CALIFORNIA AFL CIO LABOR FEDERATION

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Unemployment High Despite State Jobs Gain

Latest official figures issued by the state show a pickup in California employment, but not enough to materially alter the unemployment picture.

Civilian employment in California climbed by 104,000 between April and May to a record level of 6,096,000, according to Industrial Relations Director John F. Henning.

Although the record level of employment represents a 41,000 pickup in employment from May a year ago, there were still 457,000 Californians out of work in May, the same number reported for April.

The rate of unemployment for May stood at 7 per cent, as compared with 7.1 per cent in April a month earlier, and 5.4 per cent in May a year ago.

Henning noted that the increases in employment from April were largely seasonal. Of the additional workers, about three-fifths, or 63,000, were in agriculture. Employment also rose seasonally in trade, construction, services and other industries.

The over-the-year increase of 41,000 in employment represented gains limited to services, government, trade and finance. These gains outstripped the year-to-year losses in manufacturing, agriculture, transportation, communications, utilities, construction and mineral extraction.

Factory employment continues to be one of the major declining job markets. Despite an April-May rise of 10,000, California factory employ-

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Federation Executive Council Meets June 29-30; To Receive Legislative Report

The Executive Council of the California Labor Federation, AFL-CIO will meet in Coronado, June 29-30, it was announced this Tuesday by Thos. L. Pitts, secretary-treasurer of the state AFL-CIO.

One of the major items on the agenda of the 36-member board will be a preliminary report on the 1961 session of the California legislature, Pitts said.

Adjournment of the state legislature last Friday, June 16, at midnight, produced some modest social insurance advancements for labor in the closing hours of the hectic session. Included was a last minute successful effort waged by the Federation on the Senate floor to secure a $5 per week increase in the minimum and maximum workmen's compensation benefit for temporary disability, following defeat of such an increase in Senate committee.

The small workmen's compensation boost completed action on a series of social insurance bills which also (1) granted a $1-$3 per week boost in jobless pay benefits within the present $55 maximum by compression of the benefits schedule, (2) increased by $5 the maximum benefit for unemployment disability insurance from $65 to $70, with provision for automatic escalation of future increases in the top benefit, and (3) extended the state disability insurance program to farm workers, for the first time.

Pitts said that his report on the session to the Executive Council will be preliminary to his final report in "The Sacramento Story, 1961," scheduled for later release, which will review the session in depth.

It is a known fact that much of the legislative program of California labor suffered serious setbacks at the hands of Democratic leaders in control of both houses of the legislature at the 1961 session. Pitts' preliminary report to the Executive Council at the Coronado meeting is expected to pinpoint major areas of labor's dissatisfaction as well as give an objective account of what progress was made.

An indication of the tenor of Pitts' forthcoming report to the Executive Council was given last week on the eve of legislative adjournment when the state AFL-CIO leader said that "the salvaging of some social insurance bills, together with the approval of a handsome package of social welfare measures, helped to pull the session out of the doldrums."

Pitts noted at the time that a least "a major fiasco" had been averted.

The meeting in Coronado will be a regular session of the state AFL-CIO executive body, which convenes quarterly. The last meeting was held early in March in San Francisco just as the legislature was moving into high gear.

All Executive Council sessions will be chaired by Albin J. Gruhn, president of the state AFL-CIO.

Move to Bar Group Legal Services Attacked

The proposed outlawing of group legal services, together with severe impairment of a union's right to recommend an attorney to members asking for such guidance, came under severe attack on Wednesday from organized labor.

In an urgent statement calling for rejection of Rule 20, the proposed amendment to the organized bar's rules of professional conduct, California Labor Federation's executive officer, Thos. L. Pitts, outlined labor's position at the June 21 hearing of the State Bar's Board of Governors in San Francisco.

Rule 20 would provide for investigation and possible disbarment of attorneys who enter into group legal service arrangements with labor organizations. In the case of attorneys serving as counsel for a union, it would impose similar penalties for acceptance of private cases referred to them by that union.

Pitts pointed out that the con-

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Landed Monopolists Get Kern Master District Bill

Running true to form on the water issue, one of the final actions of the state legislature was to authorize the formation of a master water district in Kern County which would force the general taxpayers in the area to subsidize high cost state water for giant landholders in the lower end of the San Joaquin Valley.

