

## Recovery at 6% Unemployment??

Administration officials in San Francisco and Los Angeles this week for the regional White House conferences were called to task for more specific Administration planning to correct the economic mess inherited from the previous Eisenhower-Nixon Administration, and to prevent the nation from sliding into another recession in the second half of next year when unemployment is expected to be still well over five percent.

The White House conferences were warmly received by local participants as a clear indication that the Kennedy Administration is tapping the grassroots to mobilize the nation for action.

Participants, however, sought assurances that the Administration's "number one" domestic objective remains the restoration of the economy to a full employment level that existed before the Eisenhower-Nixon team went to work.

Labor representatives and a number of economics professors, for example, pointedly asked the Administration spokesmen whether recent Washington, D.C., pronouncements pledging a balanced budget for the next fiscal year meant that the Administration was backing away from its commitment to battle continued high levels of unemployment. Although the answer was a categorical "no," there were few indications of serious recovery programming beyond the Administration's

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## Governor Brown Names Commission On Housing Problems

Governor Edmund G. Brown this week announced the appointment of nine members to his new Advisory Commission on Housing Problems — "our first step towards filling the state's serious housing gap."

State AFL-CIO President Albin J. Gruhn, and William Sidell, a Federation vice president and secretary-treasurer of the Los Angeles District Council of Carpenters, numbered among Governor Brown's appointees to the Commission, which will be headed by liberal home-builder Edward P. Eichler of Palo Alto, California.

The 1961 legislature provided for the creation of the commission on request of Governor Brown to find ways of providing better housing for the aged, agricultural workers and low and middle income families. California is sadly lacking in low and middle income housing programs supplemental to federal



THOS L. PITTS  
Executive  
Secretary-Treasurer

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## FEDERATION JOB TRAINING CONFERENCES DRAW FOCUS ON GOVERNOR'S AUTOMATION MEET

Conclusion in Los Angeles last weekend of the Federation's conferences on the problems of job displacement, retraining and skill development has set the stage for informed labor participation in the Governor's forthcoming conference on automation, scheduled for November 27-28, 1961, at the Biltmore Hotel in Los Angeles.

Secretary-Treasurer Thos. L. Pitts, told some 140 local AFL-CIO leaders who participated in the southern California meeting that the understanding and knowledge gained from the Federation-sponsored labor education sessions should be carried into the Governor's automation conference, where organized labor representatives will have the opportunity to discuss solutions to job displacement problems with management and the public generally.

The Federation's weekend conference in Los Angeles followed a similar meeting in San Francisco the previous weekend when some 150 Northern California AFL-CIO local leaders convened to find ways and means of broadening labor ac-

tivities in the entire field of skill development and job training.

Conference participants at both Los Angeles and San Francisco explored all facets of the challenge of matching men and jobs, recognizing both the role of labor-management relations and the need for broader community approaches in projecting skill requirements well in advance so that appropriate training programs may be developed in our schools and through on-the-job training.

The Governor's automation conference is intended to come to grips with essentially the same issues—what can a free society do to take full advantage of the promise of automation and at the same time meet the challenge of new skill requirements, loss of jobs, and a host of other problems resulting from the acceleration of technological change?

According to Governor Brown, the conference is not intended to study the technology of automation itself. Rather the focus will be on:

1. Defining the problems.
2. Assessing present programs.
3. The formulating of policies and recommendations for action by management, labor and government to meet the challenge of automation.

As announced previously in the *News Letter*, Dr. Clark Kerr, president of the University of California, is general chairman of the conference. There will be general sessions which will be addressed by outstanding authorities with section meetings where the participants

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with specific reference to wasteful patterns of land use, rampant land speculation in metropolitan areas, and the high cost of housing financing—all of which are working to deprive adequate housing for Cali-

### Brown Blasts Birch Society

Governor Edmund G. Brown, this week, released a letter to Congressman John Rousselot denouncing the John Birch Society as an extreme right wing group which adheres to the "dictates of a self-appointed elite." Rejecting Rousselot's invitation to attend meetings of the Society, Brown said:

"The basic strength of this nation is in the men and women who have learned their rights and duties as Americans from the United States Constitution, not from Robert Welch's Blue Book.

