Weekly News Letter

June 26, 1959
Vol. 1 - No. 22

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Published by California Labor Federation, AFL-CIO

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FIELD WORKER SANITATION PROBLEM DISCUSSED AT PUBLIC HEALTH CONFERENCE

Documented and filmed evidence that California's foods and vegetables are being contaminated by human excreta, because field workers lack toilet and hand-washing facilities, was presented by the United Packinghouse Workers at a recent conference sponsored by the State Department of Public Health, June 16, in Berkeley.

The conference was called as a result of charges filed earlier by the union, which focused public attention on this grave sanitation problem confronting consumers in the state and nation alike.

Present at the conference to receive and review the documented evidence were representatives of the State Departments of Public Health, Industrial Relations, Employment, and Agriculture, as well as county officials and spokesmen for labor and grower interests. Representatives of the recently formed Citizens Committee for Agricultural Labor, a statewide organization with religious, labor and broad public backing, were also present.

State Department of Public Health Director Malcolm H. Merrill, noting that similar charges had been filed in 1955, without any corrective action being taken, pointed out 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"—all of which created risks to the public health which were "extremely serious".

In the face of four years of failure of "voluntary" programs to correct this situation, grower representatives present at the conference strongly objected to any inference that legislation requiring toilets and other facilities for field workers was necessary, in maintaining a "public be damned" attitude.

Dr. Arthur C. Hollister of the State Department of Public Health sounded a clear warning that the potential hazards of unsanitary field conditions could lead to cholera, typhoid fever, amoebic and bacillary dysenteries, salmonella, various kinds of viruses, infectious hepatiti, and gastro-intestinal illnesses.

Except for the growers, all appeared to agree that legislation was needed, and that the situation could not be held in abeyance until the legislature meets again in 1961.

John F. Henning, Director of the Department of Industrial Relations, agreed that legislative action was necessary, but was most vocal in expressing his strong conviction that immediate steps to correct the hazards of unsanitary field conditions had to be taken. Henning outlined the responsibility of the divisions in his department, and stated that his unit could utilize present law and administrative remedies to protect workers from the hazards involved.

HAGGERTY ISSUES PRELIMINARY REVIEW OF 1959 STATE LEGISLATIVE SESSION

C. J. Haggerty, secretary-treasurer of the California Labor Federation, AFL-CIO, this week issued a preliminary review of the 1959 state legislative session which described the 120-day session as neither "good" nor "bad" from organized labor's point of view.

The state AFL-CIO head presented his report to the Federation's 36-member executive council at a meeting in Hollywood this Wednesday and Thursday, June 22 and 23.

Significant advancements in the state's basic social insurance programs were largely offset by the session's disappointing record of failures in other areas of legislation, including the enactment of some $64 million in additional consumer taxes which directly slap the workingman, Haggerty pointed out.

The following is the full text of Haggerty's report to the state AFL-CIO executive council:

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The 1959 general session of the California legislature adjourned sine die at midnight, June 19, 1959, after meeting continuously from the first Monday in January. From labor's point of view, it was a session that could not be classified simply as good or bad.

Bread-and-Butter, Civil Rights Gains

In terms of bread and butter issues, measured by advancements in basic social insurance legislation, the session was a most successful one. Official estimates indicate that improvements won in the three basic social insurance programs—workmen's compensation, unemployment insurance and unemployment disability insurance — will bring workers in the state between $75 to $100 million a year in additional benefits. This is close to double the amount secured in any previous legislative session in the 15 years of experience of your secretary-treasurer.

In terms of civil rights legislation, the 1959 session saw the enactment of an impressive number of important measures which will undoubtedly mark 1959 in state history as the year in which California undertook the protection and extension of equal rights of its citizens.

But measured against these advancements were many frustrations and disappointments of the session under the leadership and control of the Democratic party.

Perhaps these disappointments are more accurately a reflection of labor's disillusionment in the "liberal victory" that was supposed to have been won at the 1958 general election. Perhaps labor was wrong in raising its sights and expecting more out of the 1959 legislature than previous sessions.

Nevertheless, measured against these expectations, the 1959 session was indeed a great disappointment.

Major Disappointments

When the gavels signaled the end of the 1959 session, a long list of major failures, twisted campaign promises, and broken platform planks were left behind. Included were:

(1) Failure to enact needed state legislation to protect and extend the organizational and picketing rights of labor;

(2) Refusal to adopt even Governor Brown's proposal to correct the abuses of the anti-labor Jurisdictional Strike Act, as embodied in AB 419, the Governor's so-called "Labor Representation" bill;

(3) Refusal to enact a statutory minimum wage law, or in any way to modify the state's archaic and inadequate minimum wage procedures;

(4) Rejection of every effort to improve the plight of agricultural workers that in any way ran contrary to the interests of the corporate farmer, as represented by the Farm Bureau Federation and the notoriously anti-labor Associated Farmers;

(5) Refusal to protect the organizational rights of public employees, or to extend limited collective bargaining rights to already organized public employees;

(6) In direct violation of the Democratic party pledge against regressive consumer taxes, enactment of $64 million in additional consumer levies, which will offset a large portion of

the dollars won by workers in the field of social insurance; and

(7) Refusal to give taxpayers any protection against the enrichment of landed monopolists in California that is implicit in Governor Brown's water program passed by the legislature.

This, in essence, summarizes the 1959 session of the legislature. The following is an attempt to outline briefly the successes and failures of the session, preliminary to the issuance of "The Sacramento Story" at the Federation's San Diego convention in August.

