

LEGISLATIVE NOTES

Two Weeks to Go

On June 16th, midnight, the 1961 session of the legislature must come to an end. The amount of unfinished business is staggering in virtually every field of legislation. Needless to say, nothing major of labor interest is even close to passage. This includes the whole field of social insurance programs, basic labor bills, civil rights legislation and other important measures dealing with social welfare matters.

The Democrats in control of both houses must produce in a hurry if they are going to avoid a "do nothing" tab on this session. It's all a matter of party responsibility to platform and campaign pledges.

Anti-Bias Housing Bill

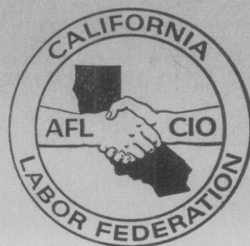
AB 801, the most important civil rights measure of the session, is already badly crippled and still faces a major hurdle in the upper house Governmental Efficiency Committee where it has been finally set for hearing on June 7th. If it survives this committee, it still must go to Senate Finance before reaching the Senate floor for a vote.

Other Assembly-passed civil rights bills (many of them) are also stacked up in Senate Committees.

Social Welfare Legislation

A fairly substantial package of social welfare liberalization bills have cleared the assembly this week but still must go through the upper house. Major bills in the program would boost the basic aged assistance grant from

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ASSEMBLY UNIT ADVANCES UNEMPLOYMENT INSURANCE PROPOSAL

The Assembly Finance and Insurance Committee, this Wednesday, advanced an unemployment insurance proposal which would provide for liberalized jobless benefits in combination with major revisions in employer financing provisions of the law.

As embodied in AB 1382, authored by Assemblyman William A. Munnell of Los Angeles, the proposal consists of two parts:

(1) It provides for substantial increases in benefits within the present \$55 per week maximum by compressing the U.I. benefits schedule and conforming it to the uniform \$25-step principle in the more liberal disability insurance program. The Department of Employment estimates this would increase jobless pay benefits in a recession year like 1961 by about \$29.5 million. (\$24.8 million in 1962, assuming a measure of recovery from the current recession.)

(2) At the same time, it would revise the so-called "experience rating" provisions on financing to avoid going to a flat 3% contribution rate for all employers in the current recession and

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\$1.25 STATE MINIMUM WAGE SET FOR ASSEMBLY VOTE

AB 684 (Rumford, Alameda County), the labor-sponsored \$1.25 per hour minimum wage bill, has been moved into position for floor test in the lower house of the state legislature.

The Rumford bill is one of the few basic labor measures still alive in the 1961 session. It was moved to the Assembly third reading file for passage this Wednesday, following the defeat of Rumford's fair labor standards act (AB 682) in Ways and Means Committee last week.

The provisions of AB 684 simply call for a statutory minimum wage in California of \$1.25 per hour, applicable "to any man, woman or minor . . . in any occupation, trade or industry." The only exception is for babysitters, who were excluded from coverage this Wednesday by amendment when Assemblyman Rumford withdrew the bill from "inactive file" and called the bill up for passage.

Unlike the fair labor standards act defeated by the Democrats last week, AB 684 does not provide for overtime compensation beyond a standard workweek or workday; nor does it give authority to the Director of Industrial Relations to set a higher minimum or a shorter workweek by industries and occupations where, after the appointment of a wage board and hearings, it is determined that a substantial number of employees are receiving wages less than the reasonable value or the

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SCHOOL BILL NEARS HOUSE ACTION

AFL-CIO Urges Contact of Congressmen

The House Education and Labor Committee has reported HR 7300, introduced by Representative Frank Thompson (D-N.J.). The Committee bill calls for about \$2.5 billion in federal aid for elementary and secondary schools over the next three years.

This is the fourth time in six years that a general federal aid to education bill has been before the House. Twice before it was defeated; the third time it was passed, but was later blocked from going to conference with the Senate by a Rules Committee blockade.

AFL-CIO officers and members should make every possible effort to secure House passage of HR 7300 — without amendments. Opposition by conservatives will be strong; support by ourselves and others must be equally strong if the bill is to pass.

HR 7300 is urgently needed to improve the quality of our educational system, which faces so many challenges from Soviet strength and increasing the technology at home. In addition to general grants to the states, it also continues the program of aid to federally impacted areas.

Act now! Write to your Representative, at the House Office Building, Washington, D.C. Urge as many AFL-CIO members and others as possible to write also. This must be done quickly; the bill may reach the floor of the House by June 6.

