

IWC Sets S. F. Meeting Date

The Industrial Welfare Commission of California will meet in San Francisco on November 29 to review procedures governing the reopening of its wage orders as voted recently in San Diego. The one-day session will be held in Room 2198 of the State Building, 455 Golden Gate Avenue, commencing at 10 a.m.

Commission Chairman John W. Quimby has announced that the IWC agenda will include the following:

1. Review of rules for wage boards which the Commission must establish for each of the orders being reopened.
2. Discussion of the classifications of industries covered by the various orders involved in the reopening.

The Industrial Welfare Commission orders regulate minimum wages and maximum hours, as well set minimum standards of working conditions for women and minors employed in private industry. Action on reopening was taken on October 16, 1961, when the Commission voted to reopen all of its orders with the exception of one promulgated earlier this year covering agricultural operations. (See News Letter, October 20, 1961).

The appointment of wage boards for the orders being reopened is required by law.

Each wage board must consist of an equal number of employee and employer representatives with an impartial chairman. The various boards make recommendations to

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CONTINUED HIGH JOBLESS RATE RENEWS AFL-CIO DEMANDS FOR ACTION

October jobless figures issued by government sources reveal only seasonal cuts in unemployment without any basic improvement in the nation's job picture.

Adjusted for seasonal variations, the nation's unemployment rate hit the second highest October level in ten years as it stuck near seven per cent for the 11th straight month.

The October rate of 6.8 per cent was unchanged from September, the Labor Department reports, in contrast with signs of recovery in other sectors of the economy.

In California, unemployment dropped seasonally to 5.3 per cent of the state labor force in October. The state figure, however, is not comparable with U. S. unemployment estimates because California makes no provision for elimination of seasonal variations in its figures. October is typically a seasonal low point in unemployment.

Release of the discouraging national figures produced an immediate renewal of AFL-CIO demands

for legislative action by the Kennedy Administration to combat the recession. President George Meany, in an interview on the program Issues and Answers over the ABC radio and television network, said labor is "not very happy" with the October report, and added that he saw no indications the picture would improve.

"In fact," Meany said, "we feel it will be just as bad in January and February of this coming year as it was in the past January and February."

Meany repeated the AFL-CIO's call for early enactment of the bill sponsored by Senator Joseph S. Clark (D., Pa.) to provide an emergency program of aid for local public works programs. This, the Federation president asserted, would "result in immediate employment of tens of thousands of people throughout the states," would "stimulate business," and would "give the economy a real shot in the arm."

Meany also noted that the AFL-CIO has urged forgiveness of \$100 in the income taxes of any taxpayer, which "would be translated into purchasing power" as an additional stimulus to the economy.

NATIONAL FIGURES

Over a 10-year span, the level of unemployment for October was topped only in 1958, when a jobless rate of 6.9 per cent was recorded.

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SKILL DEVELOPMENT CONFERENCE PINPOINTS RESPONSIBILITY FOR LABOR AND COMMUNITY ACTION

More than 150 delegates to the Federation's San Francisco conference on the problems of job displacement, retraining and skill development last weekend were sharply challenged to step up labor involvement in all phases of job training in the decade ahead.

(The Southern California sequel to the San Francisco weekend labor education sessions is being held this weekend at the Statler Hilton Hotel in Los Angeles, with Ewan Clague, U. S. Commissioner of Labor Statistics, as the kickoff speaker at a Friday night banquet session.)

Speaking on the subject "Skill Development and Job Training in an Automated Age," State Employment Relations Administrator John F. Henning told delegates to the

San Francisco conference that "unless we master the growing job training crisis, the 1960's will find America suffering at once from a dangerous shortage of skilled workers and a vast surplus of untrained men for whom the economy will have neither place nor position."

In his kickoff speech, Henning reviewed the complexity of the

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SKILL DEVELOPMENT CONFERENCE PINPOINTS RESPONSIBILITY FOR LABOR AND COMMUNITY ACTION

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problem, outlining the shift in employment opportunities from the unskilled to the technical occupations, the accumulation of high levels of unemployment out of the recessions of the past decade with the advance of automation and other technological developments, and our failure to keep job training programs abreast with the changing times.

