

## Kennedy Denies Veto Request—Bracero Bill Signed

President Kennedy, this Wednesday, signed a two-year extension of the Mexican farm labor importation program despite joint appeals by labor, religious and other groups that he veto continuation of the program.

Both the national AFL-CIO and the California Labor Federation had joined in the veto request.

In a strong letter directed to the President, state AFL-CIO Secretary-Treasurer Thos. L. Pitts had blasted congressional approval of a House-Senate conference committee report which deleted the McCarthy minimum wage amendment inserted earlier into the extension bill on the floor of the upper house.

The following is the full text of Pitts' veto request to Kennedy:

"We are deeply disturbed over passage of the conference report on Public Law 78 by an affirmative vote of only 41 out of our 100 Senators and under the adverse circumstances created by the pressures for adjournment.

"The proposed renewal of this measure in virtually unchanged form would continue federal complicity for another two years in the shameless depression of the wages and working conditions of our two million farm workers and their

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## Gruhn Cites Rehabilitation Needs

The concept that "a worker must be an absolutely perfect physical specimen in order to be considered employable" was sharply attacked this week by state AFL-CIO President Albin J. Gruhn in a speech delivered before the San Francisco convention of the National Rehabilitation Association.

Citing the rehabilitation needs of 17 million Americans of all ages afflicted with some form of mental or physical disability, Gruhn reviewed the gross inadequacy of public rehabilitation services and outlined labor's proposals for elevating these services to a realistic level.

The state AFL-CIO official noted that out of some 6 million handicapped persons of working age who are experiencing job placement problems, an estimated 2.5 million would be capable of holding jobs after vocational rehabilitation.

In California, Gruhn declared, the state's vocational rehabilitation service is able to meet only one-tenth of rehabilitation needs and is dropping further behind each year due to inadequate funds and a shortage of technical personnel.

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THOS. L. PITTS  
Executive  
Secretary-Treasurer

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## Pitts Credits High Wages to Skilled Manpower Pool

Development of the state's supply of skilled manpower through the joint efforts of labor, management and government has been described by the state's top AFL-CIO official as the base for California's high wages and living standards.

Addressing a banquet marking the graduation of a group of refrigeration and air conditioning apprentices in Los Angeles last Friday, California Labor Federation Secretary-Treasurer Thos. L. Pitts noted that California's higher standards have been maintained despite "intense competition for industry and jobs from many southern states seeking to lure industrial plants into their areas through short-sighted schemes of subsidized industrial migration relying primarily upon the use of low wage standards and inferior working conditions."

"This, indeed, has been formid-

able competition," Pitts declared, "and, everything else being equal, we might well have expected California's standards to settle at the depressed levels of those prevailing in states such as Arkansas and Mississippi. . . ."

"Through the development of our skill and efficiency potential," Pitts added, the state's high wage economy is made possible.

Pitts noted with concern the fact that our apprenticeship programs are producing journeymen at a rate barely adequate to replace those leaving the skilled trades for one reason or another. This lag is taking place, he pointed out, despite federal estimates that the nation's skilled manpower pool of 8.5 million workers in 1960 must be expanded to the 11 million level by 1970 to meet the requirements of our economy.

For every 100 skilled craftsmen in our labor force during 1955, Pitts observed that 145 will be needed by 1975. Complicating the picture, Pitts cited Department of Labor estimates that unskilled manpower requirements will undergo a 25 percent decline during this period while the overall labor force undergoes substantial expansion.

Pitts reviewed the rapid changes brought about recently by developments in the area of electronics, automation, atomic energy and radar. Predicting that the pace of change will be even quicker in the

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# GRUHN CITES REHABILITATION NEEDS

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mentally retarded group, who comprise three percent of our total population.

"Even in a progressive state such as California," Gruhn said, "the amount of vocational counseling staff available to the state's rehabilitation service authorities for work with the mentally retarded can at the most train and place 100 such persons annually."

Gruhn credited three basic factors as the underlying cause of the failure to make rehabilitation services available to the bulk of those needing such assistance:

1. Lack of knowledge as to available services.
2. Insufficient governmental appropriations to utilize facilities already in existence.
3. Failure of states to avail themselves of federal matching funds, a factor which may cause California alone to lose up to \$1.5 million in the coming fiscal year.

