

## RIGHT TO WORK DECISION APPEAL

The California Supreme Court will be petitioned for rehearing on the injunction features of last week's decision rendering invalid the Trinity County right to work ordinance, it was announced this week.

On Tuesday, May 19th, the State Court's six justices unanimously held in two decisions that local right to work ordinances enacted in Trinity and San Benito Counties were invalid.

In a 4 to 2 decision in the Trinity County case, however, established a new ruling on organizational picketing in California.

In a reversal of former decisions, the court declared that the State Labor Code makes illegal union picketing of any form where a majority of the employees do not want to become union members, with a right to seek injunctive relief.

Justice Roger J. Traynor, dissenting strongly from the majority, said that the four Justices had usurped legislative power.

The effect of the majority decision was to create an inconsistency in upholding the issuance of an injunction and at the same time declaring the ordinance upon which it was issued to be void and illegal.

The decision further is inconsistent with the recent U. S. Supreme Court Garmon decision prohibiting state action where exclusive jurisdiction of an interstate issue has been reserved for the federal government and federal courts.

Petition for rehearing of the injunctive features of the Trinity decision is being prepared by Charles P. Scully, General Counsel of the California Labor Federation, AFL-CIO.

## LEGISLATURE SENDS CIGARETTE AND INCOME TAX BILLS TO GOVERNOR

Governor Edmund G. Brown this week received legislative approval of some \$122,450,000 of his \$200 million plus tax increase program to balance the budget.

The State Senate on Tuesday voted approval of his 3-cent a pack tax on cigarettes and cigarettos designed to produce \$61,750,000 in increased consumer taxes to balance the 1959-60 state budget.

In follow-up action the same day the upper house voted another \$60,700,000 in income tax increases. The cigarette tax measure is embodied in AB 1172 and the income tax in AB 1177, both by Assemblyman MacBride (Dem. Sacramento).

Voting on the measures followed  
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## UNEMPLOYMENT INSURANCE BENEFIT BILL REFERRED TO ASSEMBLY POLICY COMMITTEE

Assembly Ways and Means Committee this Monday referred AB 590, the negotiated unemployment insurance bill, back to the lower house committee on Finance and Insurance for review of its provisions.

Last week the Ways and Means Committee recommended by voice vote the deletion of provisions in the measure which would have extended unemployment and unemployment disability insurance benefits to employees of nonprofit organizations and state, county and municipal governments. These exemptions from the bill, involving some 660,000 employees, however, were never amended into the bill.

Previous to last week's effort to remove the coverage provisions, Governor Brown had stated that he was opposed to any extended coverage to state employees because of the added cost under tight budget circumstances. In announcing his opposition to coverage of state employees, however, he stated that his administration would work for extension of coverage to nonprofit employees.

As the bill is referred back to the Finance and Insurance Committee the coverage provisions for nonprofit and

public employees remain in AB 590, although many of the members of the Governor's own party are seeking means of deleting not only the extension of coverage to public employees, but also to nonprofit employees.

In Finance and Insurance, AB 590 has been referred to a subcommittee composed of the following: Munnell (D), DeLotto (D), Burton (D), Levering (R), Thelin (R).

The benefit provisions of the referred measure include an increase in the maximum weekly benefit amount from \$40 to \$55, and an increase in the casual earning allowance for those drawing benefits from \$3 to \$12 a week.

Under the present unemployment insurance benefit structure, jobless workers are compensated between \$10 and  
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## Legislature Urged to Block Unjust Enrichment In Water Development Program

The California Water and Power Users Association, representing an alliance of labor, family farm organizations and other consumer oriented groups and individuals, called upon the state legislature this Thursday to block the tremendous potential for enrichment of giant landholders in the development of state water resources.

The appeal reached the legislators just as the state Senate prepared to debate Governor Brown's proposed \$1.75 billion bond issue to put California into the water and power business.

Each member of the legislature was sent a colored chart depicting the shocking ownership pattern of land holdings in the vicinity of the San Joa-

quin Valley-Southern California aqueduct in the proposed state Feather River Project.

Over 63 percent of the lands in the potential water service area in Fresno, Kings and Kern Counties were charted as being in holdings of over 1,000 acres per owner, including Standard Oil with 218,485 acres; other oil companies with 264,678; Kern Land Co. with 348,026; Southern Pacific with 201,851; and Tejon Ranch Co. 168,531. Some of the other large land holders of over 1,000 acres were tabulated by name in a separate page attached to the chart.

