on any kind of a means test.

"It must be recognized that senior citizens of this state and nation, as a group, have recognized health and medical care needs which are substantially greater than those of younger age groups, and which, in terms of cost, far exceed the financial means of our aged population.

"Despite labor's efforts to the contrary, under the widespread development of voluntary prepaid medical care programs in the past decade, the aged have been generally and effectively isolated from the rest of the community to be "expe-

called 'national policy' dictated from Chicago," had denied the striking union, Machinists Lodge 1327, "any proper or effective voice in setting the conditions under which its members work."

The dispute originated in the Machinists' negotiations where Sears refused, under the guise of "national policy," to discuss union security, improvements in the firm's health and welfare program, or a citywide bargaining unit.

Open Shop "Mandatory"

The company told the union that

(Continued on Page 2)

(Continued on Page 2)

Pitts Blasts 'Means Test,' Wires Senate Labor's Demand for 'Forand' Action

(Continued from Page 1)

rience-rated" by themselves under programs designed less to take care of their extensive needs than to extract the last profit dollar out of their human misery.

"Thus, the aged, in such isolated high cost groups, cannot possibly insure themselves adequately as now being proposed by private insurance carriers, the medical associations and other vendors of medical care programs in their advocacy of low-benefit, high-cost plans that would "experience-rate" them apart from the community.

"The provision of adequate health care for the aged on a prepaid basis therefore requires the adoption of a social insurance principle of financing such prepaid care as proposed in Forand-type legislation vigorously supported by all AFL-CIO members, based on the concept of providing benefits as a matter of right with dignity and respect for the individual.

"The Eisenhower Administration's state-federal program, based on the concept of public assistance and handouts rather than social security with dignity, satisfies virtually no one. It is dependent on state action for implementation and would require the average aged individual, with a meager income of less than \$1,000 a year, to pay out

of pocket \$250 for medical care, or more than 25 per cent of his income, before he could realize benefits equal to 80 per cent of his remaining medical care costs in return for a \$24 annual contribution.

"The House-approved social security bill contains medical care provisions which compound the evils of the Eisenhower federal-state program of public assistance with a 'pauper's oath' approach in a new program designed to assist states in providing limited medical benefits for the aged who may be determined by the states, as they may choose, to fall into a new category of 'medical indigents.' This is a shame and disgrace.

"We urge the Senate Finance Committee to take prompt action to approve a sound health care measure for the aged, based on the social insurance concept, which would adequately reward our senior citizens with dignity and legal rights for their years of productive effort and contribution to the welfare of the nation.

"We recognize that time is short in this session of Congress, but certainly there is time for men of conviction and courage to act on this matter by passing a health care measure within the social security system that gives recognition to the basic needs of the aged."

San Francisco Labor Boycotts Sears Stores

(Continued from Page 1)

its "open shop" policy was mandatory; local negotiators could not discuss it. It would not consider health and welfare improvements needed to bring the company's benefits up to levels in the union's other San Francisco contracts. And although Machinists worked in two Sears locations here, the company said "national policy" prevented it from bargaining for more than one location at a time.

The Machinists went on strike, and more than 400 Sears employees stayed away from their jobs. A court order based on a legal technicality temporarily ended the strike, but Sears took advantage of the injunction to fire most of the employees

who had respected the Machinists' picket lines.

In all, 137 retail clerks, 51 machinists, 28 clerical workers, six warehousemen, seven shoe salesmen, five garage and service station employees and 28 building service employees lost their jobs in the company's sweeping action—all of them union members.

And this, the labor council points out, despite the fact that Sears' contracts with San Francisco unions protect the right of the employee to respect a proper picket line and to be an active union member.

Meantime, with the expiration this week of the 30-day injunction, the Machinists renewed their strike. Unions of the discharged employees have initiated procedures under

State Building Trades Convention Set

More than 500 delegates representing some 350,000 construction workers throughout the state will gather at Long Beach, July 27-29, for the 40th convention of the State Building and Construction Trades Council of California, according to President Bryan P. Deavers.

Stating that affiliations have "more than doubled" since the last convention at the Fairmont Hotel in San Francisco in December, 1958, President Deavers predicts the Long Beach session next month will be the best attended since the council was formed in 1901.

Convention headquarters are at the Lafayette Hotel.

Among resolutions submitted for action are measures calling for a shorter work week, due to automation in the trades, sponsored by the State Council of Carpenters; an Alameda County Building Trades move to stimulate finance for more home construction through a new state "California Mortgage Authority"; and a resolution of the Sacramento Building Trades to bring about a closer check of the state safety code.