Rehabilitation personnel attending the convention from all sections of the nation were also told the details of national AFL-CIO Community Services' recently established "Labor Program for Rehabilitation".

Aimed at involving unionists at all levels in a "concerted effort to improve the nation's rehabilitation services," Gruhn pointed out that the program seeks to spread knowledge of existing facilities by instruction of union counselors.

The national effort, he said, is also designed to encourage labor cooperation with community rehabilitation groups and participation in the determination of local rehabilitation needs and resources in order to promote intelligent planning. As one phase of the community resource survey, Gruhn noted that affiliates are being asked to examine union health care plans to see whether or not rehabilitation services are offered as benefits.

The program also calls for labor's support of properly developed sheltered workshops. Recognizing that these workshops have at times been the subject of union criticism, Gruhn quoted from a recent statement by AFL-CIO President George Meany:

"This is a useful system if it is

properly run. But a sheltered workshop should not be a sweatshop in the guise of charity.

"It should, as the Fair Labor Standards Act requires, pay prevailing wages, including overtime, for a similar quantity and quality of work in private employment. It should comply with workmen's compensation and social security laws. It should acknowledge the worker's right to organize and bargain collectively. . . .

"But obviously the best place for a handicapped worker is side by side with other workers, doing the same job and getting the same pay for it. The evidence is overwhelming that, given an effective rehabilitation program and a sensible placement service, this end can be reached for the great majority."

On the subject of finances, Gruhn pointed out that the cost of an all-out vocational rehabilitation program would be completely wiped out by greatly increased tax revenues from handicapped workers restored to gainful employment. The state AFL-CIO president concluded:

"Everyone profits when the disabled are restored to employment. Too often we have not recognized this obvious fact."

## High Wages Credited To Skilled Manpower

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future, Pitts advised the new journeymen:

"The implication of these developments are important to you because of the challenge they present in terms of keeping your journeyman skills abreast with technology. The problem of skill obsolescence is real and threatening. . . .

"But while the 1960's will confront many skilled workers with possible displacement . . . , they will at the same time usher in new opportunities for upgrading. The direction in which the individual craftsman will travel as major innovations move in on his trade will depend largely on the extent to which he takes advantage of retraining opportunities made available to him."

## NLRB Upholds Agency Shop

One of the first major impacts of President Kennedy's appointments to the National Labor Relations Board was felt late last week in a 4-to-1 decision upholding the legality of the "agency shop" in "right to work" states under the Taft-Hartley Act.

The ruling repudiated an adverse 3 to 2 finding on this issue in February of this year. At that time, the board was still dominated by Eisenhower appointees.

Under a collective bargaining contract containing an agency shop clause, workers who choose not to belong to the union are required to pay the equivalent of dues and fees to the labor organization involved in return for services and benefits they receive.

Many observers saw the decision as the beginning of a chain of policy reversals affecting issues ranging from picketing rights to organizational disputes between unions.

The majority opinion argued that, in drafting the Taft-Hartley Act, it had never been the intent of Congress to give non-union workers a "free ride".

Pointing out that individual workers would still retain the freedom to abstain from union membership in "right to work" states, the majority stated, "We have no doubt that an agency shop agreement is a permissible form of union security" under Taft-Hartley.

The NLRB decision instructs General Motors Corporation to negotiate with the United Automobile Workers on an agency shop proposal for nine of the company's plants in Indiana employing some 14,000 non-union workers.

Indiana's courts had held that the state's "right to work" law did not prohibit agency shop agreements. Along with similar laws enacted by 18 other states, Indiana's "right to work" law bars collective bargaining agreements compelling workers to join the union as a condition of employment.

The changed complexion of the NLRB resulted from the replacement of two Eisenhower appointees earlier this year. The new members of the board are Chairman Frank W. McCulloch, former aide to Senator Paul Douglas, and Gerald A. Brown, previously with the board as regional director in San Francisco.