"They are people who engage in free and open debate, not in conspiratorial discussions of such absurd views as those of Mr. Welch which hold that former President Dwight D. Eisenhower is a "conscious agent of the Communist conspiracy" or that Chief Justice Earl Warren should be impeached for adhering to the dictates of the law rather than to the dictates of a self-appointed elite.

"They are people who have not given way to panic or hysteria under the pressures that communism is placing, and will continue to place, on this nation. They are people who are fighting communism in an effective and wholly American way. They are, in short, my kind of Americans and I am always proud to accept invitations to join them in discussions of the problems of our democracy.

"As for your assumption that I am confused about the John Birch Society, I can assure that it is absolutely clear to me from the mail I receive from members of your society and from the published statements of its leader that it is anarchistic in nature and antagonistic to the ideals of a well-ordered democracy.

"I continue to believe, however, that members of your society are entitled to express their views so long as they do not violate any of the laws of California or of the United States."

fornia's low- and moderate-income families.

In announcing his appointments, the Governor pointed out:

"Although California has built more new housing than any other state, we have not been able to provide adequate housing for thousands of our citizens.

"This new Commission will explore ways in which this can be done—both in the public and private sectors. With the expert help represented on the Commission, I am confident we will find some solutions to our housing problems.

Besides Eichler, Gruhn, and Sidel, the Governor's appointees are: Reverend Sutton O. J. Evans, Minister of Macedonia Baptist Church in Los Angeles; Carl L. Falk, Professor of Economics and head of Social Science Division of Fresno State College and President of the Federal First Savings and Loan Association of Fresno; S. Jon Kreedman, President of the construction firm, S. Jon Kreedman and Company of Beverly Hills; Rt. Rev. Monsignor Thomas J. O'Dwyer, Director of the Department of Health and Hospitals of the Archdiocese of Los Angeles; Victor H. Palmieri, an attorney and Executive Vice President of Janss Investment Corporation, Malibu; Charles R. Samario, a business broker and real estate salesman of the Sunset Realty Company in Los Angeles.

The four legislative members of the commission are: Assemblyman George E. Brown, Jr. (D. Los Angeles), author of the bill creating the Commission; Assemblyman Sheridan N. Hegland (D. San Diego); Senator Samuel R. Geddes (D. Napa); and Senator John F. McCarthy (R. San Rafael).

The Commission is charged with making a two year study of the state's housing problems. It is to make its initial report to the 1962 session of the legislature, and its final report before the 1963 session.

An appropriation of \$75,000 from the General Fund will support the Commission during the 1961-62 fiscal year.

In accepting the chairmanship of the Commission, Eichler said:

"California's tremendous growth and the long range population projections show that we will have complex housing problems to deal with for many years. It is impera-

## New State Conciliators Named

Four new state conciliators have been named to fill vacancies on the staff of the State Conciliation Service. The appointments, which were made from an eligibility list established by the State Personnel Board following a competitive civil service examination, are as follows:

Mr. James R. Lucas, 43, of Orinda has been assigned to the San Francisco office. Mr. Lucas has been a private arbitrator of labor-management disputes in California, and for a period of 10 years held industrial relations posts with Kaiser Industries, Inc. He is a graduate of the University of California at Berkeley.

Mr. Herchel R. Chubb, 43, of Tarzana has been assigned to the Fresno office. For the past 13 years, Mr. Chubb has been a representative of the AFL-CIO Building Service Employees' Union. Since 1953, has has been the union's Director of Research and Negotiations in Southern California. Following his graduation from Seattle University, he did post-graduate work at the University of Washington.

Mr. Gary C. Ellingsworth, 38, of La Crescenta has been assigned to the Los Angeles office. During the past 9 years, Mr. Ellingsworth has been a local and national representative of the AFL-CIO American Federation of Television and Radio Artists Union, with headquarters in Los Angeles. After graduating from the University of Washington, he continued post-graduate studies at the same school.

Mr. Thomas H. Vitaich, 48, of Glendale has been assigned to the San Diego office. For the past 6 years, Mr. Vitaich has been a staff negotiator for the Food Employers' Council of Southern California, with headquarters in Los Angeles.

The State Conciliation Service, which is under the supervision of Thomas J. Nicolopoulos, mediates labor-management disputes in California at the request of unions and employers.

tive to provide for the full range of proven needs.