The Water and Power Users Association, dedicated to the principle of broadest possible distribution of benefits  
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## HEARINGS ASSEMBLY

### June 1st

#### Civil Service & State Personnel, 1.30 pm

\*AB 902 Bane. Pension contributions by local governments. **Good**

AB 2744 Meyers. State civil service punitive action. **Good**

AB 2747 Meyers. Disciplinary proceedings in state service. **Good**

AB 2699 S. Geddes. Medical and hospital care for state employees. **Good**

AB 2315 Meyers. Medical and hospital care for state employees. **Bad**

#### Criminal Procedure, 3.45 pm

AB 810 Burton. Wiretapping. **Good**

AB 2563 Dahl. Driver chemical tests for intoxication. **Bad**

AB 2611 Burton. Misrepresentation in election campaigns. **Good**

#### Education, 3.45 pm

AB 2497 McMillan. Suspension of pupils. **Bad**

AB 2098 Geo. Brown. OASDI Supplement for teachers. **Good**

AB 2173 Geo. Brown. OASDI contribution to local retirement plan. **Good**

AB 1675 Porter. Survivors benefits in state teachers retirement plan. **Watch**

#### Finance & Insurance, 1.30 pm

AB 2655 Waldie. UI disqualification on compulsory retirement. **Good**

AB 2723 Petris. Insurance policy termination during agents strike. **Good**

AB 2726 Biddick. Workmen's compensation re firefighters. **Good**

\*AB 1163 Rees. Rees-Doyle Act scope. **Good**

AB 1164 Rees. Rees-Doyle Act adm. cost. **Bad**

AB 1167 O'Connell. Rees-Doyle Act scope. **Good**

\*AB 590 Munnell. UI package bill. **Good**

AB 2271 and 2272 Burton. Workmen's compensation. **Good**

AB 2382 Rees. Firefighters workmen's compensation benefits. **Good**

#### Transportation and Commerce, 1.30 pm

AB 2683 and 2582 Gaffney. SF-Oakland Bridge tolls. **Watch**

AB 2684 Gaffney. SF-Bay Southern Crossing. **Watch**

AB 2539 De Lotto. Highway district construction or repair work. **Bad**

#### Ways and Means, 1.30 pm

\*AB 702 Pattie. Contracts for public works. **Good**

AB 497 E. R. Geddes. Admission to child care centers. **Good**

AB 1403 and 1404 Johnson. Atomic energy development and radiation protection. **Good**

AB 1518 Geo. Brown. Health and safety of employees of common carriers. **Good**

AB 2161 Gaffney. Employment service for aged. **Good**

### June 2nd

#### Government Organization, 1.30 pm

AB 2258 Winton. Prohibit campaign contributions by liquor interests. **Watch**

#### Governmental Efficiency and Economy, 3.45 pm

AB 2720 Elliott. Salaries of Barber Board members. **Watch**

SB 510. Outdoor advertising. **Watch**

AB 1761 Hawkins. Contractors trust fund. **Good**

AB 1553 Meyers. Unfair competition in sale of cigarettes. **Bad**

AB 1281 Geo. Brown. Professional engineers. **Bad**

AB 1591 Backstrand. Subcontracting bidding on public works. **Watch**

#### Water, 1.30 pm

AB 2860 and 2861 O'Connell. Anti-monopoly protections in state water development. **Good**