## Congress Adjournment Leaves Heavy Backlog of Issues

The 87th Congress has adjourned for a three months' break, leaving behind it a long list of hotly controversial issues for consideration during the 1962 session.

Adjournment came last week amid a resurgence of conservative strength in the House over Administration supporters in the Senate. House conservatives succeeded in cutting the Administration's foreign aid bill by nearly \$1 billion in one conference committee compromise, and in another report, successfully inserted a provision which in effect repealed authorizations previously granted to a number of agencies to finance programs without going to Congress for money each year. In the process, cuts were made in funds authorized for rapid transit and open space grants.

This was done by House adjournment after adopting a compromise omnibus appropriations bill, leaving the Senate with a take-it-or-leave-it proposition involving more than \$1 billion in appropriations for governmental operating expenses.

Put over until next year were such major issues as health care for the aged, retraining programs for jobless workers, expanded public works to bolster a still-sagging economy, federal standards for unemployment insurance, migrant worker protections and federal aid for education, among others.

Here's a run-down on this heavy backlog of major issues:

**Health Care for the Aged under Social Security:** The House Ways and Means Committee has held hearings on the Anderson-King bill but put off action until 1962. President Kennedy has said the bill will carry the Administration's "highest priority."

**Manpower Retraining:** The House Rules Committee put off action on a Senate-passed bill setting up a four-year program for retraining jobless workers. Pending in both houses are committee-approved bills for a Youth Conservation Corps and training of jobless youngsters.

**Aid to Education:** A Senate-passed bill providing large-scale federal aid to schools is blocked by the House Rules Committee. Controversy over church-state relationships has allowed conservatives to use Rules Committee procedures to

delay action. A renewed effort is expected to break the impasse.

**Unemployment Compensation Standards:** Administration proposals to set minimum standards of duration and amount for state jobless benefits are awaiting action in House Ways and Means Committee.

**Public Works:** A labor-backed bill sponsored by Senator Joseph S. Clark (D-Pa.) to provide federal funds to step up local public works projects during recessions has been promised the President's backing if unemployment persists at the present nearly 7 percent rate.

**Jobsite Picketing:** A House Labor subcommittee held hearings on removal of restrictions on the right to picket construction sites, but took no action except to report two bills without recommendations. The AFL-CIO and the Administration urged passage.

**Migrant Workers:** Five Senate-passed bills to protect migrant farm workers against exploitation, curb child labor on farms and help educate children of migrants are awaiting Senate action. Administration-supported efforts to make major reforms in Mexican farm labor program this year were blocked when Senate conferees agreed to delete a minimum wage provision from a bill extending the program for two years.

**Welfare and Pension Disclosure:** Committee-approved bills tightening reporting requirements for unions and employers and giving stronger enforcement powers to the Secretary of Labor are awaiting action in both houses. The AFL-CIO and the Administration supported even stronger measures.

**Civil Rights:** The Kennedy Administration, which has used executive authority to expand equal rights, may seek additional legislation carrying out recommendations on voting and school desegregation made by the Civil Rights Commission. The AFL-CIO has urged enactment of a fair unemployment practices law.

**Tax Reform:** The House Ways and Means Committee held hearings on the Administration tax plan but put off action until 1962. The Kennedy package includes labor-supported proposals to plug tax loopholes, along with new incentives for business which the AFL-

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families to levels which are incredibly alien to American standards. Beyond this, the survival of this farm labor importation program would extend the competitive advantage it has bestowed upon corporation farms in the form of a vast pool of cheap labor which has been harnessed so successfully toward eliminating hundreds of thousands of family farmers.

"There can be no doubt that the people of California, and of the entire nation, would overwhelmingly welcome the termination of this infamous statute.

"In view of the conference's elimination of the McCarthy amendment to place a modest floor under wages paid to Mexican Nationals in each state, along with deletion of the bar against bracero employment on power-driven machinery, the legislation falls abysmally short of meeting the minimum acceptable standards specified by your Administration and in the Democratic Party platform as a condition of renewing this program.

"We therefore call upon you to implement your avowed position in this matter by vetoing this creation of the corporate farmers. We are further strengthened in our conviction that this is the only proper course of action to be taken by the knowledge that, had the entire Senate been in Washington on September 23, the conference report would have been soundly defeated by a majority vote of that body.