Henning called for a "reappraisal and possible updating of certain apprenticeship requirements" in an effort to broaden on-the-job training programs.

In reference to vocational education programs in the schools, and the need to reach terminal high school students who are entering the labor market, Henning said that "job counseling at the high school level is little more than a ritual. Schools have neither the personnel nor the funds for adequate counseling. It is not surprising, then, that American high schools are each year graduating millions who lack any sense of occupational direction."

Conference participants were reminded both by state AFL-CIO President Albin J. Gruhn, who chaired the San Francisco sessions, and Henning, that organized labor's stakes in the overall skill development and job training problem are reflected in the decline of labor's organizational base by some seven percentage points in the past decade — from 43 to 36 per cent of the non-agricultural labor force in the state.

Workshop sessions, broken down by industrial and occupational groups, focused the attention of delegates on the major problem of projecting skill needs of the future in a practical and meaningful way so that appropriate training programs may be developed.

The conference participants were assisted in their discussions by state and federal government experts and school officials with responsibilities in the development of on-the-job training programs, utilization of school classroom facilities, and the administration of the re-training benefits under the state unemployment insurance law.

Labor leaders were urged in their collective bargaining relationships

to place high priority to develop early warning systems for detecting well in advance changes that may be in the wind. New machines that "suddenly" appear on the horizon, and new materials being used in construction, it was noted, generally have been in the development stage for a long period prior to introduction. In this connection, a breakdown in communications was recognized as one of the major problems in planning job training to meet the changing skill requirements of industry.

In pointing to the road ahead, Max Kossoris, regional director of the U. S. Bureau of Labor Statistics, outlined a statewide approach to reduce generalities to specifics in planning manpower development programs.

While recognizing that there is much labor can do to demand of employers specific information on changing skill requirements, Kossoris said that the problem of developing the necessary training program involves a total community effort.

Kossoris set forth the following four-point program for state action:

1. Establishment of a state manpower development council to bring together, at a top level, representatives of labor, management and public officials with scattered responsibilities in job training and vocational education.

2. Assumption of responsibility by this state manpower council for stimulating action by holding manpower conferences in each of the major labor market areas of the state. These conferences would have as their main purpose to get industry to discuss their future skill needs with the community.

3. Professional "follow-up" studies in each of the labor markets, coordinated by the state council, to pinpoint the basic skills that will be needed in the period ahead, determine the quantity in which these skills will be needed, and when. Kossoris declared that this can be done with reasonable accuracy for a period of five years in advance.

4. Wholesale revamping of vocational and on-the-job training programs as necessary to meet the requirements projected out of the labor market studies.

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the Commission, which, in turn, has full authority to accept, reject or modify such recommendations in the final promulgation of an order.

The forthcoming San Francisco hearings of the Commission will be preliminary to the actual appointment of wage boards in the 13 occupational and industrial classifications falling within the scope of the Commission's decision to reopen its orders.

Involved are the following Commission orders: manufacturing; personal service; canning, freezing and preserving; office, technical and clerical occupations; public housekeeping; laundry, dry cleaning; mercantile; after-harvest; after harvest on the farm; transportation; amusement and recreation; broadcasting; motion picture industry.

A listing of the industries, occupations and trades presently covered by each of the above orders was sent out by Quimby with the announcement of the IWC meeting in San Francisco.

In connection with the promulgation of existing orders, detailed rules governing wage boards have been developed. These existing rules were also sent out by Chairman Quimby for review at the San Francisco meeting.

The existing wage board rules require each wage board established to submit to the Commission a written report containing findings and recommendations on the following:

1. The minimum wage to be paid women and minors in the occupation, trade, or industry in question, which shall not be less than the amount which will supply the necessary cost of proper living to, and maintain the health and welfare of, such women and minors.

2. The number of hours of work per day in the occupation, trade or industry in question, consistent with the health and welfare of such women and minors.

3. The standard conditions of labor in the occupation, trade, or industry in question demanded by the health and welfare of such women and minors.