Ask your Representative to vote for HR 7300 without amendment.

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\$95.00 to \$100.00 a month; increase the special needs allowance for both the aged and blind to a maximum of \$165.00 a month; modify the relatives' responsibility for support of the aged; and extend the old age assistance program to aliens.

Other bills include: Liberalization of eligibility for the needy disabled law; a \$2.00 increase in the basic grant for the needy disabled to \$100.00 a month; built-in cost-of-living increases in the basic aged assistance grant; removal of the limit on real property used as a home by recipients of aid to the aged, blind and disabled.

Major debate on the assembly floor centered on AB 338, which substantially raises the income requirements before responsible relatives are required to contribute to the support of recipients of aged aid. Passage was secured only after defeat this Monday of an effort to place a lien requirement in the bill.

Retraining Benefits

AB 2171 (Hawkins), giving the State Apprenticeship Council authority to promote new on-the-job training programs has cleared the Assembly by a vote of 58 to 15. The Federation-sponsored measure, AB 379 (Waldie), is right behind it, having cleared the Ways and Means Committee this Thursday. The two bills complement each other.

Farm Labor

AB 1663 (Hawkins), extending the state disability insurance program to farm workers has cleared the lower house by a vote of 59 to 8 and now faces the senate Insurance and Financial Institutions Committee.

SB 851 (Cobey), providing for field sanitation has been resurrected by senate Agriculture and released for floor consideration. It's watered down, but represents a significant achievement for the Agriculture Committee. As in the case of other bills, SB 851 faces a long, rough road ahead in the remaining two weeks.

SB 993 (O'Sullivan). The Governor's Agricultural Labor Study Commission bill has cleared the senate and is now on the assembly side. This shouldn't have any trouble because the lower house Agriculture Committee has approved a much better Agriculture Labor Resources Committee bill, AB 2503 (Casey), which is up for Ways and Means Committee clearance.

State Employees

AB 873 (Bane), the OASDI coordination bill for state employees, is now in the upper house where a companion bill has been taken under "advise-

COMMITTEE HEARINGS

At this stage of the game bills are often taken up without notice. The following committee settings of bills, therefore, is sketchy at best.

Assembly

Wednesday, June 7th

Agriculture, 1:30 PM, Room 4202

SB 523 (O'Sullivan) Study committee in Agriculture Department to study agricultural problems. **Watch**

Education, 3:45 PM, Room 4202

SB 1020 (Miller) Credential revision for junior college teachers. **Watch**

SB 1058 (Farr) TV in state colleges. **Watch**

SB 1225 (Arnold) Teacher salary expenditures. **Good**

SB 1329 (Fisher) Enforcement of state textbook law. **Good**

Public Health, 1:30 PM, Room 5168

SB 928 (Thompson) Display of perishable foods. **Watch**

Thursday, June 8th

Industrial Relations, 1:30 PM, Room 5168

SB 1340 (Begovich) Employment of minors. **Bad**

Friday, June 9th

Education, 2:00 PM, Room 4202

SB 1368 (Donnelly) Elementary textbooks. **Good**

Tuesday, June 13th

Water, 1:30 PM, Room 4202

SB 163 (Cobey) Power subsidy to irrigators without limit. **Bad**

SB 611 (Cobey) Negate controls on unjust enrichment. **Bad**

SB 692 (Cobey) Interest-free money for irrigation water without antimonopoly protections. **Bad**

Senate

Wednesday, June 7th

Education, 9:00 AM, Room 4202

AB 2238 (Hegland) School personnel classification. **Good**

AB 526 and ACA 16 (Winton) Multiple textbook adoptions. **Bad**

Governmental Efficiency, 9:30 AM, Room 4203

AB 101 (Elliott) End racial discrimination in

ment" by a Governmental Efficiency Subcommittee. Here again it will be a race with the clock, even if Governmental Efficiency gives the bill a green light.

AB 541 (Meyers), Another important state employee bill providing for a state contribution of \$5.00 toward health insurance, is on the assembly floor for passage.

Housing

The Governor's Housing Study Commission bill, AB 814 (George E. Brown), has won assembly approval by a vote of 62 to 10. This bill is being advanced in lieu of any action program to meet growing housing needs among low and middle income families in the state.