"In behalf of the 1.3 million working men and women affiliated with our Federation, I urge you to give your most earnest consideration to our request which embodies the position unanimously adopted by the 2,000 delegates to our state convention in August 1960."

CIO has opposed. The AFL-CIO has also asked for a flexible tax-reduction authority for the President as an anti-recession weapon.

**Aid to Medical Education:** The Senate has held hearings on an Administration-backed measure providing federal funds for construction of medical school facilities and scholarships for medical students.

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## Business Uses Common-Sense Reasons in Plant Locations

Although some communities are still trying to lure "runaway" plants with false attractions through tax abatement, low wages and anti-labor laws, most intelligent businessmen prefer common-sense, bread-and-butter reasons when they look for new plant locations.

This is the conclusion reached by the AFL-CIO Research Department in an article, "The Truth and Consequences of Industrial Plant Migration."

The article summarizes business thinking in this observation:

Since businessmen are interested in producing and selling at a profit, their major concerns in locating plants are practical economic factors — customers, raw materials, skilled labor.

Citing several authorities, the AFL-CIO research piece pinpoints these conclusions:

- Growing industries are not usually attracted by gimmick lures such as so called "right to work" laws or tax-free plants. They look primarily for locations near their customers or raw materials, or for areas with trained manpower and good educational and research facilities.

- The few industries attracted by low wages, anti-labor laws and gimmicks are low-investment industries seeking unskilled labor. They can move easily from one low-wage area to another. They do not represent the prospect of sound community economic growth.

- The sound economic health of a community depends on growing, diversified industries. Such industries depend mainly on nearby customers to buy the things they pro-

duce, and for skilled labor, good schools, community facilities.

In spite of the arguments against it, plant pirating is a problem, according to the article. The AFL-CIO Department of Research says:

"Many communities think they can solve their problems through special lures to pirate plants from other areas. Competition among communities, on the basis of such lures, is harmful to the nation.

"Low wages mean poor customers for shopkeepers. Tax-free plant structures mean a low tax base for the community's schools, roads, hospitals. A plant lured to a town by low wages and gimmicks may leave for another town with additional 'attractions.'"

Among other points made by the researchers are the following:

- Effects of the Indiana "right to work" law of 1957 were tested in a survey by Forbes Marketing Research, Inc. Of 10 reasons given for building or expanding plants in that state, nearness to markets was given as first in importance. Labor skills were second.

Only seven of 100 companies listed RTW as a factor in their decisions, and only one cited the law as a primary attraction. That company had only 60 jobs.

- New York and Minnesota state surveys came up with similar findings. So did economic analyses reported in the Harvard Business Review and Dun's Review.

- The pace of the South's progress has slowed down slightly in recent years, and it is still far behind the nation in per capita income, educational standards, and living standards. The relative slowdown suggests not enough spur exists despite the progress made.

## District 50 Roofing Contract Outlawed

In a settlement agreement entered into with the National Labor Relations Board, a group of Northern California roofing contractors bowed out of an illegal contract with United Mine Workers District 50.

Unfair labor practice charges were filed with the Board after the roofing contractors entered into a 16-county agreement with District 50 on August 16. The contractors' employees up to that time were represented by AFL-CIO's United Slate, Tile and Composition Roofers, Damp and Waterproof Workers Association, Locals 129 and 175.

Under the terms of the settlement agreement, the contractors are to resume collective bargaining with the two AFL-CIO locals. Recognition of District 50 is to be withdrawn and the agreement with that organization must be considered voided by the employers.

In addition to promising not to interfere with the rights of their employees to join the AFL-CIO Roofers Union, the contractors consented to reinstating four employees and payment of any lost back wages.

Despite this development, a warning has been issued by the State Building and Construction Trades Council of California:

"This does not settle the issue with these contractors. In keeping with their anti-union AFL-CIO activities, they have hired Employers Incorporated to represent them. This is the organization that is leading the strikebreaking activities of the San Francisco-Bay Area soft drink bottlers, who are now advertising for strikebreakers to operate and deliver their products. ..."