"In our housing program we must not overlook the quality of our housing, and its effect on the community we are serving. Shoddy construction and poor location are the first steps towards slums."



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manpower and retraining bill designed to cope with so-called "structural unemployment" and its "tax credit" proposal to stimulate new investments.

The tax credit plan for investments has been sharply attacked by the AFL-CIO as moving at the wrong end of the tax spectrum. Labor has taken the view that lagging demand is the basic problem, and that tax cuts should stress increased purchasing power and consumption as the only sound basis for encouraging investments.

The pace of economic recovery to date from the low point in February this year has seen a substantial pickup in production sales and profits, but only small improvement in employment. Most of the increased production is being absorbed through increased productive efficiency, with only slight reductions in the seasonally adjusted unemployment rate which is still holding near 7 percent—6.8 percent in October.

Between the first and third quarters of this year, the nation's gross national product (the total of goods and services produced) has increased from an annual rate of about \$500 billion to \$519 billion. The President's Council of Economic Advisors has been projecting a further GNP increase to \$540 billion in this quarter and \$565 billion by the middle of next year.

Many economists are expressing serious doubts that the economy in this last quarter will jump by over \$20 billion, and that the \$565 billion can be reached by mid-1962 without additional government expenditures to meet mounting social needs of the nation. A \$540 billion GNP in this quarter was expected to reduce unemployment to about 6 percent. Yet, the jobless rate for October has persisted at the near 7 percent rate, indicating that the pace of recovery isn't all that it is supposed to be.

Even if the economy reaches the projected \$565 billion by mid-1962, economists are wondering where the demand is going to come from to sustain this level of economic activity and to continue expansion so that unemployment may be re-

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will explore areas of particular interest. The sections will be organized within these four divisions: (1) education and training for a changing technology; (2) the role of labor-management relations; (3) economic development aspects of automation; and (4) special implications of automation.

Invitations for participation in the Governor's conference have been extended to a number of persons representing labor, management, government, education, community groups, technical experts, and others who have knowledge of the problems to be discussed, and who may be expected to contribute to the formulation of policies and recommendations.

An attendance of 400 is expected. It is the Governor's hope that the collective wisdom of the participants will help shape a course of

duced below 5 percent, and full employment restored at a jobless rate of 3 percent in combination with an attack on structural unemployment problems.

The primary forces in the present recovery involve a \$6½ billion increase in government expenditures — mostly defense — and a rebuilding of inventories. These will have been largely dissipated by mid-1962. The danger at this point will be the possibility of sliding into another recession after fourteen or fifteen months of recovery, following the pattern of the two previous recessions.

In view of this situation, the AFL-CIO is urging against any rigid commitment to a balanced budget in the coming fiscal year, pointing out that a swing from deficit to surplus was a "major cause" of the 1960-61 recession.

Action must be taken to stimulate the demand side of the economy, recognition that among the greatest unmet needs of the nation are those in the public sector where vast programs are called for in education, health and welfare facilities, recreation, basic resources development, as in the case of water and power projects for the West, attacking urban decay, improving transportation systems and related social needs.

action by labor-management and government to meet the challenge of the future.

A registration fee of \$3.00 will cover the cost of proceedings, mailing, and other expenses.

### Public Employee Collective Bargaining Conference Announced

The Institute of Industrial Relations of the University of California has announced a one-day conference on "collective bargaining in public employment" at the Leamington Hotel in Oakland, on Saturday, December 2, 1961.

The conference is being sponsored in cooperation with state and local organizations of the American Federation of State, County and Municipal Employees; American Federation of Teachers; Building Service Employees International Union; International Brotherhood of Electrical Workers; and International Union of Operating Engineers.

One of the features of the conference program will be a "mock hearing" before a state legislative committee on a bill affecting the organizational and collective bargaining status of public employees. Four assemblymen have been engaged for the mock hearing, with presentations by experienced representatives from employee organizations and management.

The registration fee for the conference, including lunch, is \$8.00, payable in advance or on the date of the conference. For further information contact John Hutchinson, Coordinator of Labor Programs, or Herbert A. Perry, Assistant Coordinator of Labor Programs, Institute of Industrial Relations, University of California, Berkeley 4; THornwall 5-6000.