Formation of the "master district" has been consistently advanced as essential to the feasibility of the state water program, both by the State Department of Water Resources and engineering and financial experts hired by the state to review the program.

The district, embracing all of Kern County, would contract with the state for water from the San Joaquin-Los Angeles Aqueduct and construct the facilities necessary for delivery to potential water users in the service area within Kern County.

The Kern County land ownership pattern in the vicinity of the aqueduct shows approximately 70 percent of the acreage held in giant ownerships. Kern County Land Company heads the list with 348,000 acres, followed by Tejon Ranch Company (Chandler interests) with another 168,000 acres.

Under the district bill, all property owners in the county would be taxed, irrespective of whether they received any water. A limit of 5 cents per $100 assessed valuation is placed on such a tax, but the ceiling could be changed by legislative action at any time.

There would also be zones of benefit in which the taxes could be higher. These zones, created by a board of directors consisting of seven members, could include property owners who would not get a surface supply of water, but who might benefit "indirectly" through improved underground water tables, replenished by water brought in by the district.

Another feature of the bill would authorize the district board to determine when "member units" should float general obligation bonds for water delivery facilities. The bonds would be repaid by a tax or assessment on all property owners in the member unit, **but "mineral resources" would be excluded from such tax or levy.**

According to Walker's Manual, 1960, Kern County Land Company has 1,300 operating oil wells which would go untaxed. Tejon Ranch is reported to have about 400 operating oil wells. It should be noted also that major oil companies and other oil interests, as well, have big land holdings in the potential water service area which would have their mineral resources go scot free under the "member unit" provision of the bill.

It appears that although general taxpayers would be required to cough up taxes to subsidize the big landholders, the latter in turn would not even be required to put up their own mineral resources.

State Employees Win Social Security Link

A long fight led by AFL-CIO public employee organizations for coordination of federal social security with the state employees' retirement system was won in the closing minutes of the legislature with final passage AB 873 (Bane, D.).

The battle over AB 873 focused on whether another referendum should be held before state employees are permitted to elect whether they wish to belong to both the federal program and the state system. Federal law allows this option, but the non-affiliated California State Employees Association has consistently fought against any implementing state legislation which would allow public employees to exercise their choice without a prior general referendum.

AB 873 sailed through the Assembly over CSEA opposition without a referendum provision. However, the Senate Finance Committee amended the referendum requirement into the bill, causing the measure ultimately to be referred to a Senate-Assembly conference committee in the closing hours of the session.

The conference committee adopted a report deleting the referendum, and shortly thereafter both houses accepted the committee report.

Assemblyman Bane fought stren-

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Eubanks Appointment

Sam Eubanks has taken a leave from his job as executive secretary of the San Francisco-Oakland Newspaper Guild to work with the U. S. Department of Labor in helping to explain the so-called Landrum-Griffin law to labor and management.

The appointment was announced in San Francisco recently by H. D. Huxley, western director of the Bureau of Labor-Management Reports, which administers the law.

Huxley said that Eubanks, a vice president of the state AFL-CIO, would work with employer and worker groups in ten western states to explain the law's requirements.

"Our object is to promote as widespread voluntary compliance with the law as possible," Huxley said, adding: "It seems good sense to enlist the knowledge and services of top men right out of labor and management to help us achieve this."

Huxley noted that "Sam Eubanks' record of wisdom and fairness in more than 20 years of industrial relations experience makes him a distinguished asset to us, and to the employers and workers he will serve."

Unemployment High Despite State Jobs Gain

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ment was below May 1960 by some 30,000 jobs, according to Henning.

Chief losses in factory jobs over the year were in aircraft, lumber, metals, and auto assembly. Partly cushioning these losses were continued year-to-year gains in missiles and electrical equipment.

Pointing to one bright sign, the Director of Industrial Relations noted that while the 30,000 loss in factory jobs was substantial, this was a smaller twelve-months loss than in any previous six-months period.

On the unemployment front, Director of Employment Irving H. Perluss noted that, despite improvements, the labor market was not as ready as in more prosperous years to absorb the students and others who are in the job market at this time of the year. Total unemployment in California this May was 113,000 higher than in May 1960.

Move to Bar Group Legal Services Attacked

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tinual harassment of labor attorneys which could result from such a rule would serve as a major deterrent to the acceptance of a retainer from a labor organization.