GOVERNOR'S LABOR BILLS

The field of labor legislation affecting the body and operation of the trade union movement in California was preempted by the advancement of Governor Brown's so-called "Labor Reform" and "Labor Representation" bills, embodied in **SB 209** (Teale) and **AB 419** (Miller), respectively.

AB 419 proposed the establishment of machinery for the determination of union representation rights and the settlement of jurisdictional disputes in intrastate commerce, while repealing the injunctive provisions of the state's anti-labor Jurisdictional Strike Act.

SB 209, on the other hand, proposed the establishment of constitutional requirements for "democratic" procedures in the operation of unions, the regulation of financial transactions of employee and employer representatives, and the imposition of "safeguards" for local unions placed under international trusteeship.

Although developed and proposed independently by the Brown Administration, the Governor consulted representatives of labor and management separately on the general nature of his proposals. These preliminary discussions were informative in nature and in no way committed the Federation to support of the Governor's measures.

Further, it was the understanding of the Federation at these pre-introduction discussions, that the Brown proposals were to be introduced and embodied in one bill. Whatever transpired between these early conferences and the actual introduction of the bills that caused the Governor's proposals to be divided into two parts was unknown to the Federation.

Despite introduction of two measures in the place of one, it remained the understanding of the Federation in its relationships with the Governor's that SB 209 and AB 419 were integral parts of one proposal, and that one would not be enacted without the other.

Conference on Labor Bills

Following introduction of the measures, the Federation immediately called a special conference in San Francisco on February 7, when some 400 representatives from central labor councils, craft councils and International unions met to review and discuss the Brown bills. The transcript of this conference, together with a tabulated summary of the recommendations and views conveyed to the Federation by labor organizations throughout the state, was presented to the executive council of the Federation when it met in Sacramento February 13-14 to formulate labor's official position in regard to the Brown measures.

Pursuant to the mandate of the 1958 merger convention, the executive council agreed to take a positive approach to the bills, provided amendments were inserted to correct provisions which strayed from the concept of responsible government intervention, or interfered with the traditional or legitimate functions of trade unions. Accordingly, a long list of amendments were proposed to each bill by the council, which in turn were conveyed to the Governor and substantially amended into his two bills.

Although the Governor did not at any time attempt to establish the need for so-called union reform legislation in California, the Federation nevertheless agreed to accept a carefully drawn measure that would be combined with long overdue improvements in state labor legislation.

Senate Kills AB 419

AB 419, the so-called labor representation bill, moved quickly through the Assembly, where all employer attempts to emasculate the measure and remove its limited application to agriculture were defeated. On the Senate side, however, the Associated Farmers, the Farm Bureau Federation, and other reactionary farm and employer groups staged an all-out mobilization effort against the bill, which crowded the capital with misinformed and misled farmers who viewed the measure as an attempt to force compulsory organization of farm workers. The Senate Labor Committee tabled the bill, thereby killing it for the session.

Following defeat of AB 419, it was assumed by organized labor that Governor Brown would drop SB 209, the so-called reform measure, which at the time had already passed the upper house.

It soon became apparent, however, that regardless of need, the Governor looked upon SB 209 as a "must" measure, and that he was going to continue to press for its passage irrespective of any understanding which may have existed on labor's part that SB 209 was to be dropped upon the failure of AB 419. The Governor quickly went to work and secured necessary commitments in the Assembly Committee on Industrial Relations to pass the bill to the lower house floor. Faced with this situation, the Federation in turn successfully pressed the adoption of amendments in committee to incorporate the outright repeal of the Jurisdictional Strike Act, and also the unconstitutional "hot cargo" act, still in the Labor Code.

The repeal provisions were immediately denounced by the Governor, who stated that he would seek removal of the amendments and passage of the bill in the form approved by the Senate, despite his previous commitment to do something about the Jurisdictional Strike Act.

The Federation made it clear that it could not accept a so-called reform measure without the enactment of needed constructive legislation in the field of labor-management relations, and accordingly proceeded to mobilize the labor movement to keep the repealer amendments in the bill. Thus, the stage was set for a head-on clash with the Governor's office and his lieutenants in the lower house that was not resolved into a victory for organized labor until the closing minutes of the 1959 session.

With the bill in the Ways and Means Committee for a review of the financial provisions, it was logical that the Governor should attempt to use this committee, under control of Jesse M. Unruh (D., Los Angeles), one of his chief lieutenants, to delete the Federation's amendments and send the bill to the floor. This action, however, was held up until the Governor's tax and water programs and other key Administration proposals had cleared the legislature, so that the Administration forces could concentrate on passage of the bill without damage to other pending programs.

Federation Amendments Deleted

Upon first hearing of the bill in the Ways and Means Committee, amendments were immediately approved to delete the repeal of the Jurisdictional Strike Act and the unconstitutional "hot cargo" law, despite the fact that, under Assembly rules, Ways and Means was without authority to make policy changes in a bill that had been approved by another committee. The committee chairman immediately pressed to push the bill out, but upon realizing that the votes were not present, postponed action and set the bill for another hearing.

At this point, the Administration forces sought to divide the labor movement, and apparently secured commitments from a few labor representatives to support the bill with the deletion of certain provisions regarding the filing of financial reports by union officers and other related items in the measure.