A program of \$100,000,000 in general obligation bonds for low-cost aged housing has won approval in the senate with the passage of SB 414 and SCA 10 (Burns). The problem here, as in other housing legislation, is using

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transfers of property and redevelopment projects. **Good**

AB 801 (Hawkins) Fair housing law. **Good**

AB 191 (Hegland) Emergency public works by force account. **Bad**

AB 954 (Hicks) Unemployment insurance appeals board. **Watch**

AB 1372 (Elliott) Replacement housing and redevelopment projects. **Good**

AB 1510 (Marks) Government reorganization—commission on state government organization and economy. **Watch**

AB 1541 (Winton) Specifications for bidding on public works. **Watch**

AB 2394 (Burton) Redevelopment agency transfer of property for public housing. **Good**

AB 300 (Meyers) State civil service performance reports. **Watch**

AB 1879, 1880 and 1887 (Unruh) Abolition of special funds. **Bad**

Insurance and Financial Institutions, 1:30 PM, Room 3191

***AB 910 (Munnell)** Prohibit Unemployment Insurance appeals board memorandum decisions. **Good**

***AB 911 (Munnell)** Filing of Department of Employment regulations. **Good**

***AB 913 (Munnell)** Technical correction in employer tax. **Good**

***AB 968 (Elliott)** Employers wage reports. **Good**

***AB 1095 (Unruh)** Revision of benefit disqualification for voluntary quit and misconduct discharge. **Good**

***AB 1093 (Unruh)** Modify trade dispute disqualification. **Good**

***AB 380 (Waldie)** Workmen's compensation—minors. **Good**

AB 2342 (Rees) UI and DI coverage of non-profit employees on cost basis if Federal conformity legislation enacted. **Bad**

AB 643 (Hicks) Workmen's compensation—self insurers. **Good**

AB 1811 (Hicks) UI, DI and WC waiting period. **Good**

AB 1347 (Hanna) Workmen's compensation—compromise and release. **Watch**

AB 1597 (Leggett) Workmen's compensation—challenge of referees and notice of name of referee. **Watch**

AB 1405 (Waldie) Computation of unemployment claims. **Good**

AB 1744 (Z'berg) UI work search requirements. **Good**

Social Welfare, 1:00 PM, Room 4040

AB 1213 (Hawkins) Prohibit county hospital liens on OAS recipients. **Good**

Thursday, June 8th

Judiciary, 9:00 AM, Room 4202

***AB 402 (Hicks)** Repeal unconstitutional "hot cargo" act. **Good**

Local Government, 1:00 PM, Room 4040

AB 2051 (Busterud) Acquisition of property by redevelopment agencies for relocation housing. **Good**

AB 2821 (Winton) County contracts—bidding ceiling. **Bad**

AB 787 (Mulford) Rules and regulation authority for Division of Housing. **Watch**

Public Health and Safety, 1:30 PM, Room 2040

***AB 317 (Rumford)** Nursing and convalescent homes. **Good**

Saturday, June 10th

Business and Professions, 9:00 AM, Room 3191

AB 2241 (Hanna) Contract cancellations re subletting. **Good**

Tuesday, June 13th

Business and Professions, 1:00 PM, Room 3191

***AB 693 (Gaffney)** Posting of wage security by contractors. **Good**

***AB 694 (Gaffney)** Installations under contractors' law. **Good**

***AB 697 (Gaffney)** Contractors' licensing law—specialty contractors. **Good**

California Stations Carrying "Briefing Session"

The new AFL-CIO public affairs TV program called **Briefing Session** is being carried regularly on four stations in California. They are:

Los Angeles — KTLA (5), Saturdays, 10 p.m.

San Francisco — KQED (9), Wednesdays, 9 p.m.

Sacramento — KVIE (6), Mondays, 9 p.m.

San Jose — KNTV (11), Sundays, 3 p.m.

This is a series of panel discussions on contemporary national and international issues featuring outstanding personalities.

The format of **Briefing Session** is designed to provide background information and enlightenment rather than argument and rancor. There are 20 half-hour programs in the series.

For those in areas where the program will not be shown, the AFL-CIO Education Department has arranged to make available scripts and films of the program series. Requests for films of Briefing Session should be addressed to the AFL-CIO Film Division and requests for scripts to the AFL-CIO Public Relations Department. Films rent for \$3.00.

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service rendered or less than sufficient to maintain the health and general well-being of workers.

These fair labor standards provisions of the broader measure advanced by organized labor are not in the bill before the Assembly. AB 684, however, leaves standing the present authority of the state Industrial Welfare Commission to establish minimum wages and standard conditions for women and minors. The only restriction in AB 682 regarding the functioning of the Commission is that it may not establish a minimum wage of less than \$1.25 in its minimum wage orders for women and minors in various occupations.