### June 3rd

#### Education, 3.45 pm

AB 2493 Waldie. School district printing. **Good**

SB 1058 Montgomery. Employment of retired teachers. **Good**

#### Elections and Reapportionment, 1.30 pm

AB 2814-16 Burton. Tabulation of vote by party. **Good**

AB 2853 MacBride. Selection of partisan candidates. **Watch**

AB 2868 Kilpatrick. Open primary. **Bad**

AB 2792 Hawkins. Limitation on campaign expenditures. **Watch**

#### Judiciary—Civil, 2.30 and 8 pm

AB 2905 Francis. Coroner's inquests. **Bad**

AB 2592-95 Bruce Allen. Unfair trades and restraint of trade. **Watch**

#### Public Health, 1.30 pm

AB 2654 Cunningham. Advertising by barber colleges. **Watch**

AB 2735 Kilpatrick. Radioactive contamination. **Watch**

AB 2662 Rees. Motor vehicle air pollution. **Watch**

AB 2725 Busterud. Kosher meats. **Watch**

AB 2872 Rumford. Motor vehicles air pollution. **Watch**

AB 2873 Rumford. Emergency medical treatment. **Watch**

AB 2761 Meyers. Rest rooms in business est. **Good**

#### Public Utilities & Corporations, 3.45 pm

AB 2686 Z'berg. Equipment of rail track motor cars. **Good**

AB 2438 and 2439. Pay TV. **Bad**

#### Civil Service and State Personnel, 8.15 pm

AB 2891 Gaffney. Maritime safety engineers. **Good**

### June 4th

#### Governmental Efficiency & Economy, 8 pm

AB 2894 Gaffney. Contractor's performance bond. **Good**

AB 2495 Hawkins. FEPC appropriation. **Good**

AB 2797 Hawkins. False advertising. **Good**

AB 2800. Discrimination in publicly assisted housing. **Good**

AB 2612 Burton. Discrimination by state licenses. **Good**

#### Industrial Relations, 3.45 pm

AB 2658 Mulford. Employment of alien students by public agencies. **Watch**

AB 2741 Gaffney. Maritime industrial safety. **Good**

AB 2890 Maritime safety engineers. **Good**

#### Municipal & County Government, 1.30 and 8 pm

AB 2656 Elliott. County public-assembly facilities. **Bad**

AB 2772 De Lotto. Advertising of counties by private agencies. **Good**

AB 2839 Z'berg. Aliens in public service. **Watch**

AB 2845 Meyers. Bay area planning agency. **Good**

#### Transportation and Commerce, 1.30 pm

AB 2807 Miller. Sunday closing of vehicle dealers. **Good**

AB 2898 Meyers. Licensing of vehicle repair shops. **Watch**

## HEARINGS SENATE

### June 1st

#### Agriculture, 9 am

SB 1391 Rattigan. Labeling requirements for California grown chickens. **Good**

SB 1390 Rattigan. Labeling requirements for California produced eggs. **Good**

#### Finance, 10.30 am

SB 602 McBride. Workmen's compensation; reports to Bureau of Vocational Rehabilitation. **Good**

SB 624-26 McBride. Vocational rehabilitation. **Good**

SB 673 McBride. Rehabilitation of industrially injured. **Good**

SB 736, 737 and 739 McBride. Education of physically handicapped. **Good**

#### Labor, 1.30 pm

\*AB 515 Masterson. Workmen's compensation for firefighters. **Good**

AB 1764 McMillan. Wage deductions. **Good**

AB 213 O'Connell. Subsequent injuries fund. **Good**

SB 1436 Short. Employment agencies. **Watch**

#### Public Utilities, 10 am

SB 1425 and 1426 Holmdahl. Fixing of public utility rates. **Good**

AB 2374 Hegland. Rates of publicly owned utilities. **Bad**

SB 1413 Short. Railroad toilet facilities on locomotives. **Good**

SB 1196 Holmdahl. Telegraph and telephone company city franchises. **Watch**

#### Revenue and Taxation, 1.15 pm

SB 1432 and 1433 Brown. Depletion deductions for mineral extraction. **Bad**

SB 1023 Teale. Property tax on public utilities. **Watch**

SB 1470 Fisher. Property taxation of private utility public agency property. **Good**

SB 1017 Teale. Privilege tax on public utilities. **Watch**

### June 2nd

#### Business and Professions, 1.15 pm

AB 687 Masterson. Trading stamps. **Watch**

AB 1698 Winton. Registration of trading stamp companies. **Watch**

AB 1249 O'Connell. Actions by collection agencies in collecting assigned claims. **Good**

AB 2241 Bruce F. Allen. Circulation of election petitions by professionals. **Watch**

### June 3rd

#### Education, 9 am

AB 358 Elliott. Teacher lunch periods. **Good**

AB 1328 E. R. Geddes. Prohibited instruction in schools. **Good**

AB 2160 E. R. Geddes. Child care centers. **Watch**

#### Governmental Efficiency, 9.30 am

AB 163 Dills. Imported press purchase by schools for training. **Watch**

#### Insurance and Financial Institutions, 1.30 pm

AB 1960 Z'berg. DI benefits when drawing workmen's compensation. **Good**

#### Local Government, 1 pm

AB 1862 Elliott. Non-certificated school employees. **Watch**

AB 1889 Geo. Brown. Personal property replacement by cities, counties and local agencies. **Good**