Again the measure was called up for hearing, and the amendments were quickly inserted so that the bill could be sent out to reprint and scheduled for another hearing in Ways and Means. At the time these amendments were adopted, William Munnell (D., Los Angeles), acting as chairman of the Ways and Means Committee, promised that ample opportunity would be given organized labor to present its views on the measure when it was heard again.

SB 209 came up for its final hearing in Ways and Means two days before adjournment. **Without a quorum present, or recognition of the rights of fellow committee members or interested parties, the bill was taken up, amended back substantially into the form passed by the**

Senate, and sent out by the committee chairman on his own action, in total disregard of a chorus of "Noes" voiced by committee members present.

Federation Protest

Because of the methods employed by the chairman, it became necessary for the Federation to protest the committee action to the entire body of the Assembly. The following circular letter was sent to every Assemblyman with copies to the Governor and the press:

"Dear Assemblyman:

"At a time when it is alleged that there is a need for democracy in unions, the labor movement of this state finds it rather difficult to accept the arrogant, dictatorial, and autocratic manner in which SB 209, the so-called union democracy measure, was sent to the floor today by the chairman of the Assembly Ways and Means Committee.

"Despite assurances yesterday by Assemblyman William Munnell, then acting chairman of the Ways and Means Committee, that opponents of SB 209 would be afforded a hearing on the merits of the bill, Chairman Jesse M. Unruh sent the bill to the floor without a committee quorum, totally disregarding committee members' request for a roll call, and in spite of a chorus of 'no' votes. The Governor's spokesman disdained any comment from any source except his own statement that the bill was out.

"If this is democracy in action, certainly organized labor in this state wants no part of it. Such action would never be tolerated by the members of any labor organization and should be roundly condemned by every citizen in this state. We are informed that the author of this measure was not consulted in this slick maneuver and was totally unfamiliar with the contents of the amendments proposed before the committee. In fact, the author disowned any knowledge of the bill in its present form and the tawdry conduct of the Governor's spokesman in violating every principle of fairness and decency to ram this measure through the legislature. Certainly any measure that cannot survive explanation, let alone opposition, is patently and totally devoid of merit and should be rejected.

"We believe that this gross violation of fundamental democratic principles warrants the bill being defeated or at least being referred back to committee in order to insure trade union members and citizens of the state that an arbitrary chairman shall not ignore the rights and privileges of his fellow legislators and the public. We feel confident that the Governor, when he is made aware of the procedures followed will roundly denounce them.

"We in the labor movement believe in democracy as a means as well as an end. We trust that the members of this legislature hold the same belief and will take the action necessary to prove it.

C. J. HAGGERTY,
Executive Secretary-Treasurer, California Labor Federation, AFL-CIO."

End of SB 209

SB 209 came up for final action by special order at 3:00 p.m. on the last day of the session. In three hours of locked battle with the Governor and his administrative aides, the Federation secured near unanimous support from the Republican party members in the Assembly and split the Democrats sufficiently to send the bill back to the original Committee on Industrial Relations, by a vote of 50 to 28. The referral action killed the bill for the session.

The defeat of SB 209 was a necessity in view of the failure of the Governor and the legislature to secure any corrective legislation in the field of labor-management relations. But the defeat was a negative victory.

The state Jurisdictional Strike Act, vicious as it is, remains on the statute books. A Federation bill to repeal this law failed in Assembly committee, because of the precedence given to the Governor's revised jurisdictional strike procedures contained in AB 419.

The defeat of AB 419 in the Senate Labor Committee also killed all hopes of establishing democratic machinery for the determination of representation and collective bargaining rights in intrastate commerce. A Federation bill to repeal the unconstitutional "hot cargo" act was pushed through the Assembly, only to be killed in the Senate Labor Committee.

SOCIAL INSURANCE MEASURES

In the field of social insurance legislation, the Federation introduced some 86 measures in a comprehensive program for the liberalization of unemployment insurance, workmen's compensation and unemployment disability insurance. Each program was carefully developed, based on intensive and documented research.

Early in the session, the Federation pressed for hearings on the bills by the Assembly Committee on Finance and Insurance. It was the Federation's purpose to present each program in logical sequence, and to secure adoption or rejection on the merits of labor's proposals. The chairman of the committee, however, rejected this course, and insisted that all measures on the three subjects be referred to separate sub-committees for the screening of proposals and the referral back to the full committee.

After the passage of a few months without any action, it became apparent that the purpose of sub-committee referral was to force negotiations of compromise agreements between labor and other interested parties in the three fields of social insurance. While it appeared totally unnecessary that this should be the case, in view of the virtual endorsement of labor's liberalization proposals by the Democratic party platform, the Federation was nevertheless compelled to secure compromise agreements. The Governor, in turn, after completion of negotiations, endorsed the compromise proposals.

Workmen's Compensation

In the field of workmen's compensation, the Federation negotiated with employer representatives far-reaching improvements in the state program. The provisions, in part or in total of some ten Federation-sponsored workmen's compensation bills, were amended into **AB 1015,** authored by Assemblyman Robert W. Crown (D., Alameda County), to incorporate the substance of the negotiated package.

This measure, as passed by the Assembly and steered through the Senate by Senator Edwin J. Regan, will produce increased benefits for injured workers

DI Worker Contribution Refunds

John E. Carr, California Director of Employment, has reminded employees that more than $3 million will be refunded this year to wage-earners who overpaid last year for disability insurance, but warned those entitled to a refund that they will miss out unless they apply by Tuesday, June 30.

The California Department of Employment handles all claims for refunds, and application forms are available at departmental offices throughout California.