The Rumford bill places a clear cut issue before the state Assembly. Its enactment is a necessary supplement to the federal minimum wage bill passed recently by Congress, which leaves vast areas of employment completely outside the protection of the national fair labor standards act. In-

State Supreme Court Reverses Strike Decisions

The State Supreme Court has upheld the right of the Department of Employment to refuse to refer domestic workers to farms where there is a labor dispute in progress.

By a 5 to 2 decision, the court reversed decisions of Superior Judge Warren Steel of Yuba County directing the department to send workers to pear orchards of DiGiorgio Fruit Corporation and of Superior Judge A. B. Ware of Butte County ordering workers sent to a Tom Bowers peach orchards.

Until these superior court rulings, last year, the department had refused to dispatch workers to AWOC-struck ranches where a labor dispute was found to exist.

Time already had run out in the labor disputes involved. But the high court pointed that "a question of continuing importance in the administration of the employment service" was involved.

The Department of Employment had appealed the cases for this very reason. The effect of the ruling is that under federal regulations governing the employment service, the state farm placement service cannot be required to make referrals in strike situations contrary to federal regulations.

The decision is an important one for AWOC in the coming harvest seasons.

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the state's credit when it is already tied up in the water program. The Governor as yet has not endorsed this program.

Hot Cargo

Last Friday the assembly approved Federation-sponsored AB 402, which repeals the unconstitutional Hot Cargo Act still in the Labor Code. The vote was 52 to 12, and the measure now faces the senate Judiciary Committee. The bill has no immediate consequence since it merely cleans up the Code.

cluded in these unprotected areas, in addition to farm labor, are restaurants and hotels, hospitals, many retail outlets and other service industries which presently employ substantial numbers at less than \$1.25 per hour.

The federal minimum wage bill passed by Congress, even in regard to its limited extension of coverage, provides that the \$1.25 per hour minimum shall not become applicable to new coverage groups for five years.

AFL-CIO FILM GIFT FOR VOCATIONAL EDUCATION

A series of films entitled "Americans at Work" were presented to the State Department of Education this Wednesday, May 31st, as a gift of the AFL-CIO.

The presentation was made in a brief public ceremony in the office of the State Superintendent of Public Instruction in Sacramento, by Thos. L. Pitts, Secretary-Treasurer of the California Labor Federation, AFL-CIO. On hand for the occasion, besides Pitts and Superintendent of Public Instruction Roy E. Simpson, were Wesley P. Smith, Director of Vocational Education, and Samuel L. Fick, Chief of the Bureau of Industrial Education.

Produced by the AFL-CIO, the films have been carried on some two hundred television stations around the country during the past two years as public service features. All totaled, over one hundred films covering virtually every major industrial and craft occupation, and many minor ones as well, have been produced.

The value of the films for use in vocational education programs was established recently by a panel of experts chosen by the American Vocational Association to review the films for critical comment. These reviews have been distributed through AVA to state departments of education in various states.

In presenting the films to the state, Pitts said:

"We are pleased that the Education Department's Bureau of Industrial Education has been able to find a useful place for these films of jobs as they are performed by union members. They present an on-the-scene view of jobs performed by workers in fields from manufacturing to the arts. I would like to point out that we have produced them without attempting to pound any union movement drums. They attempt only to portray the day-by-day nature of jobs which are, incidentally, performed by union members."

The films will be used in vocational training by the California State Department of Education. They do not purport to give training in a particular skill but, according to Pitts, impart what might be called the "feel" of a job and the environment in which it is performed.

The entire "Americans at Work" series has been carried on these California television stations: KBAK, Bakersfield; KHSL, Chico; KIEM, Eureka; KVIP, Redding; *KVIE, Sacramento; KFSD, San Diego; KTVU, San Francisco; *KQED, San Francisco; KNTV, San Jose. (*Denotes Educational Television.)

FORM 3547 REQUESTED

Assembly Unit Advances Unemployment Insurance Proposal

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to maintain reduced contribution rates below 3% for a number of large employers.

The combination proposal was amended into the Munnell bill and presented to the lower house Finance and Insurance Committee by Chairman Thomas M. Rees (D., Los Angeles). The Munnell bill joins major committee proposals on unemployment disability insurance and workmen's compensation on the Assembly floor. (The latter bills include AB 234 and AB 329 reported in Newsletter last week.)