AB 2327 George A. Wilson. Non-certificated school employees probation period. **Watch**

AB 1475 George Brown. Fire protection districts. **Watch**

### June 4th

#### Water Resources, 9 am

AJR 23 and 25 Z'berg and Bruce Allen. Trinity "partnership." **Good**

### June 8th

#### Finance, 10.30 am

\*AB317 Z'berg. Public Works contracts include health and welfare payments in "prevailing rate." **Good**

AB 802 Davis. Cost accounting by Fish and Game Dept. **Good**

# FIELD PACKED VEGETABLES CONTAMINATED BY LACK OF WORKER TOILET FACILITIES

A charge that most California field packed vegetables are contaminated and unfit for human consumption was hurled this week by Joe Ollman, West Coast Director of the Packinghouse Workers Union (AFL-CIO) in telegrams to the State Department of Public Health and Attorney General Stanley Mosk.

Alleging that it is "common and almost universal" practice for field harvesting crews to excrete in the vegetable fields because of the absence of toilet facilities, Ollman called upon the state officials to condemn as "adulterated food," under the State Pure Food and Drug Act, any vegetables harvested or packed in fields which are not provided with adequate toilet facilities for the harvesting crews.

In support of its charges, the union offered to furnish photographic and filmed evidence showing harvesting crews relieving themselves on produce in process of being packed and shipped to retail outlets. "The evidence," Ollman said, "reveals a shocking disregard by profit hungry agricultural interests for the health of the general public, to say nothing of the workers in the industry."

Citing a four year old investigation of sanitary conditions in the lettuce industry by the State Department of Public Health which found that "in the area covered most operations had no toilet or handwashing facilities available to the workers" and that the common practice was for field harvesting crews to relieve themselves "in the field or nearby ditches." Ollman said:

"In spite of these startling revelations which directly relate to the health of the entire American public, since from 30% to 60% of U. S. vegetables are grown in California, practically nothing has been done to correct this state of affairs and things remain substantially the same now as then throughout the entire vegetable industry."

The investigation referred to by Ollman (Sanitation Problems in the Harvesting of Field Crops, California State Department of Health, Berkeley, California—1956) noted with regard to the lettuce industry that "there was little or no preparation or provisions being made to solve the basic problems of sanitation such as water supply, sewage disposal, personal hygiene and general cleanliness of the environment" and found that these conditions involved risks to the public health which were "extremely serious."

Ollman said that the union request for condemnation of field crops harvested under unsanitary conditions had been delayed, following similar complaints made by the union four years ago, "in order to give the growers a chance to clean things up voluntarily. However, the results reveal that voluntary action has not been forthcoming."

A "public be damned" attitude characterizes the business interests which dominate the vegetable industry, Ollman added. Rather than incur the expense involved in providing sanitary facilities and sufficient supervisory personnel to guarantee proper sanitary practices in field harvesting, he said, these employers prefer to expose the entire American public to the danger of disease. "Although these employers have known for several years that, as stated by the California State Department of Public Health, 'experience in many parts of the world proves beyond the shadow of a doubt' that diseases of enteric origin are transmitted under such conditions and represent a 'serious threat' to health, the vegetable growers have done practically nothing to correct the situation."

The following is the full text of the wire sent to Dr. Malcolm H. Merrill, Director of the State Department of Public Health, and Attorney General Stanley Mosk.

"Conditions in vegetable industry found four years ago by State Department of Public Health to be 'extremely serious' danger to public health as result of failure of vegetable growers to provide toilets and harvesting crews relieving themselves on produce being packed for shipment to retail outlets are substantially the same now as then. Practically no toilets in fields today and common and almost universal practice is to excrete on produce. Union has incontrovertible proof of this general practice in form of photographs and films and will furnish on request. Evidence reveals shocking disregard for health of general public and workers on part of profit hungry agricultural interests in Imperial Valley, Salinas Valley and generally throughout California. Request you take immediate action to condemn under State Pure Food and Drug Act vegetables harvested in fields where no toilet facilities are available within reasonable distance to harvesting crews. This action needed at once to protect health of general public and to eliminate risk of epidemic through transmission on raw vegetables of diseases of enteric origin. Program of voluntary cooperation by growers inaugurated four years ago a complete failure as field trip by your representatives to any area where vegetables are harvested will competely demonstrate."

