

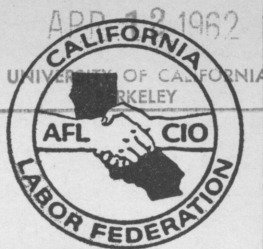
Speakers' Handbook on Anderson-King Bill Available

A speakers' handbook, prepared by the Social Security Department of the AFL-CIO and containing basic information on health insurance for the aged through Social Security, is now available from the national office.

The handbook is designed to give speakers all the facts and figures they need in support of aged health care through Social Security under the Anderson-King bill currently before Congress. It is anticipated that Congress will start debating the measure in May.

In design, the handbook is such that it can be used effectively while engaged in debate, as well as in speech preparation. It is divided into six sections, as follows: the need for protection; the people protected; services covered; financing and administration; Kerr-Mills limitations; questions and answers. The latter section effectively answers all the basic charges being levelled against the Anderson-King bill by its special interests opponents.

Nelson H. Cruikshank, director of the AFL-CIO Department of Social Security, announced the handbook's availability this week. Orders should be sent directly to the Social Security Department, AFL-CIO, 815 - 16th St. N.W., Washington 6, D.C.



THOS. L. PITTS
Executive
Secretary-Treasurer

Weekly News Letter

Vol. 4—No. 10
March 30, 1962

Published by California Labor Federation, AFL-CIO



State Legislature Gets Governor's Automation Bill; Introduced by Senator Richards

Governor Edmund G. Brown's special session proposal to establish a Commission on Automation and Technological Development to meet what the Governor described as "one of the most serious challenges of our dynamic new economy" was introduced in the state legislature this week by Senator Richard Richards (D) of Los Angeles county.

The Richards bill, SB 36, would establish a permanent 17-man commission of industry, labor and government to develop basic information on the economy's skill needs for a coordinated and planned attack on the problems of job train-

ing, retraining and skill development in the state's rapidly automating economy.

FLASH—As we go to press, the Richards bill has won initial committee approval in the Senate.

Enactment of the Governor's proposal is considered vital to the implementation in California of the federal Manpower Development and Training Act recently signed into law by President Kennedy.

The proposed state commission would be comprised of five members of industry, five from labor, three from the general public, two senators and two assemblymen. All but the legislative members would be appointed by the Governor.

Heads of the state Departments of Industrial Relations, Education, Employment, Social Welfare and of the Economic Development Agency would be *ex officio* members of the commission to assure full coordination between various state agencies in the job training field.

The commission would be required to:

- Undertake coordinated surveys in the various labor markets of the state to project as best possible the basic skill requirements of industry, business, and government sufficiently in advance of need, and in the approximate quantity needed, to the end that such projections shall provide a body of usable information for the development of sound job training, retraining, and skill development programs by labor and management and re-

Kennedy Asks for Urgent \$600 Million Public Works Program

President Kennedy, in a letter to the Public Works Committees of both Houses of Congress, has asked for a \$600 million public works program to be started as quickly as possible. Expressing concern over the economy's failure to perform as expected by the Administration's economists, Kennedy pointed out that the unemployment rate was still 5.6% in mid-February, with the unemployed numbering 4,543,000 persons.

If approved by Congress, the \$600 million would be spent in 958 localities on such projects as public buildings, water and sewage projects, streets, and airports. The communities receiving aid include the 852 surplus labor areas recognized under the Area Redevelopment Act, plus 106 communities which have suffered for over a year from substantial unemployment. About 40 percent of the nation's population lives in these 958 areas.

Kennedy proposed the \$600 million in the form of an amendment to his request for "standby authority" to spend up to \$2 billion on public works as needed to head off another recession even before the nation recovers from the last one.

Kennedy, however, made it clear that he still has confidence in the Area Redevelopment Act. Although it is expected that area redevelopment and other long-run measures will eventually restore employment in the depressed areas, the Presi-

dent pointed out that "their needs are urgent now and further help should not be delayed until another recession threatens the whole economy."

Kennedy's plan is to provide federal grants amounting to as much as 50 per cent of the cost of projects essential for some public need in the 958 localities. Loans would be available to those communities unable to provide matching funds. The projects would have to be capable of being initiated within a short time and completed within a 12 months' period.

President Kennedy will closely scrutinize the extent to which the national economy has recovered by mid-April. The President's Council of Economic Advisors are currently re-evaluating their economic predictions for the year. By mid-April, economic statistics through the month of March will be available and the advisors will have a better

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State Legislature

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sponsible government agencies.