Passage through the Assembly, however, is expected without much trouble. The major hurdle remains the Senate Insurance and Financial Institutions Committee, to which all U.I., D.I., and Workmen's compensation bills are referred in the upper house.

(Last week, this Senate committee rejected financing provisions similar to those in the Munnell bill in response to employer demands for even heavier loading of contributions on smaller employers. But the employer proposals, as contained in SB 994, were also rejected by the upper house committee — no consideration being given to any benefit increases.)

The Munnell bill was unsuccessfully opposed this Wednesday by a spokesman for employer interests on grounds relating to both the liberalized benefit structure and the failure of the bill to provide what the employer spokesman called more the "equitable" financing provisions of SB 994.

Benefit Increase

The benefit increase in the Munnell bill works out as follows:

At present, a claimant with "high quarter" earnings of \$150 in his base period draws a jobless benefit of \$10 a week. This minimum increases in the benefit schedule by \$1 for every additional \$30 of "high quarter" earnings until the maximum benefit of \$55 is reached for "high quarter" earnings of \$1,500 or more.

Under the "compressed" schedule proposed in the Munnell bill, the \$55 maximum is retained, but the \$30

"high quarter" steps within the schedule are reduced to \$25 steps. Thus, "high quarter" earnings of \$150 at the bottom draw the same \$10 minimum benefit, with increases in the benefit amount by \$1 for each added \$25 of "high quarter" earning until the \$55 maximum is reached for "high quarter" earnings of \$1,275, instead of the present \$1,500.

This substantial liberalizing of the benefit schedule (despite its failure to provide also for a badly needed increase in the maximum) means that most jobless workers falling within the ranges of the present benefit schedule would realize benefit increases between \$1 and \$8 a week, with the greatest increase going to the so-called average worker who, in California, earns about \$100 a week.

The proposed compression of the schedule, however, would also render ineligible about 3,000 claimants. This is because of the technical operation of the so-called "75% rule" in the law aimed at disqualifying individuals who have 75% or more of their base period earnings in their high quarter. The compression of the schedule brings more claimants within the operation of this rule, but the problem lies in the labor-opposed rule rather than the benefit schedule.

The major shortcoming of the proposed schedule lies in its failure to also increase the maximum benefit as recommended by labor in accordance with the principle that the maximum benefit amount should equal at least two-thirds of average weekly wages in covered employment. In conforming the steps of the U.I. schedule to D.I. schedule, the two-thirds principle would require a maximum of \$70 a week in the Munnell bill — the same as proposed in AB 234, the D.I. package bill.

Financing Provisions

The financing provisions of AB 1382 repeal the authority of the Director of Employment to impose the flat 3% contribution rate on all employers when experience rating has failed to build up reserves sufficient to pay benefits. The authority to invoke the flat rate rests with the Director whenever, at the end of the year, the un-

employment insurance fund drops below one and a half times the amount of benefits paid out the previous year.

In the current recession, because low contribution rates on a low tax base by many employers have failed to build up reserves, it is anticipated that the Director will invoke the flat contribution rate in January for a few quarters until reserves are again built up.

In repealing the authority to invoke the flat rate, the Munnell bill does the following:

(1) Levies a flat 0.5% tax on all employers, keeping the \$3600 tax base, and placing the flat levy in a so-called "balancing account."

(2) Adds a 3rd tax schedule in the nature of an emergency schedule with five graduated rates ranging from 0.7% to 2.7% which would go into effect whenever the fund drops below 5% of benefit payments.

(3) Revises the present "high" and "low" experience rating schedules so that the individual employer rates range from 2.7% to 0.2% in the "high" schedule, and from 2.7% to 0.1% in the "low" schedule. At present, both range from 3% to 0.3% with different individual employer reserve requirement for given rates within each schedule.

(4) Suspends the additional employer tax for extended duration benefits whenever the new emergency schedule is in operation after the first two quarters of 1962.

In the operation of the proposed financing provisions, employers who have favorable experience would avoid the flat 3% contribution starting in January and would continue to pay as low as 1.4% as a total contribution, including the payment of additional contributions for extended duration benefits.

The reduced rates would go to those employers who have managed to maintain high reserve ratios. Experience rating, however, has little to do with employer responsibility for unemployment. In fact, an employer who is hiring people and expanding his payroll is almost sure to pay the highest unemployment insurance tax.

Most employers under the bill would be paying the highest rate of 3.2% in January, 1961.