## CIGARETTE AND INCOME TAX BILL GO TO GOVERNOR

(Continued from Page 1)

closely party lines. The cigarette tax bill was passed by vote of 26-10 and the income tax measure on a roll call of 26-11.

As passed by the Senate, some \$9,000,000 in revenues were dropped from the cigarette tax measure by the elimination of a 15% tax on the wholesale price of cigars and other tobacco products.

The income tax measure substantially narrows the tax brackets from \$5000 to \$2500 and increases the top tax rate on taxable incomes over \$15,000 from 6% to 7%. These changes in the rate structure are combined with a \$500 decrease in the personal exemption, a \$200 increase in the deduction for dependents, a boost in the standard deduction for those who itemize deductions from 6% to 10%. Two federal tax conformity amendments are included in the treatment of capital gains and the "rapid write-off" of business property for depreciation.

It is recognized by political observers in Sacramento that the Governor is still a long way from securing the enactment of the remainder of his overall tax program. The Senate has clearly indicated that it will hold up the Governor's remaining proposals until it determines what can be done with the state budget, which is still in Senate Finance Committee.

A quick run-down of the Governor's remaining tax proposals finds them in the following stages of the legislative process:

Both Assembly Bills 1171 and 1175, providing for an increase in the beer excise and bank and corporation taxes, respectively, are on inactive file on the Assembly floor awaiting final clearance of the Governor's budget.

AB 1174, containing the Governor's 2% severance tax on oil and gas, amended to impose a complimentary tax on oil and gas importations, will get its first hearing this week by the Assembly Committee on Revenue and Taxation.

Assembly Bills 1173 and 1176, designed to increase horseracing revenues and the state inheritance and gift tax take respectively, have cleared the Assembly. The horseracing measure is being held up for final clearance in the upper house Finance Committee before going to the Senate floor. The inheritance and gift tax measure, on the other hand, is still waiting policy hearing in the upper house Revenue and Taxation Committee.

## UNJUST ENRICHMENT IN WATER DEVELOPMENT PROGRAM

(Continued from Page 1)

from water development projects, pointed out that many of these owners obtained their present advantageous positions through government subsidies of one sort or other. The Association added:

"Now they stand to gain further huge windfalls at the expense of California taxpayers if the proposed water program before the legislature is adopted in its present form without any safeguards against water monopoly or limitations on subsidies and enrichment."

On the basis of "conservative" estimates of subsidies and enrichment involved in the state water program, Tejon Ranch was singled out by way of an example as being in line for some \$14,000,000 of unjust enrichment, "and perhaps even more."

The Association pointed out that Walkers Manual of Pacific Coast Securities for 1958 (page 1113) lists the "Times-Mirror Corporation and Chandler and Sherman interests" as holding "approximately 40%" of Tejon Ranch. Norman Chandler is listed as one of two Vice-Presidents of the ranch.

The aqueduct proposed in reports of the Department of Water Resources would go through the Tejon Ranch part of which is located in Kern County. The association said Department reports also indicate that there will probably be enough water available to irrigate about 20,000 acres of the huge ranch, which totals some 270,000 acres in both Kern and Los Angeles Counties.

In its appeal to legislators for action, the Water and Power Users Association carefully outlined the nature of the subsidies and unjust enrichment in water development.

On the question of how much subsidies were involved in the state water program, the Association told legislators:

"Nobody knows for sure because of the lack of specific financial standards and the inadequacy of Department of Water Resources reporting to the legislature. The amount of subsidy to irrigation water depends upon:

(a) The amount of interest on construction funds which is not paid back by water users over the pay-out period.

(b) The amount of power subsidies (excess power revenues used to reduce the cost of irrigation water).

(c) The amount by which other water users pay a higher price than the cost of bringing water to them in order to lower the cost of irrigation water.

"Also to be considered is the amount of construction expenditures charged off as "non-reimbursable" such as for

flood control, which reduce the cost of water because the entire amount of the non-reimbursable capital outlay is absorbed by the taxpayers.

"The actual subsidy per acre to irrigators in the proposed state program would be the difference between the actual cost of bringing water to land and the amount paid back by the users. Although the exact subsidy involved is unknown at this point, we have the experience of the U. S. Bureau of Reclamation in the CVP as an indicator.