- Survey and study the introduction of modern production techniques in California to determine the impact of automated processes and other technological advancements on employment opportunities, the skill requirements of industry, business, and government, the displacement of employees, and the obsolescence of skills among members of the labor force.

- Study and analyze the processes and adjustment to automation and other technological advancements in the state's economy.

- Conduct surveys of current public and private programs in the field of job training, retraining, and skill developments generally to evaluate their effectiveness in providing employable skills in reference to both the changing composition of the state's labor force and the changing skill requirements of industry.

- Encourage labor and management to undertake jointly similar surveys and projections within their respective industries and occupations to maintain a high level of private initiative in meeting the skill development requirements of both employees and employers.

In addition to employing an executive secretary and staff as may be necessary, the commission is given power to "accept grants of funds from the government of the United States or from any person or private agency." This provision would enable the commission to utilize planning funds for the implementation of the federal Manpower Development and Training Act, which will become available in May under the terms of the new federal legislation.

Another provision of the Richards bill would require the state Departments of Industrial Relations, Employment and Education to "assign staff, conduct studies, make surveys and perform similar functions" as requested by the automation commission in carrying out its duties and responsibilities.

Members of the commission appointed by the Governor would hold office for a term of four years. They would serve without compensation, but would be reimbursed for actual and necessary expenses incurred in connection with the performance of their duties.

Upon introduction of the bill, Governor Brown said, "We can no longer ignore the painful process of social and economic adjustment that must be made to meet the problems of automation."

"No society can possibly grow and prosper if it does nothing more than accept the benefits derived from tech-

nological change," Brown continued. "The problems must be faced. In spite of a tremendous growth in our economy, we have had persistent unemployment in many areas. Much of this is directly traceable to the new technology of our productive economy."

Senator Richards, who is an announced candidate for the United States Senate, said that he was "proud to introduce this important measure."

"Nowhere else in the country is the threat of maladjustment in our labor force greater than right here in California where we have so great a concentration of defense industry," Senator Richards said.

The proposal to establish the automation commission is on the Governor's special call. The legislature is currently winding up its budget session, and all items other than the budget can be considered only at the special call of the Governor.

In describing the commission, Richards said that "it will be their job to come up with answers that will permit labor to keep abreast of the stampeding technological progress of our time."

Other State Legislative Developments

The Battle of the Budget is still raging furiously in Sacramento. Governor Brown's \$2.9 billion budget was approved, with minor reductions, by the Assembly Ways and Means Committee on Wednesday. One Republican and fourteen Democrats joined forces to give the budget a 15-3 margin. The committee removed the "urgency clause" from the budget bill, thus making it possible for the Assembly to approve the budget with a bare majority vote. However, the two-thirds rule still applies to the final vote on the Senate-Assembly conference report on the budget.

Certain economy-minded legislators are reported to be unhappy over removal of projects in their districts from the budget. It appears that when they spoke of "economy", they meant economy for someone else.

Final passage of the budget depends on the Governor's ability to persuade 10 Republican assemblymen to join the 44 Democrats for the necessary 54 votes.

Bond issues are also a hot issue. On Wednesday, the Assembly, by a vote of 40-33, turned down a GOP attempt to place the \$200 million school construction bond issue on the November ballot. The chairman of the Assembly Education Committee already had a bill in, placing the bond issue on the June ballot. The Education Committee chairman and the Superintendent of Public Education have both expressed dismay at the irresponsible attempt to delay school construction for the sake of partisan advantage. It has been estimated, by reliable sources, that delaying the bond issue until November would cause a three or four months' delay in the commencement of many school building projects.

'High Wage Fact And Fiction'

Enemies of labor frequently allege that the U. S. is priced out of world markets due to the high wage levels received by American working people.

Yet a recent study released by the Secretary of Labor indicates that we have been competitive in world markets and, indeed, have done extremely well in the very products produced by working people with good wage rates.

Secretary Goldberg has said recently: "Wage rates are not the measure of the costliness of labor; the significant labor cost for trade purposes is unit labor cost."

Those uninformed persons who criticize labor's gains in wages overlook the high productivity of American working people. For instance, American coal miners receive almost eight times as much pay as Japanese miners, but we export thousands of tons of coal to Japan. Higher productivity enables the American coal miner to dig 14 times as much coal in a day as a Japanese miner.

The cost of materials and other key factors must be considered when exports are discussed. American labor has a responsible attitude toward the nation's position in world markets and has encouraged high wage standards abroad through active participation in the ILO and the ICFTU to insure that imports are manufactured under humane conditions.

Other impending bond issues are \$270 million for construction of state institutions slated for the June ballot, and \$200 million in Cal-Vet bonds and \$150 million in bonds for parks and recreational facilities to be submitted to the voters in November. The recreation and parks bill, SB 2 (Cameron), has already passed the Senate.