About 3,850,000 California workers are covered by the California Unemployment Insurance Code and pay one percent of their first $3,600 in wages for disability insurance.

Persons who work for two or more employers in a year may overpay because each employer, as required by law, makes a withholding for disability insurance. When the wage-earner's total of withholdings exceeds $36 he is entitled to a refund of the excess.

Last year the Department of Employment refunded $3,680,637 to 208,740 persons who applied for refund of 1957 contributions. The average refund this year is expected to be around $12.

and their survivors between $16 and $18 million a year. The main features of AB 1015:

1. An increase in the maximum weekly benefit amounts for temporary disabilities from $50 to $65 a week.

2. An increase in the maximum benefit for permanent disabilities from $40 to $52.50 a week.

3. A boost in the minimum benefits for both temporary and permanent disabilities from $15 to $20 a week.

4. Enactment of vast improvements in the death benefits structure which boost the amount payable to a totally dependent wife with children from $15,000 to $20,000; the benefits payable to a totally dependent spouse without dependents from $12,000 to $17,500; along with a comparable increase in the minimum benefits for partial dependency from $12,000 to $15,000.

5. Provision that when an injured worker requests a change in physician, the employer shall be given 14 days to nominate two additional doctors from which a worker may choose another doctor, subject to the free choice of physician if the employer does not respond within the 14 days designated.

6. Elimination of the present waiting period when an industrial injury requires hospitalization.

7. An increase in the ceiling for separate recovery of benefits in serious and wilful misconduct cases from $3,750 to $7,500, along with provisions for the awarding of costs and expenses not to exceed $250.

8. Provision for substantial increases in life payments to permanently disabled workers with disabilities of 70 per cent or more. The level of wage-loss compensation is increased from 10 per cent to 15 per cent for a 70 per cent permanent disability; from 20 per cent to 30 per cent for an 80 per cent disability; from 30 per cent to 45 per cent for a 90 per cent disability; and from 40 per cent to 60 per cent for a 100 per cent disability.

9. A boost in the burial benefit from $400 to $600.

10. Provision that where a petition to reduce a permanent disability award, which has become final, is denied, the I.A.C. may order the petitioner to pay the injured workman for all costs incurred with respect to x-ray, laboratory services, medical reports and medical testimony in connection with the proceedings to reduce the injured worker's award.

11. Provision for reimbursement to an injured employee for expenses reasonably, actually and necessarily incurred for medical testimony to prove a contested claim, in addition to x-rays, laboratory fees, and medical reports; provision also that an injured employee shall be given reasonable expenses for transportation, meals, lodging, together with wage-loss compensation for each day of work lost when requested to submit to a physical examination.

12. Provision that an injured individual shall have five years in which to receive the maximum of 240 weeks of temporary disability compensation, thereby permitting small breaks in the continuity of payment without loss in total benefits.

In addition to AB 1015, two other noteworthy Federation-sponsored measures were enacted into law: **AB 498** (Waldie) which limits the deduction from a workmen's compensation award when there is recovery from a third party action to the amount actually received by the injured worker as a result of such third party suit; and **AB 423** (McCollister), which permits the commutation to a lump sum amount of benefits payable from the subsequent injuries fund.

Unemployment Disability Insurance

Improvements negotiated in California's unemployment disability insurance program are contained in **AB 494,** authored by Jesse M. Unruh (D., Los Angeles), which increases the maximum unemployment disability insurance benefit from $50 to $65 a week, and places the so-called extended liability account on a substantially pay-as-you-go basis.

It is estimated by the Department of Employment that the disability liberalization measure will increase benefit payments from the state disability fund by approximately $6.5 million a year. An amount approaching this figure will also be realized by workers covered by voluntary plans, underwritten by private carrier, instead of the state fund.

The new $65 benefit provided in AB 494 represents an achievement of the Federation's recommendations to the 1959 session of the legislature insofar as the benefit amount is concerned. The increase of $15 in the bill is accomplished by adding 15 steps to the present D.I. schedule, which increases uniformly by $1 amounts in benefits for each additional $25 of high quarter earnings. Under AB 494, the $65 maximum benefit would be payable to qualifying individuals with high quarter earnings of $1,500 or over. This means that everyone within the schedule will be compensated for at least 56% of wage loss when disabled by illness or accident not connected with employment.

The provisions of AB 494 relating to the extended liability account provide for a better sharing of the cost between voluntary plans and the state program for charges against this account in the payment of disability benefits which commence after a person is unemployed.

At the present time, the state fund is carrying most of the load, because of legal restrictions on contributions on voluntary plans for those workers who are paid out of the extended liability account, but who are covered under voluntary plans. AB 494 provides for the proration of extended liability charges between voluntary plan carriers and the state plan, under a new formula which will place the account on substantially a pay-as-you-go basis. The Department of Employment estimates that voluntary plan contributions for extended liability benefits will be doubled under this new procedure.

The new maximum benefit of $65 will be payable for disability periods commencing on and after January 1, 1960.

Unemployment Insurance

Improvements enacted by the 1959 legislative session in the field of unemployment insurance are contained essentially in two measures, **AB 590** (Munnell), and **SB 945** (Miller).