Speakers will include Governor Edmund G. Brown, Thos. L. Pitts, secretary-treasurer of the California Labor Federation, John F. Henning, director, Department of Industrial Relations, State of California, and C. J. Haggerty, general president of the Building Trades Department, AFL-CIO, in Washington, D. C.

their agreements and with the National Labor Relations Board to secure their reinstatement without loss.

But Sears' sweeping action, the labor council charged, has no explanation, except that Sears is determined to drive the unions out of its stores.

The council launched its boycott after Sears ignored the council's call for reinstatement of the fired employees and for reestablishment of "good faith" collective bargaining.

Trade unionists, their families and friends are being urged to refuse to shop at Sears until the company's "unfair and inhuman" policies are changed to fit San Francisco's tradition of fair play.

Real Wages and Jobs Slip, AFL-CIO Economist Warns

AFL-CIO economist Nat Goldfinger has warned that the "aroma of economic trends of the past few years" has become far too similar to that of the 1920's for the comfort of the nation.

Goldfinger's warning came during a recent panel discussion before a meeting of the National Industrial Conference Board in New York. He stated that imbalances are arising from federal tax, monetary, and budget policies, as well as from pricing and investment policies in certain key industries.

He added that a problem concerning real wages has also been developing and that in the past three or four years there has been a significant slowing down in the rate of increase.

"The rise of real hourly earnings of factory workers, including the real value of fringe benefits, has been at an average yearly rate of approximately one and one-half to two per cent—a pace approximately a third or more slower than in the post-war period prior to 1956 and slower than the average yearly rise of output per man-hour in the entire period since 1947," he noted.

Goldfinger charged that the slowing down of economic growth "to a state of near stagnation," has resulted from the declining rate in the rise of consumer purchasing power and to lack of increase in federal expenditures.

He charged that the businessman leadership of the nation that has marked the Eisenhower Administration has been seeking to defeat a "non-existent runaway inflation" instead of concentrating on economic growth to meet national needs.

The slowing down of the economy of recent years plus radical technological changes has posed a serious job problem to the nation, he said.

"The rapid rate of advancing output per manhour, in an economy whose production levels have been rising slowly, has meant layoffs for many workers, short workweek schedules for others, an inadequate number of job opportunities for a growing labor force, and an in-

creasing number of economically distressed communities," the AFL-CIO economist added.

In the past seven years, he explained, the labor force has grown by five million, but jobs have increased by only 2.9 million. Most of this rise, he said, has been in part-time jobs, making the situation worse than it appears.

"It is ironic," he concluded, "that in this period of business domination of economic policies in American life that there has been only a small net increase in private employment—much of it in part time work—and that most of the increase in employment is accounted for by the rise of state and local government jobs."

NOTICE

Annual Organized Labor Questionnaire

John F. Henning, California Director of Industrial Relations, announced the mailing this week of the 1960 Organized Labor Questionnaire to 3,500 California union locals.

The questionnaire—65th in the annual series—was sent to all locals in the state to obtain basic information about organized labor in California. Replies are summarized and published each year in the publication **Union Labor in California**, which contains many facts about union membership in the state and in various areas and industries.

"More than 3,300 California union locals filled out the questionnaire in 1959," Henning said. "This year we expect an even greater response."

He urged union officials to complete and return the questionnaire as soon as possible. It should be mailed to the Division of Labor Statistics and Research, P. O. Box 965, San Francisco 1.

AFL-CIO Leaders

(Continued from Page 1)

The grower group was headed by Stockton rancher John Zuckerman of the California Farmers Emergency Fruit Committee, a newly-formed organization composed of anti-union farm groups for the purpose of developing a non-union work force to break AWOC strikes.

Following the meeting last week, Mitchell promised he would take the growers' complaints and recommendations under study, and announced at that time that he would meet with representatives of organized labor on the issue.

In the meantime, State Director of Employment Irving H. Perluss has stated flatly that he will follow to the letter Mitchell's interpretation of federal laws governing employment of foreign nationals in California.

Perluss has placed the issue squarely at Mitchell's doorstep by stressing that he was acting "as an agent of the Secretary of Labor in administering the Wagner-Peyser Act and Public Law 78, and that he will continue to be guided by the federal official's recommendations."

The pertinent regulation from the Wagner-Peyser Act, interpretation of which is the crucial issue in the controversy now going on between California farmers and organized labor, is entitled "Referrals in labor dispute situations."

This regulation, according to Perluss, says that "no person shall be referred to a position the filling of which will aid directly or indirectly in filling a job which (1) is vacant because the former occupant is on strike or is being locked out in the course of a labor dispute, or (2) the filling of which is an issue in a labor dispute."