Reapportionment of the state Senate has bogged down. Several measures have been proposed for submission to the voters in November, but agreement seems unlikely this year.

A resolution calling upon Congress to set a minimum wage for agricultural workers, SJR 5 (McAteer), has been approved by the Senate. It was supported by the Grange and opposed by the Farm Bureau Federation.

A proposal to place an extension of daylight-saving time to the last Sunday of October has been approved by Ways and Means for the June ballot.

It is expected that the legislature will swing into sharp action next week.

Thirteen Public Housing Projects Await Voter Approval

In the next three months, voters in 13 California communities will go to the polls to pass upon public housing projects valued at over \$8 million in new construction.

Over 700 units, sorely needed to meet the housing needs of low income groups, are involved in the 13 projects. The election dates and areas are as follows:

April 10 — Williams, Colusa County, 20 units; Guadalupe, Santa Barbara County, 20 units; Soledad, Monterey County, 26 units; Dinuba, Tulare County, 40 units.

June 5 — Delano, Kern County; Fresno, Fresno County, 400 units; McFarland, Kern County, 40 units; Ceres, Stanislaus County; Los Banos, Merced County; Westley, Stanislaus County, 20 units; Gridley, Butte County, 20 units; Santa Maria, Santa Barbara County, 150 units; San Luis Obispo, San Luis Obispo County, 100 units.

Including the value of land, the aggregate cost of the projects will be over \$16 million. Organized labor traditionally is one of the strongest supporters of public housing authorization legislation in Congress. Authorizations by Congress are meaningless, however, if real estate interest groups are permitted to block local projects on the ballot.

In California, under a requirement imposed upon the people by the real estate lobby, all local public housing projects must be approved by the voters before they can be undertaken.

In each of the 13 areas where public housing projects will go to a vote, the deciding factor may well be the active campaigns waged by local COPE organizations in support

Credit Unions Back "Truth-in-Lending" Bill

The Credit Union National Association (CUNA) has hailed President Kennedy's endorsement of protective legislation for borrowers similar to the "truth-in-lending" bill (S 1740), sponsored by Senator Paul Douglas (D., Ill.).

"President Kennedy's support for this vital legislation may be just the stimulus needed to get the 'truth-in-lending' bill moving again," according to CUNA. "Certainly, the President could have picked no more critical area in our domestic affairs to highlight in his message to Congress on consumer protection," CUNA's president, H. Vance Austin, said this week.

The "truth-in-lending" bill would require lenders and merchants who sell "on time" to tell their customers the truth about the cost of the credit they provide, both in terms of dollars and cents, and as a simple annual percentage of the amount borrowed. Credit unions, now the third largest suppliers of consumer installment credit, along with the AFL-CIO and other consumer-oriented groups, have vigorously supported the "truth-in-lending" bill since it was introduced two years ago.

Many consumers are unaware that purchases they make at \$5 down and \$5 a month are costing them high rates of interest—36 per cent to 40 per cent or more, Austin declared. "Too many consumers are unable to look beyond the size of the payment to find the total cost," he said.

Many consumers are unaware that the money they borrow at 3 per

cent of public housing. Local movements are urged to enter the public housing campaigns with all the strength they can muster.

cent a month really costs about 36 per cent in simple annual interest, that a stated interest rate of 6 per cent discount can conceal actual charges of 12 per cent or more, depending on the details of the contract, or that nearly all merchants' revolving credit plans add up to about 18 per cent or more a year, Austin pointed out.

"If borrowers and credit customers were given this information, they could make a more intelligent decision before they availed themselves of so-called 'easy payment plans,' which can add a third or more to the cost of the goods they buy," Austin said. "When consumers are duped into paying more interest than is necessary, because they are not free to choose their source on the basis of price comparison, their buying power is weakened.

"Just how long the American consumer can support our expanding economy under these conditions should be the concern of all of us."

Kennedy Asks For \$600 Million

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idea of what the nation's economic outlook is going to be.

The chairman of the President's Council of Economic Advisors testified before the House Public Works Committee on Monday and presented the Administration's request for stand-by authority to spend up to \$2 billion on public works. This program would complement the Area Redevelopment Act and the recently signed Manpower Retraining Bill.

The need for a supplement to these two acts has become increasingly apparent from the failure of the economy to recover as predicted during the first two months of 1962. The average workweek, personal income, and industrial production all dropped during the month of January. Although they recovered in February, orders for durable goods fell and housing starts dropped dramatically from January's rate.

It is urgent that the President be given the stand-by power to cope with weak spots in the economy.