AB 590—(1) increases the maximum benefit payable to jobless workers from $40 to $55 a week in a revised schedule which provides for individual benefit payments within the present minimum of $10 and the new maximum of $55 which increase in $1 amounts for each $30 of high quarter earnings, (2) raises the amount of allowable casual earnings of persons drawing partial benefits from $3 to $12, and (3) provides for increased employer contributions to finance the higher benefits by (a) raising the taxable wage base from employer contributions from $3,000 to $3,600, (b) eliminating the zero rate in the so-called low contribution schedule and providing for a minimum contribution rate of three-tenths of one percent, and (c) removing the limitation which restricts charges to individual employer accounts under merit rating to 18 weeks of benefits paid an individual.

Department of Employment estimates are that AB 590 will increase jobless benefits by about $43.4 million a year.

SB 945 provides for the extension of the maximum duration of unemployment benefits for a maximum of 13 additional weeks, or one-half the amount of benefits received by an exhaustee during his basic benefit period, in any quarter whenever the employment level in the state reaches 6% or more. The extended benefits would also be payable to a claimant who after exhaustion enters a bona fide retraining program, instead of remaining in the job market. This latter provision for retraining benefits establishes a new principle in unemployment insurance which recognizes the responsibility of the employer for sharing the cost of retraining individuals who are displaced by technological advancements in our economy.

It is to be noted also that the 6% level of unemployment necessary to "trigger" extended duration periods is based not on the ratio of total unemployment to the total labor force in the state, but rather on the ratio of unemployment insurance claims filed to the level of covered employment. This method of determining unemployment levels will "trigger" extended benefits into operation considerably below a 6% level of unemployment based on the ratio of total unemployment to the total work force. For example, in 1958, extended duration would have been available under SB 945 during two calendar quarters

of that year. Extended duration would have also been in operation during the first quarter of this year, even though the ratio of total unemployment to the work force during the quarter was less than 6%.

The Department of Employment estimates that in any quarter in which extended benefits become payable, SB 945 would increase benefits to jobless workers in that quarter and the succeeding quarter in the amount of $22.5 million.

Negotiated Program Modified

In reference to the advancements won in unemployment insurance at the 1959 session of the legislature, the provisions of AB 590, as enacted, represent a modification of the original package program negotiated by the Federation with employer groups.

The negotiated program provided for a $55 maximum weekly benefit, the same as the final version enacted, but through the addition of larger steps which would have yielded some $4.8 million less in benefits than the uniform $30 step schedule finally enacted into law.

On the other hand, provision was made in the Federation's negotiated program for the extension of benefits to 660,000 employees of non-profit organizations and state, county and municipal governments, which would have provided for additional benefit payments in the amount of $11.9 million a year, and a total increase in benefits of $50.5 million, instead of the smaller amount of $43.4 million that will be realized from AB 590 as passed by the legislature.

The revision of the package was undertaken late in the session amid agitation that increased benefits should be distributed throughout the schedule to all jobless workers instead of being restricted to those receiving a low level of wage-loss compensation because of the existing $40 maximum benefit. While it is not possible to give everyone increases within the unemployment insurance schedule without disqualifying thousands of individuals and providing for wage-loss compensation of greater than 100% at the lower end of the schedule, the agitation stirred was nevertheless based on firm ground to the extent that the schedule which the Federation was forced to sit down and negotiate was less liberal than the one originally proposed by the Federation to the 1959 session of the legislature. As introduced, AB 590 proposed the same uniform $30 step schedule in the bill as passed by the legislature, but with a justifiable maximum of $65 instead of the $55 approved.

"Liberalization" of AB 590

Democratic leaders, who had ignored their platform at the outset of the session by forcing labor into negotiations, seized upon the agitation as an opportunity to demonstrate their "liberal" dedication in a strange twist of party responsibility. AB 590 was referred back to committee, which in turn adopted the Federation's original $30 step schedule, but with the $55 cut-off instead of $65. This "liberalization" added some $4.8 million in benefits to the bill for presently covered employees at the expense of some $11.9 million in increased benefits to public and non-profit employees who were removed from the negotiated program. **This, in face of the fact that the state Democratic party platform called for at least a $65 maximum, plus the deleted coverage provisions.**

Such a great show of "party responsibility" late in the session came close to losing the entire liberalization bill. AB 590 narrowly squeaked by the Senate Committee on Insurance and Financial Institutions, and was finally passed only a few days ahead of adjournment.

Among other bills enacted by the legislature in the field of unemployment insurance were **AB 1543** (Nisbet) sponsored by the Federation, which permits the payment of negotiated supplemental unemployment insurance benefits to individuals without reduction of state compensation benefits; **AB 433** (Bee), another Federation bill, which prohibits the suspension or reduction of unemployment benefits should the fund in a severe recession ever reach a level inadequate to provide for the payment of six months of unemployment insurance benefits; **AB 2655** (Waldie) which prohibits disqualification from unemployment insurance benefits of a person who is terminated from employment because of compulsory retirement; and Federation-sponsored **AB 476** (Elliott), providing for unemployment information pamphlets in Spanish.

Also passed were two unemployment insurance bills for commercial fishermen, continuing the present partial benefit program and providing full benefits under specified conditions.

NEW TAXES

The success of Governor Brown in securing passage of a major portion of his tax program to balance the 1959-60 budget was overshadowed, from labor's point of view, by the enactment of some additional $64 million in consumer taxes. In this respect, the impressive demonstration of party responsibility behind the Governor's tax program was a display of party solidarity to violate the Democratic party mandate against the imposition of regressive consumer taxes.

Rather than approaching the tax problem from the point of view of correcting the present unfair distribution of the state's tax burden, and providing increased revenues in a revised structure based on the principle of ability to pay, the Governor instead pursued a purely expedient approach as his solution to a projected budget deficit of more than $200 million.