"According to a letter sent to Edmund G. "Pat" Brown, as Attorney General (February 4, 1957), from Clair Engle, then chairman of the House Committee on Interior and Insular Affairs, and five other California Congressmen, the federal government invests a total of \$700 an acre to bring Central Valley Project water to the land. Of this amount, the irrigators repay only \$123.00. The public power users repay \$227.00, while the federal treasury picks up the tab for \$350.00 in the form of interest payments. The total subsidy per acre is \$577.00."

On the question of how much land values would be increased as the result of taxpayer expenditures to bring water to land, the Association also pointed out:

"Nobody knows for sure because the enrichment factor varies with the land, but the estimates range from \$500 to \$1,000 an acre. This is a net increase which results from the greater productive value of land with water brought to it by the state. Department of Water Resources information on this crucial question is seriously lacking.

In estimating subsidies and enrichment under the proposed state water program, the Association cut the federal subsidy figure from \$577 an acre to \$200 an acre (assuming, it said, that subsidies in the state plan will not be of the same magnitude as the federal CVP, although the water resources department has not come forth with any estimates).

Likewise, in estimating the increased value of land, the lowest figure of \$500 an acre was used to obtain a total subsidy and enrichment estimate of \$700 an acre under the state program.

The association applied this conservative \$700 per acre figure to the 20,000 acres in Tejon ranch which might be scheduled for water to estimate the possible \$14,000,000 enrichment of the owners at the expense of the people.

The Association added in conclusion: "Comparable amounts would be realized by other large landowners —

## Legislative Notes

**Unemployment Disability Insurance.** \*AB 494 (Unruh) was sent to the upper house on Wednesday when the Assembly gave the liberalization measure a 49 to 0 vote of approval. The bill would increase the maximum weekly rate of compensation for disability from \$50 to \$65 in a uniform \$25 step schedule.

**Agriculture Workers.** The State Senate this week gave the exploited farm workers in the state another slap in the face when the upper house committee on Governmental Efficiency refused to approve a modest proposal to establish an Agriculture Labor Resources Committee to study and make recommendations to the Legislature on the plight of migratory workers and their families. The proposal was embodied in SB 1469, authored by liberal Senator Hugo Fisher from San Diego.

The bill was quickly sent to interim committee for "study of the subject matter of the bill" as soon as the wrecking crew of the big farm organizations arose in body to oppose the modest measure.

Some 21 states have similar committees operating in one form or another. Senator Fisher argued that the measure was necessary to give the Legislature the facts they need in the future as major agricultural issues are advanced for solution.

**Workmen's Compensation.** \*AB 1015 (Crown) containing the major features of the workmen's compensation liberalization program for the 1959 session of

(Continued on Page 5)

Standard Oil, Southern Pacific, Kern County Land Company and others.

"Is it the intent of the Legislature to provide such enrichment through the proposed water program?"

"If a bond issue of \$1.75 billion is put before the voters of California next year without meeting and dealing with this problem, what will be the outcome?"

"Will the people vote a bond issue which will greatly enrich and permanently enthrone a small group of special interests in the valley?"

"We believe this entire matter must receive the thoughtful consideration of the Legislature before it enacts any water measure this session.

"We also believe that principles of sound public policy require that the financial standards and protections against unjust enrichment be included in any basic water legislation."

## LEGISLATIVE NOTES

*(Continued from Page 4)*

the Legislature is presently on third reading file in the upper house waiting for passage. It is expected that this \$16 million-plus benefit bill for injured workers and their survivors will clear the Legislature within a few days.

**“Union Democracy” Bill.** As we go to press, SB 209 (Teale) is scheduled for hearing before the Industrial Relations Committee of the State Assembly.

The Governor has publicly declared that he is going to fight to secure passage of this so-called “union democracy and reform” measure, despite the defeat handed his labor representation bill (AB 419) by the State Senate.

It has been the understanding from the beginning of this session, when both measures were first suggested, that they were to be considered as one bill. Organized labor cannot be expected to stand idly by as the Governor seeks to regulate the internal operations of unions, while gaping holes in the framework of intrastate labor-management relations remain unplugged.

**Housing Discrimination.** The Hawkins bill, AB 890, designed to curb some of the widespread practices of racial and religious discrimination in publicly assisted housing, has been approved by the Senate Judiciary Committee, and is on the floor of the upper house. Although weakening amendments have been inserted into the measure, it represents a long overdue step forward in providing some of the tools necessary to correct the discriminatory practices prevalent in housing.