Long Overdue Davis-Bacon Amendments Pass House Committee

On Tuesday, the House Labor Committee acted on a bill (HR 10766) requiring contractors on government projects to pay their employees fringe benefits equal to those prevailing in the locality where the construction is done.

Since 1931, the Davis-Bacon Act has prevented the undercutting of local wage rates by outside contractors by requiring that they meet the local wage scale. Due to the growth of fringe benefits, the equal wage

requirement has lost much of its effectiveness in preventing undercutting of prevailing local conditions on government projects.

Prevailing fringe benefits would either be paid into the benefit funds or given directly to the workmen as a cash payment. The Labor Committee vote of 22 to 7 in favor of the bill boosted hopes that it is likely to be passed by the House this spring or summer.

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Administration Proposals on Civil Rights Backed by AFL-CIO

An AFL-CIO spokesman, speaking before a House Judiciary Subcommittee, pledged the labor movement's support for President Kennedy's proposals to abolish unreasonable literacy tests and poll taxes as qualifications for voting.

AFL-CIO warned the subcommittee, however, that such reforms "cannot and must not be a substitute for broad and effective legislation to eliminate discrimination and segregation in the fields of education, jobs and housing."

The civil rights bills involved were: a measure to set forth a constitutional amendment for the purpose of abolishing the poll tax, which is now imposed by five states as a requirement for voting in federal elections, and an Administration bill to eliminate state literacy tests for voting rights for persons with a sixth grade education. The bill would also permit Spanish speaking Americans to take the literacy test in their own language.

On the matter of literacy tests, the AFL-CIO spokesman stated that the Federation's position is that a

bill should be passed by Congress embodying the new civil rights measure, rather than submitting it to the states as a constitutional amendment. The U. S. Senate, this week, approved a constitutional amendment to abolish the poll tax.

The position of labor is that resort to constitutional amendment on the literacy tests may set a bad precedent for future civil rights legislation. The Federation spokesman said: "We see no legal necessity for resort to the device of a constitutional amendment to abolish or limit discriminatory literacy tests for voters in federal elections."

The AFL-CIO also took a firm stand on elimination of the poll tax, but maintained that mere elimination of the tax alone without additional civil rights legislation would be inadequate.

Labor's representative told the subcommittee: "Our form of government requires the widest possible availability of the right of suffrage for all citizens, without discrimination of any kind whatsoever."

Brown Advances Mental Health Plan

Addressing the second annual mental health awards banquet in Sacramento, last week, Governor Edmund G. Brown revealed a master plan for mental health care under the State Department of Mental Hygiene, which the Governor has submitted to the legislature.

Brown predicted the master plan "may well prove to be the major development on the mental health scene in many years . . . It foresees a statewide pattern of the future — in which mental illness would be treated in the same way physical ailments are now treated — mainly by physicians, in their

regular practice and in local hospitals."

Brown added that the broad outlines of the master plan take into account specific recommendations to be made after the legislature has had the opportunity to review it.

The state mental health awards banquet is an annual event which lists the California Labor Federation, AFL-CIO among its sponsors. President Albin J. Gruhn represented the state AFL-CIO at the banquet where Brown revealed the mental health care master plan.

Awards were presented to nine individuals and organizations in

\$3 Million in Back Wages Collected

A record-breaking \$3,074,648 was recovered in claims for unpaid wages last year by the Division of Labor Law Enforcement of the Department of Industrial Relations, Governor Edmund G. Brown announced recently.

"The figure represents a better than 20% increase over 1960 recoveries when about \$2.5 million went to California wage earners through Division efforts," Brown said.

"The Division has consistently led the nation in collections of unpaid wage claims year after year, recently equalling total collections made by all other states combined," the Governor pointed out.

A year-end report submitted to the Governor by John F. Henning, the Director of the Department of Industrial Relations, and State Labor Commissioner Sigmund Arywitz, Chief of the Division of Labor Law Enforcement, revealed that the agency's office held 24,147 investigatory hearings on 37,032 wage case complaints.

Most of the complaints, according to the report, dealt with failure of an employer to pay wages for work which had been performed. The Division is empowered by the California Labor Code to institute action for recovery of wages and penalties on claims it deems valid and payable.

While the Division does not have the power of judicial determination, it may institute civil suit for recovery of money it finds due, or initiate a criminal complaint for violation of the Labor Code.

Last year, 854 civil suits were filed and \$372,165 gained for claimants through such action.

recognition of outstanding service in the mental health field. Winners were selected by an awards committee with Gruhn among its members, from hundreds of nominations by mental health authorities and groups throughout the state.