Under Public Law 78, where domestic workers cannot be referred because of the Wagner-Peyser labor dispute regulations, the Secretary of Labor has advised Perluss that he cannot authorize Mexican Nationals.

Thus, the fate of AFL-CIO picket lines marching outside rich ranches and orchards of California's Central Valley hang in the balance as Secretary of Labor James P. Mitchell reviews the interpretations of law on the question of whether the government could and would send domestic workers or imported Mex-

(Continued on Page 4)

FORM 3547 REQUESTED

Arthur M. Ross, Dir.
Institute of Industrial Relations
University of California
Berkeley, Calif.

NON-PROFIT
ORGANIZATION
U. S. POSTAGE
PAID
Permit No. 7085
San Francisco, Cal.

New York Unions Reported Going Into Drug Business

The officers of nine major unions in New York were reported this week as having taken the first formal step toward organizing a non-profit corporation to operate a chain of drug stores to provide low-priced medicine for their members and families.

The nine unions announced that they were drawing up legal papers for the non-profit drug stores.

Included were the following: Local units of the Transport Workers Union, the International Ladies Garment Workers Union, Seafarers International Union, International Union of Electrical Workers, United Automobile Workers, International Association of Machinists, Hotel and Restaurant Workers International Union, Retail Clerks International Association, and the Office and Professional Employees International Union.

Benjamin J. Cohan of Local 153 of the Office Employees, who heads the project committee, said five other unions have indicated they may want to join the plan.

It is reported that the plan's sponsors hope it will enable participating unions to cut as much as one-third off the family's drug bill. Also, they view it as a vehicle for including prepaid drug insurance in employer-financed welfare programs.

The decision to incorporate was made in the face of protests by six associations speaking in the name of 3400 retail druggists in the five boroughs of New York.

A recent survey of the Health Information Foundation showed that in 1957-58 about 20c of the medical dollar went for drugs and 34c to physicians. In 1952-53, as reported by the Wall Street Journal, it was 15c for drugs and 37c for physicians.

Consumer Protection on Trading Stamps

California consumers who save trading stamps will now be able to redeem their filled stamp books for cash or merchandise, State Consumer Counsel Helen Nelson announced today.

"A new law takes effect Friday (July 1)," Mrs. Nelson said. "It provides for state regulation of trading stamp companies. It requires the stamp companies to let stamp savers choose between cash and merchandise when they redeem their stamp books."

The trading stamps themselves must bear the name of the stamp company issuing them and the cash value of each stamp. Trading stamps

presented for redemption in cash, however, must have an aggregate value of at least one dollar.

Under the new law, trading stamp companies must be licensed by the Commissioner of Corporations. To obtain a license, a stamp company must post a bond of from \$25,000 to \$100,000, depending upon its annual volume of business. Should the trading stamp company refuse to redeem its stamps, the Commissioner of Corporations can file a claim against the company and its surety on behalf of the holder of the stamps.

The new law provides that any merchant who intends to stop giving trading stamps must post a notice in every place in his establishment where stamps are issued, in letters equal in size to at least 18-point type, that he will stop issuing stamps and the date he will stop. The notice must also contain the name and address of the licensed stamp company that will redeem the stamps, the fact that the stamp company is licensed by the Corporations Commissioner, and the fact that the stamps may be redeemed either in merchandise or cash.

No trading stamp company may stop issuing stamps without giving 90 days' written notice to the Commissioner of Corporations and to each merchant in the state who issues its stamps. The merchants, in turn, must notify their customers that the stamps will be discontinued.

Mrs. Nelson noted that the new law—an amendment to the Business and Professions Code—does not apply to merchants who issue their own coupons to customers and redeem them in cash or from their own stocks.

Also unaffected are redeemable certificates or devices used by a manufacturer or packer in an advertising or selling campaign, or those issued and redeemed by a newspaper, magazine, or other publication.

AFL-CIO Leaders

(Continued from Page 3)

ican Nationals past AWOC pickets.

Upon leaving San Francisco for Washington for the Mitchell meeting, Pitts made it clear that the organized sectors of labor are rallying behind the Agricultural Workers Organizing Committee against efforts of the anti-union "open shop" grower organizations "to invoke the arm of government to smash the drive of farm workers for improved conditions of life and labor in the fields."

"This trip to Washington," Pitts said, "should serve notice on the reactionary farm organizations that the labor movement in this state is not going to stand idly by while pressures are massed to subvert even the inadequate protections which domestic farm workers are provided under Wagner-Peyser and Public Law 78."

He added: "In their agitation for strikebreakers, these growers want to hide their primary responsibility for the situation that has developed as the result of their denial to farm workers of orderly procedures for organization and collective bargaining available to other workers in private industry."