More Consumer Taxes Proposed

This approach was characterized by a tax program designed to distribute the added tax burden as widely as possible between various interest groups, so as to give the impression of fairness, while ignoring the present burden of dominant consumer taxes. Within this framework, the Brown administration called upon the legislature to slap consumers for another $70 million in sales taxes, in the form of a 3c per pack levy on cigarettes, a 15% excise on the wholesale price of other tobacco products, and an increase in the beer excise from 2¢ to 7¢ per gallon, despite the fact that consumers were already carrying almost two-thirds of the state tax burden.

These proposed consumer taxes were combined with other recommendations to (1) advance the payment date on the insurance gross premiums tax, (2) provide a modest increase in state personal income taxes, (3) impose a small 2% severance tax on oil and natural gas, (4) boost bank and corporation taxes by a modest amount, (5) provide a small increase in the inheritance and gift tax yields, and (6) increase horse racing revenues.

As proposed, the Administration's program was designed to yield $202 million in fiscal year 1959-1960 and $256.6 million in the first full year of operation (fiscal year 1960-1961). As enacted, in part, however, the Brown program was cut back by some $39 million as a result of (1) outright rejection of the 2% severance tax on petroleum products ($23.2 million loss); (2) rejection by the Senate of the 15% excise tax on cigars and other tobacco products ($8 million cut), (3) upper house revision of the beer excise to provide an increase from 2¢ to 4¢ a gallon instead of the Governor's proposed 2¢ to 7¢ per gallon ($6 million cut-back), and (4) reduction in the Senate of the proposed state take on horse racing (a cut-back of $2 million).

How New Taxes Are Distributed

As passed, the new taxes imposed by the 1959 session of the legislature are distributed as follows:

1. $60 million from the 3¢-per-pack tax on cigarettes and cigarillos, to be administered on a "stamp" basis rather than the invoice method originally proposed by the Brown administration;
2. $4 million in still more consumer taxes by a 2¢ to 4¢ increase per gallon in the state beer excise.
3. $71.4 million from a revision of the state's personal income tax law, by (a) increasing the maximum tax from 6% on taxable incomes over $25,000 to 7% on taxable incomes over $15,000, combined with a reduction in the tax steps from $5,000 to $2,500 within the maximum of the new schedule, (b) reduction of the personal exemption for individuals and married couples by $500, (c) increasing the deduction for dependents from $400 to $600, and the standard deduction for those who itemize from 6% to 10% and (d) conforming state law to federal law

in the taxation of capital gains and the provision for "rapid write-off" of income producing property for depreciation purposes;
4. $8 million from increased inheritance and gift tax revenues;
5. $10.4 million from an increase in the tax take on horse race betting;
6. $58.6 million from bank and corporation franchise tax charges; and
7. $5 million resulting from the advancement of the insurance gross premiums payment date.

CIVIL RIGHTS LEGISLATION

The enactment of far-reaching civil rights legislation was clearly the outstanding achievement of the 1959 session from the liberal point of view.

The FEP proposal, introduced as **AB 91** (Rumford and others), was given a fast start when Governor Brown made the enactment of FEPC the number one item on his legislative program. The FEP bill, a strong measure patterned after the successful New York law, and providing for needed conciliation authority on the part of FEP commissioners prior to the filing of complaints, in addition to enforcement powers, sailed through the Assembly with slight modification.

In the Senate Labor Committee, however, a limited agricultural exemption was inserted at the beck and call of the corporate farm organizations by restricting the application of the bill to farm workers who do not reside on the farm on which they work.

An attempt to emasculate the measure in Senate Finance Committee by removing the conciliation features of the bill was defeated on the Senate floor when Governor Brown joined with liberal forces behind the able floor leadership of Senator George Miller (D. Contra Costa), to secure passage of a strong FEPC measure.

FEPC Established

As enacted and signed into law, AB 91 establishes an FEP Commission with conciliation and enforcement powers, whose orders and activities will be a newly created Division of Fair Employment Practices in the Department of Industrial Relations. The commission, still to be appointed, will meet as necessary, and be compensated on a per diem basis of $50 per day, plus expenses.

Ranking in importance with the enactment of FEP legislation, was passage of California's first anti-discrimination bill on housing. **AB 890,** authored by Assemblyman Gus F. Hawkins, (D. Los Angeles), prohibits discrimination because of race, color, religion, national origin or ancestry in publicly assisted housing accomodations constructed or otherwise aided with public funds.

Its provisions apply the measure to tract housing financed by federal GI and FHA insured loans.

Although amendments on the Senate side removed the application of the bill to non-profit housing and homes constructed under the California veterans program, the measure is considered one of the most significant pieces of civil rights legislation to be enacted by the 1959 legislative session.

Under provisions of AB 890, an aggrieved person would have the right of court action to restrain discriminatory acts and to secure other equitable relief. In addition, the bill allows the minimum of $500 damages to an aggrieved person through civil action.

Rounding out the civil rights action of the session were several other bills enacted into law. The most significant of these were measures designed to (1) strengthen the state's public accomodations law, (2) declaring state policy against discrimination in local redevelopment projects, and (3) repealing of the state's unconstitutional miscegnation act.

MINIMUM WAGE AND OTHER GENERAL LABOR LAW CHANGES

Overshadowing all action in this field of legislation was the defeat of minimum wage legislation propesed by the Brown Administration.