All individuals and organizations interested in the increasingly important subject of collective bargaining in public employment are invited to attend and participate in the conference proceedings.

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## Kennedy Anti-Bias Housing Order Urged

AFL-CIO President George Meany, in a recent speech, called upon President Kennedy to issue an executive order blocking federal funds and guarantees to builders or lenders who discriminate in housing.

Meany keyed the demand to "the practical approach," noting that "we need more than moralists" in the struggle against discrimination, segregation and bigotry.

Such an order, he added, should apply "to every lending institution or builder, public or private, who gets any direct or indirect help from the federal government," and should be "just as explicit" as Executive Order 10925, which bars discrimination both on government contracts and in federal government employment.

According to Meany, the key to school desegregation outside of the South is housing desegregation — "and the key to housing desegregation is in the hands of the federal government."

The AFL-CIO leader took great pains to relate the need for action to "moral purpose" in the field area of discrimination:

"Some of us may be inspired in the struggle by high moral purpose. That's fine. Some of us may be overcome, at times, by moral indignation. There's a place for that, too, and it's often justifiable.

"Yet the real issue, it seems to me, is not our moral righteousness. The real issue is what we are doing, in a practical, hardheaded way, to translate this moral righteousness into the form of material justice for those who are now denied it.

"I am sure the most victimized of our fellow citizens, the Negroes, are encouraged by the increasing number of eloquent voices that cry out against racial discrimination. I am even more certain that the middle income head of a Harlem family would trade any number of

speeches for a chance to live somewhere else.

"We want to give him that chance. And that's what I mean by the practical approach."

The practical approach to housing discrimination, Meany said pointedly, "is to insist that no federal money, no federal guarantee, no federal insurance can be enjoyed by builders or lenders who discriminate."

Meany was careful to point out, however, that desegregation in housing alone will not provide decent accommodations for minority group families of low and middle income who are largely priced out of the housing market. Anti-bias action in housing must go hand-in-hand with low and middle income housing programs which will bring housing within the reach of these income groups on a non-discrimination basis.

Meany also took the occasion of his speech, delivered before the second conference on civil rights of the New York Central Labor Council, to apply his distinction between "moral purpose" and "the practical approach" to equal opportunity in employment, with specific reference to organized labor.

"Here again," Meany said, "we have a practical matter. We have pockets of discrimination in our own ranks, and more and bigger pockets of discrimination created by employers covered by union contracts. Yet, the leadership of the AFL-CIO is unanimously committed to equal opportunity for all."

The AFL-CIO has made progress, he said, through education of "recalcitrant" locals, and will continue to make progress. But, he said, when "it comes to the employers we're up against a much tougher job."

"So what's the practical approach?" Meany asked the audience.

"The practical approach is not mutual recriminations but joint ac-

## State Rules for Aged

The State Social Welfare Board, meeting in Santa Barbara recently, has adopted a set of rules and regulations for putting into effect on January 1, 1962, the new public assistance medical care program adopted by the 1961 session of the California Legislature.

This new program reflects the determination of the current state Administration to take advantage of federal funds which were made available by Congress when it approved in 1960 the public assistance approach to medical care in lieu of the labor-supported social security medical care bill.

This new category of medical aid to the aged is not to be confused with the public assistance medical care program for those receiving public assistance.

As embodied in SB 325, the new health care program for the aged provides hospital care after 30 days, and long term nursing home care to aged persons of limited means, not receiving old age assistance.

It is estimated that cost of operation will be \$80 million in the first year. Of this the federal government will supply half, with the states and counties each providing approximately \$20 million.

The county's share will be about \$11 million less than the \$30 million in hospital costs now being paid by them.

Governor Brown has noted that the new program in no way substitutes for the enactment of aged health care under social security as proposed by President Kennedy.

At the same meeting in which the state Social Welfare Board adopted rules and regulations for putting the new program into effect, the Board also approved a regulation aimed at physicians and druggists in connection with abuses in the state medical care program covering public assistance recipients.

This regulation is aimed at misleading advertising and states that "no practitioner or vendor participating in the program shall, through any advertising medium wilfully make any misleading statements or any statements which directly or by inference hold the advertiser forth as the one specifically authorized or certified to render services provided by the program."

The practical approach is a national fair employment practices law, applicable to unions and employers alike."