The great increase in the complexity of laws affecting working people has sharply expanded workers' needs for advice, Pitts declared. Coupled with this, working people have been confronted with insurance companies utilizing full-time attorneys specializing in limited areas such as workmen's compensation cases. The Federation official reminded the Board that it was in response to these developments that unions were forced to undertake group legal services in order to protect workers' interests.

If such specialization by labor attorneys were to be undermined, Pitts declared that workers would be forced to rely upon the "anonymity of a telephone listing" for legal counsel. Not only would this destroy the union member's sense of confidence in seeking counsel, but, in addition, the labor spokesman expressed fear that the results of litigation in behalf of workers would deteriorate. He added:

"Higher prices for less reliable service mean a diminished volume of business for the legal profession as a whole. In turn, the legitimate rights and interests of working people will suffer from neglect."

While other types of organizations utilizing group legal services would also be affected, Pitts asserted that the principal effect "would be concentrated upon working men and women who are often in a poor position to afford expensive legal fees on an individual basis, particularly since such costs would quite often be incurred at a time of unemployment, sickness, injury or some other personal calamity."

The Federation statement observed that union-provided group legal services are often simply of an advisory nature. While such services provide the worker with an intelligent basis on which to proceed, it leaves him absolutely free to choose his own attorney if he decides upon legal action to secure his rights.

Pitts reported that such services have resulted in a substantial rise in workers' confidence in seeking legal counsel. He commented also on the substantial increase in the use of preventive legal assistance and its significant contribution "to the stability of both the individual and his community."

Group legal services were termed "indispensable" by Pitts in private legal cases, such as attempted repossession of an automobile, where the individual obviously has no funds for payment of an attorney.

The Federation emphasized the need to preserve the right of labor unions to participate in financing appeals from adverse decisions. Such decisions may have profound meaning for the general membership and often would not be appealed if the expense fell entirely upon one individual.

Stating that group legal services have received overwhelming approval from union members, Pitts pointed out:

"Millions of members of organized labor have for years been covered by group medical and dental services. . . . Even those who were the most hidebound opponents of such group services in the early days have long since abandoned the contention that any interference in the personal relationship between doctor and patient has taken place.

"Certainly the State Bar of California must recognize that in many cases the need for adequate legal aid is as important as the need for adequate medical assistance. . . .

"We can see no reason why the group practice principles which have helped so substantially to bring about a higher quality of medical care for the average trade unionist are invalid when applied to his legal needs. . . .

"We would therefore suggest that the Board of Governors consider methods of encouraging, rather than restricting, the development of group legal services for those elements of our population which are currently unable or psychologically unprepared to take advantage of needed counsel."

Pitts declared that labor's deep interest in this matter was a reflection of its membership's demand that unions concern themselves "with the total welfare of union members in their various roles as consumers and citizens as well as producers."

State Employees Win Social Security Link

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uously for a "clean" bill to the very end. His victory on the Senate side, with the help of Senators Rodda and Fisher among others, was a major achievement.

The Bane measure has an emergency provision which makes it go into effect as soon as signed by the Governor. Its provisions call for a liberal coordination of both the state retirement and federal social security systems on what is called a one - sixtieth - one - ninetieth formula, thus merging the two systems to produce an overall higher level of retirement benefits for state employees.

Early signing of the bill is important because of retroactive coverage provisions in the federal law which begin to diminish after the end of the year.

AFL-CIO Urges Stronger Disclosure Law

Administration efforts to strengthen the Federal Pension and Welfare Fund Disclosure Act are receiving the full support of the AFL-CIO and—as might be expected—stiff opposition from big business and the insurance industry.

The original law, passed in 1958, requires fund administrators to publish descriptions of their plans as well as annual financial reports, but prohibits the government from taking any action unless these reporting provisions are "willfully" violated.

Since the law's enactment, the Labor Department has pointed out that the criminal provisions are so weak that there can be no prosecution even when administrators are known to be embezzling or otherwise taking personal advantage of their fiduciary position.

President Kennedy has proposed a number of amendments to make the law more meaningful. These include:

- Empowering the Labor Secretary to make authoritative interpretations of the law, including the right to determine what constitutes compliance in good faith.
- Providing the Labor Secretary with appropriate investigative and enforcement power.
- Making embezzlement of plan funds a felony.
- Requiring supporting records to be retained for five years.
- Calling for more detailed explanation of various fund financial operations.