Individuals and organizations are invited to submit testimony on the agenda items before the Commission, either in writing prior to Monday, November 27, or verbally at the meeting on November 29.

AFL-CIO Demands Action On High Jobless Rate

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The lowest October rate was 3 per cent in 1952.

Details of the Bureau of Labor Statistics summary report for October showed a seasonal decline of 151,000 in the number of persons out of work in the nation, bringing the total to 3,934,000. It was the first time in a year that the figures have dipped under the four million mark.

This, plus an October record of 67.8 million job holders, produced expressions of gratification from Labor Secretary Arthur J. Goldberg who added, however:

"It is disturbing that the seasonal unemployment rate remains at 6.8 per cent. This underscores that we have a stubborn and continuing unemployment problem."

Goldberg said the Administration would "continue vigorously to pursue our objective of a higher rate of economic growth, which is the best job insurance."

He also pledged that the Administration would renew its call for speedy congressional enactment of its manpower and training bill "so that hundreds of thousands of long-term unemployed can be retrained with upgraded skills for useful jobs."

The Labor Department's manpower expert, Seymour Wolfbein, added that a "one-two punch" of a high level of economic activity and a "meaningful" training and retraining program is needed to combat joblessness.

The unemployment problem, he pointed out, "is characterized by a significant number of long-term unemployed made up largely of unskilled and semi-skilled workers."

Enactment of the manpower and retraining bill, he said, will provide the means for training such persons in the skills that today's jobs demand.

AFL-CIO President Meany added in his ABC network interview that the nation's labor force is expected to increase in the 1960's by an average of 1,350,000 a year, against a growth of 820,000 a year in the 1950's.

"Under our present system, we could not assimilate the 820,000,"

Labor Defends BLS Against Right-Wing Attack

"No amount of statistical manipulation can alter the fact that unemployment is our major economic problem" and "has been getting progressively worse for the last decade."

Economic Trends & Outlook, a feature of the November issue of the AFL-CIO **American Federationist**, makes this point in a sharp counter-attack on right-wing charges that government statistics overestimate the number of unemployed workers in the labor force.

If anything, the Federationist article points out, the monthly job survey tends to "understate the unemployment problem."

The AFL-CIO analysis, prepared by the Department of Research, declares that the **Reader's Digest** and other critics of the Bureau of Labor Statistics advocate "a sleight-of-hand approach which would reduce the unemployment figure—but not the number of people unemployed." The article notes:

"Continued high levels of unemployment in the face of mounting economic recovery would indicate the need for governmental economic policies and programs which would stimulate the creation of additional

he observed. "And unless we do something about it, we certainly will not be able to assimilate this 1,350,000 coming in each year for 10 years."

STATE FIGURES

During October, California employment dropped somewhat from September, but it reached a record October level of 6,274,000, topping the total of a year ago by 193,000 or two per cent.

Unemployment during October fell to 354,000 or 5.3 per cent of the labor force, from 364,000 or 5.5 per cent in September. The Department of Employment attributed the drop mainly to seasonal factors. A year ago, the jobless figure was 5.1 per cent.

The state civilian labor force reached 6,628,000 in October, compared with 6,677,000 in September and 6,502,000 in October, 1960.

job opportunities. It serves the purposes of opponents of such governmental activity to promote the idea that our unemployment problem isn't as bad as it appears."

Describing the present procedures for estimating employment and unemployment, based on a carefully selected sampling of 35,000 households throughout the nation, the article states:

"The AFL-CIO believes the present figures are sound. But we also believe improvements can be made to enable the data to provide more information on the degree of employment and unemployment."

Counted in the labor force, the AFL-CIO analysis notes, are nearly 11 million persons who are self-employed or employed as unpaid workers in family businesses.

No matter how poor business is, the self-employed are seldom actively seeking outside jobs. Therefore, by including them in the labor force as employed, the actual level of unemployment among wage and salaried workers is partially concealed.

The Federationist article also notes that no attempt is made to translate statistics on part-time employment "into terms which would show how much full-time unemployment they represent. For example, two people employed for only half a week equal one person unemployed full time. And the 2.5 million part-time workers who wanted full-time work in September were equal to 1.1 million workers totally unemployed."