The Federation itself introduced two minimum wage bills, **one** providing for a $1.50 stautory minimum within the existing framework of wage and hour regulations, and **another** which would have established the same minimum in a fair labor standards act patterned after the federal law.

These Federation proposals were necessarily set aside in order to make way for the Governor's proposed minimum wage bill, **AB 1233** (Hawkins) proposing the establishment of $1.25 minimum, and 95¢ per hour rate for learners. The measure also authorized the Industrial Welfare Commission to grant permits allowing payment of a lower wage to persons handicapped by physical disability or other specified causes, and provided for extending to adult males the authority of the commission to fix minimum wages for women and minors, except in the case of maximum hours, and other conditions of labor of males over 21 years of age. Exemptions from the statutory minimum in the Brown proposal included babysitters, voluntary non-profit employees and persons subject to lawful apprenticeship agreements.

Opposition by Farm Organizations

Although violently opposed by employers generally, opposition to the Brown proposal was focused on the efforts of the corporate farm organizations to defeat any attempt to extend wage protections to exploited farm workers.

The strength of these farm organizations in the 1959 legislature was immediately apparent when it was found necessary to amend AB 1223 in the Assembly Committee on Industrial Relations to reduce the $1.25 minimum wage to $1.00 per hour for agricultural workers in order to get it out of committee.

From Industrial Relations, the bill moved to Ways and Means for financial clearance, where the opportunity was seized by Assembly leaders in the Governor's own party to remove the application of the bill to farm workers altogether.

Technically, the bill was in the Ways and Means Committee only for approval of the financial aspects, which were negligible. Acceptance of the bill as a matter of policy had already been given to the Brown measure by the Assembly Committee on Industrial Relations. Yet, with 10 Democrats and 4 Republicans present at the time of hearing, the lower house Ways and Means Committee voted to dump the state Democratic party platform and exclude agricultural workers from the provisions of AB 1233. The maneuver was accomplished by voice vote, over opposition of the author of the bill, and apparently without knowledge to the Governor of the action that had been planned.

On the Assembly floor, the Brown Administration rallied its forces, with the assistance of the Federation, to secure the reinsertion of the $1 minimum for agriculture, and the rejection of a long list of amendments offered on behalf of employer groups generally to further emasculate the coverage provisions of the measure.

A serious blow was inflicted prior to approval in the lower house, however, when Assemblyman Jesse M. Unruh secured adoption of an amendment removing the authority of the Industrial Welfare Commission to increase the minimum wage for adult males above the statutory minimum rates propesed in the bill, where the minimum is found inadequate to supply the necessary cost of living and maintain the health and welfare of workers. The Unruh amendment was recognized by capital observers as part of the efforts of the corporate farmer interests to further weaken the protections for agricultural workers short of out-right exemptions.

Senate Kills Minimum Wage Bill

On the Senate side, the already watered-down measure was effectively killed by the upper house Committee on Labor. By voice vote of 4 to 3, the committee sent the measure to interim study.

No effort was made on the part of the Brown Administration to revive the measure following its defeat.

Apart from the minimum wage issue, the Federation sponsored some 25 measures affecting the general provisions of the Labor Code. Three of these measures were passed by the legislature as follows:

AB 302 (Gaffney) prohibiting employers from requiring releases for payment of wages, prior to actual payment;

AB 380 (Bane) making it unlawful for an employer to refuse to make health and welfare contributions into pension

and vacation plans pursuant to a collective bargaining agreement; and

AB 618 (McMillan) declaring the right of fire fighters to join a bona fide labor organization of their own choosing, without interference, for the purpose of discussing grievances and conditions of employment.

Right to Organize Bills Defeated

AB 618 was the only measure affecting the organizational rights of public employees adopted by the legislature. Two Federation-sponsored measures of general application were buried by the Assembly. These would have (1) extended to public employment the state policy provisions of the Labor Code on the right to organize for collective bargaining purposes, and (2) declared the right of public employees to join an organization of their own choice, without interference on the part of supervisors and other administrative public officials.

A third measure defeated was **AB 570** (George E. Brown) designed to extend the right of representation and collective bargaining to public employees engaged in the production and distribution of electric power. This measure was passed through the Assembly by a narrow majority of 41 to 30. On the Senate side approval was won from the Senate Local Government Committee. Although only minimal expenditures ranging from zero to $3,000 were involved in AB 570, the measure was referred to the Senate Finance Committee, where it was killed by referral to interim committee for study.

Among other general Labor Code bills sponsored by the Federation which died in the legislature were measures providing for the following: payment of wages while serving as a juror; prohibiting discrimination because of age; regulation of fees charged by private employment agencies; and requiring overtime hours and fringe benefits to be specified on check stubs.

OTHER FEDERATION-SPONSORED MEASURES PASSED

In other fields of legislative activity, the Federation sponsored some additional 35 measures, including five measures affecting barbers, ten bills benefiting construction workers, two fire fighter measures, 13 specific bills affecting state, county and municipal employees, plus five miscellaneous bills.