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FORM 3547 REQUESTED

Clergymen Urge End to Bracero Program

A group of Protestant, Catholic and Jewish clergymen told Congress last week that it had an "inescapable moral responsibility" to curb and eventually put an end to the importation of Mexican workers.

In a statement called a rare "declaration of conscience," the clergymen joined with labor and other public spirited groups to tell the Senate agriculture committee that Mexican braceros are taking the jobs and holding down the wages of domestic farm workers.

These Americans, the religious leaders warned, already occupy the lowest level of our economy.

"On very few issues could you find greater agreement among religious groups," they added, while urging approval of a bill by Senator Eugene McCarthy (D. Wisconsin) to enact minimum legislation to curb bracero abuses.

The McCarthy bill, endorsed by the Kennedy Administration, would allow limits to be set on the number of braceros hired by one employer and require employers to offer jobs first to domestic farm workers at comparable rates and conditions.

Like organized labor and other groups behind the McCarthy bill, the clergymen said the proposal amounted to a minimum reform. Eventually, they said, the importation of braceros must be eliminated.

The religious leaders who signed the declaration of conscience included the Rev. Edwin T. Dahlberg of St. Louis, former president of the National Council of Churches; Roman Catholic Archbishops Robert E. Lucey of San Antonio, Tex., and Edwin V. Byrne of Santa Fe, N. M.; Methodist Bishop John Wesley Lord of Washington and Rabbis Theodore L. Adams and Julius Mark and Bernard Segal of New York.

The McCarthy bill referred to by the clergymen is S. 1945.

This week, also, on behalf of the Kennedy Administration, Secretary of Labor Arthur J. Goldberg told a Senate sub-committee that the Administration supports S. 1945, which would extend Public Law 78 for two years but which contains basic amendments to protect the interests of domestic agricultural workers.

Those amendments would:

1. Authorize the Secretary of Labor to limit the number of Mexican nationals who may be employed by any one employer to the extent necessary to assure active competition for domestic workers.

2. Require growers to offer conditions of employment to domestic workers comparable to those they must provide Mexican workers.

3. Prohibit the employment of Mexican workers in other than temporary or seasonal work or in work involving the operation of power-driven machinery.

4. Provide that employers using Mexican workers must pay them wages at least equivalent to the statewide or national average rate for hourly paid farm labor, whichever is the lesser. The maximum increase in any one year would be the equivalent of 10 cents per hour.

Kennedy Proposes Jobless Benefit Overhaul

Based on recommendations developed by the U.S. Department of Labor, President John F. Kennedy has submitted a draft bill to Congress to strengthen and broaden the federal-state unemployment compensation program.

Designed to "alleviate the suffering" of unemployed workers and their families and to "help stabilize the economy" by boosting the purchasing power of the jobless, the Kennedy program would:

- Establish federal standards, below which the states could not fall, on the amount of jobless benefits;
- Provide federal aid for all long-term unemployed who have a substantial attachment to the labor force;
- Provide a standby temporary extension of the program for automatic use in recession periods.
- Cover three million additional workers;
- Raise the tax base from its present $3,000 in earnings to $4,800 for employer contribution purposes.

Submission of the program to Congress occurred almost simultaneously with the adjournment of the California legislature, which produced very limited gains in California's U.I. program.

A letter to the President from Secretary of Labor Arthur J. Goldberg, transmitted with the President's request to Congress, noted that the changes incorporated into the proposed bill "do not represent everything that might be done to effect improvements in the federal-state unemployment system," but they do "constitute a new and practical program which, if enacted, would greatly strengthen the structure and operation of the system, as well as provide a foundation for future improvements."

The following are provisions of the Administration bill:

- Establish a permanent federal program of additional unemployment compensation for individual workers who are jobless for long periods. The added federal benefits would be payable for a maximum of 13 weeks to workers exhausting regular state aid without finding work, providing they had been employed 78 weeks during the preceding three years.
- Set up on a standby basis an emergency program of temporary extension of unemployment compensation, similar to the one now in effect, for use in recession periods.
- Broaden coverage to include firms with one of more employees, non-profit organizations, and agricultural processors.
- Require, beginning in 1964, state laws to provide benefits equal to 50 percent of the individual's normal wage, not to exceed 50 percent of each state's average weekly wage. This would rise to 60 percent of the state's average weekly wage in 1966, and to two-thirds in 1968.