**Federation Bills.** Two Federation-sponsored measures sent to the Governor this week for signature include: \*AB 380 (Bane), making it unlawful for an employer wilfully and with intent to defraud to fail to make agreed payments into a pension or vacation plan; and \*AB 351 (George E. Brown), changing various references to cosmetologists for present references to a hair dresser and cosmetician or cosmetologist in the Cosmetology Act.

Four other Federation-sponsored measures cleared the Assembly and have been sent to the upper house. They include \*AB 1341 (Dills), providing for county service retirement for safety members after 25 years of service; \*AB 232 and \*AB 256, both by Assemblyman Dills, relating to county retirement law benefits; and \*AB 306 (George E. Brown), regulating advertising by barber colleges.

## UNEMPLOYMENT BENEFITS PROGRAM IN COMMITTEE

*(Continued from Page 1)*

\$40 a week, depending upon their earnings in the high quarter of their base period. The ratio of wage loss compensation ranges from 87% at the \$10 benefit amount, to 46% at the present \$40 benefit amount.

The negotiated benefit provisions in AB 590 would increase the ratio of wage compensation for some 41% of claimants who presently receive unemployment benefits that are far below the 46% wage loss level, and who in many cases are compensated for wage loss at levels of 30% and 25%.

AB 590 adds additional steps to the present \$40 maximum benefit schedule so that this 41% of the claimants will realize an increase in their wage loss compensation, but in an amount that would be less than the wage loss compensation received by those who presently have qualifying wages necessary to receive the present range of benefits from \$10 to \$40.

The effect of the benefit increase in AB 590, therefore, would be to leave the present 87% to 46% range of wage loss compensation untouched, and to bring the level of wage loss compensation for those who have earnings above the qualifying wage amounts in the present schedule into closer relationship with the existing wage loss range. All of the 41% of the claimants who would receive benefit insurance under AB 590 would still receive a weekly benefit of less than 46% of lost wages, ranging down to 41% compensation for the person who qualifies for the \$55 maximum in the bill.

The Department of Employment estimates that the increase in the maximum benefit to \$55 and the boost in allowable earnings from \$3 to \$12, will increase benefit payments by about thirty nine million dollars a year. The extension of coverage to nonprofit and public employees would provide another 11.9 million dollars in benefits if these coverage provisions are retained in the bill.

The added cost would be met by increased employer contributions through the following changes in the contribution formula: (1) Increase the employer taxable wage base from \$3000 to \$3600; (2) remove the zero rate in the so-called low merit rate schedule and provide a minimum contribution of .3 of 1% in this schedule; and (3) provide for charging individual employer accounts with the full amount

of benefit paid individuals by eliminating the present provision which restricts charge-backs to 18 weeks of compensation.

AB 590 is part of the negotiated unemployment insurance program which grew out of the early action of the Assembly Finance and Insurance Committee when it referred all unemployment insurance bills to subcommittee rather than taking up each bill on its merit.

Another bill, SB 945 (Miller), contains provisions in the unemployment package agreement which would permit unemployment claimants who exhaust their jobless benefits to draw extended benefits for a maximum of 13 additional weeks during calendar quarters when the unemployment level reaches six percent or more, or while undergoing retraining after exhaustion of benefits.

The extended jobless pay measure was heard by the upper house committee on Insurance and Financial Institutions this Wednesday, and was sent to the Senate floor by a unanimous vote.

SB 945 breaks new ground in the field of unemployment insurance in the partial recognition of employer financial responsibility for retraining of jobless workers who have been displaced by technological advancements. The extended benefit period in the measure would be available to a person who exhausts his normal benefits and decides to enter a bonafide retraining program instead of continuing to such work in his job classification.

The extended benefits would be triggered off when the unemployment level in any quarter reaches 6% statewide. Department of Employment calculations show that had the bill been in effect last year, the extended duration of unemployment insurance would have been available to jobless workers in three quarters. It would also be in effect in the present quarter of this year.

Cost estimates of the Department also indicated that SB 945 would yield some \$22 millions of additional benefits during the quarter that it goes into operation and the quarter that follows.

The application would be to all jobless workers who meet its liberal qualification provisions.

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FORM 3547 REQUESTED

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