Passed by the legislature were the following: **AB 142** (Davis) requiring half-hour lunch period in planing mills and plywood plants; **AB 189** (Charles H. Wilson) amending the Los Angeles Metropolitan Transit Authority Act of 1957 to provide for dues check-off and other deductions for health and welfare contributions, etc.; **AB 232** (Dills) amending the county employees retirement law to prohibit deduction in retirement allowances to members who retire for disability, and who are gainfully employed in an occupation not in county service; **AB 256** (Dills) also amending the county employees retirement system to provide for prorated contributions to the system for employees who are paid semi-monthly; **AB 317 (Z'berg)** providing for the inclusion of fringe benefits in determining prevailing rates in public works; **AB 351** (George E. Brown) substituting references to cosmetologists for present references to hairdresser and cosmetician or cosmetologist in the cosmetology act; **AB 469** (Samuel R. Geddes) restricting purposes to the construction of one building and appurtenances without contractors' license; **AB 470** (Samuel R. Geddes) extending the contractors' licensing law to land-levelling operations; **AB 471** (Samuel R. Geddes) providing for the licensing as a specialty contractor one whose principal operations are concerned with the installation and laying of carpets, linoleum, and resilient floor covering; **AB 528** (Masterson) prohibiting the apportionment of hernia, heart trouble and pneumonia disabilities to any disease existing prior to manifestation for policemen, fire fighters, and certain other employees under workmen's compensation; **AB 608** (Pattee) requiring that informal bids on state public works projects shall be let to licensed contractors: **AB 880** (Kilpatrick) requiring cities and counties to file local prevailing rate determinations with the state Department of Industrial Relations; **AB 1243** (Miller) securing the reemployment rights of fire fighters in cases of consolidation, merger and incorporation or annexation of fire districts; and **ACR 77** (Meyers) providing for interim study of "suede shoe" operations in the construction and repair industry.

GENERAL LEGISLATION

Numerous other measures enacted by the 1959 session of the legislature require at least passing reference in this preliminary report. Notable among these were a number of proposals advanced by the Brown Administration.

Consumer Counsel

On the positive side, Governor Brown successfully proposed the creation of an office of Consumer Counsel, to give consumers a voice in state government. As embodied in SB 33 (Richards), this measure charges the office of Consumer Counsel with the responsibility of advising the Governor on all matters affecting the interests of consumers and recommending to him and the legislature the enactment of necessary legislation to protect and promote the interests of the people as consumers.

The Consumer Counsel's duties include (a) representing consumers before governmental bodies, (b) cooperating and contracting with public and private agencies for obtaining surveys, economic information and other necessary services, and (c) performance of all other acts incidental to the office of Consumer Counsel. Provision is also made in the new law for the Governor to appoint advisory committees to assist the Consumer Counsel in carrying out his duties.

The legislature also enacted Governor Brown's proposal for the creation of a limited state industrial development agency. Although the measure falls far short of providing the vehicle needed for coordinated economic and physical planning in the state, it nevertheless represents a step in the right direction to promote industrial growth in the state and maintain full employment.

Water and Power

In the field of water and power development, the Governor was successful in securing the adoption of his proposed $1.75 billion water bond program, designed to put California in the water and power business. However, **SB 1106** (Burns), the compromise worked out between the north and south, makes no provision whatsoever for protecting taxpayers from monopolization of benefits and the enrichment of giant landholders who virtually control the lands lying in the vicinity of the San Joaquin Valley-Los Angeles Aqueduct, which will carry water south under the Brown program.

Some 63% of the lands in the potential service area of the aqueduct are in ownerships of greater than 1,000 acres each, including 500,000 acres owned by oil companies, 348,000 acres owned by the Kern County Land Company, 201,000 acres held by the Southern Pacific Company, and another 168,000 acres owned by the Tejon Ranch (partially owned by the Los Angeles Times-Mirror Corporation and Sherman-Chandler interests).

It is a recognized fact that these land monopolists stand to be enriched by millions and millions of dollars at the expense of the taxpayers under Governor Brown's water program. Yet, at the insistence of the Brown Administration, the state legislature rejected efforts in both houses to enact anti-enrichment protections for the taxpayers. Unless action is taken by Governor Brown and the legislature prior to the 1960 general election when the $1.75 billion bond issue goes to a vote, organized labor will be forced to oppose the giant construction program.

Other Gains

In still other legislative fields, the 1959 legislature enacted measures providing for the following:

- An increase in minimum teachers' pay from $4200 to $4500 annually, effective July 1, 1960.
- An extension of medical care payments under the state social welfare program to the totally and permanently disabled.
- An increase in aid to needy blind by $5 a month.
- A boost of basic old age pensions

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from $90 to $95 monthly with an increase in the maximum in hardship cases from $106 to $116.

- An increase from 50% to 75% in the maximum state share for financing community mental health services.
- Abolition of cross-filing.
- Establishment of standards for the physical and mechanical condition of farm labor busses, and requiring the licensing of farm labor bus drivers as chauffeurs.
- An increase in pay of state civil service workers by 5%.
- Establishment of somewhat mild regulations in the field of installment credits.
- Establishment in the office of Governor the position of Coordinator of Atomic Development and Radiation Protection for the purpose of coordinating the activities of state agencies relating to atomic energy development and radiation protection.

Finally, in passing it should be noted that the Rees-Doyle health and welfare regulation act, passed by the 1957 session of the legislature, will expire in 1960 as a result of the refusal of the legislature this year to extend the expiration date of the law.

AB 1164, providing for such extension, along with establishment of a schedule of registration fees to help defray the costs of administration was passed by the Assembly, but killed in the Senate Committee on Insurance and Financial Institutions. A related measure on the subject, sponsored by the Federation in AB 1163, was also killed by this committee. AB 1163 provided for the extension of the scope of the Rees-Doyle act to all health and welfare and pension programs, whether established unilaterally by employers or negotiated by labor and management.