During recessions, the analysis points out, "there is a tendency to understate the unemployment problem because people who would otherwise take jobs are not seeking work." Thus the actual number of people counted in the work force at present is 500,000 below an earlier Bureau of Labor Statistics projection.

The reason, the AFL-CIO researchers say, these people are not job hunting is "simply because they feel there are no jobs to be had" and therefore they are not counted as part of the labor force.

FORM 3547 REQUESTED

Regulations Adopted to Protect State D.I. Fund

The State Department of Employment announced recently the adoption of administrative regulations designed to assure the solvency of the State Unemployment Disability Insurance Fund by requiring a balanced sharing of the financially more hazardous disability insurance risks between the state fund and private insurance carriers who offer so-called "voluntary plans" under the state disability insurance program.

The department regulation implements a provision of AB 234, the disability insurance liberalization bill of the 1961 session of the legislature, which restores to full operation a heretofore suspended provision of the law prohibiting private carriers from selecting risks which are adverse to the state disability insurance fund.

In announcing adoption of the necessary regulation, Director of Employment Irving H. Perluss pointed out that restoration by the legislature of the statutory prohibition against adverse selection of risks by the private carriers will substantially reduce voluntary plan coverage.

The private carriers engage in such adverse risk selection by picking high wage coverage groups and avoiding those with a high female and older worker count. Under the program, the state plan must cover those groups which are not selected as preferred risks by the private carriers.

The new department regulation provides that, in each instance, voluntary plan coverage of females shall be within five percent of total combined coverage by the state fund and voluntary plans; that voluntary plan coverage of persons 50 years of age and older shall be

within ten percent of this same combined total; and that voluntary plan coverage of persons who earn less than \$3,600 annually shall be within seven percent of the total.

The effect of the new regulation is to control subsidization of the private carriers by the state plan. Historically, disability insurance claims of women, persons 50 years of age and over, and persons who earn less than \$3,600 a year (because wage earners pay disability taxes on earnings up to \$3,600 a year) constitute a greater than average obligation against disability insurance funds.

In announcing the new regulations, Perluss pointed out:

"At the inception of the state disability insurance program in 1946, legislation which would have provided for a state fund monopoly passed the Assembly over the strong objections of the insurance companies and management interests opposed to any disability insurance law. Then the insurance companies said they could compete with the state and offer greater benefits than the state. The result was that the pending legislation was amended while in process of enactment, and the disability law as enacted provided for coverage by either the state fund or voluntary plans, provided that, in each instance, the voluntary plan afforded to covered employees greater rights than the state fund; and provided the voluntary plan did not result in a selection of risks adverse to the state fund."

The reestablishment of protections for the state plan against adverse risk selection by the private carriers is in keeping with claims advanced by the private carriers themselves that "they could com-

Rank and File Support of Unions

Anti-labor politicians who oppose union political activities and argue that the membership doesn't pay any attention to endorsements made by unions, are urged by AFL-CIO COPE to take a look at a new book published by Professor Jack Barbash of the University of Wisconsin.

According to Barbash, studies show that the average trade unionist "generally approved involvement of the union in politics" and "he tends to support the union voting recommendations."

In his new book, "Labor's Grass Roots" (Harper and Bros., New York), Barbash states flatly: "Rank and file members are overwhelmingly loyal to their union." He adds:

"Every test demonstrates that the overwhelming majority of union members support their unions — whether the test is a survey of attitudes, a government-supervised strike poll, or a union shop authorization referendum."

pete with the state and offer greater benefits than the state." The California Labor Federation, AFL-CIO sponsored AB 234 at the 1961 session, which, as amended, removed the state plan subsidies to the private carriers.

Other provisions of AB 234 increased the maximum weekly benefit from \$65 to \$75 and provided for automatic escalation of the maximum on an annual basis to assure a top benefit equal to two-thirds of average wages in covered employment. Other provisions also corrected the unequal sharing of costs between voluntary plans and the state plan for so-called extended liability benefits, and provided for proper funding of the program.