CALIFORNIA AFL CIO LABOR FEDERATION

Weekly News Letter

Vol. 4—No. 12
April 13, 1962

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Executive
Secretary-Treasurer

Published by California Labor Federation, AFL-CIO

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State COPE Endorsements: Brown, Richards Head Labor's Slate for Primary Election

More than 700 delegates to the Pre-Primary Endorsement Convention of California Labor COPE in San Francisco this Wednesday, gave the state AFL-CIO movement's official endorsement to 109 candidates for statewide and district offices in the June 5 primary.

The largest and liveliest convention in state COPE's history unanimous-ly endorsed Governor Edmund G. Brown for re-election and picked State Senator Richard Richards in the U.S. Senatorial contest to head labor's slate of endorsed candidates.

VIGOROUS DEBATE

Delegates to the historic meet drew focus on the U.S. Senatorial contest which consumed more than eight hours of the convention day in vigorous debate and roll calls before producing a strong endorsement for Richard Richards.

The Executive Council of state COPE, meeting prior to the convention into the early hours of the morning after a day-long session of interviewing candidates, came up with a recommendation to the convention floor to endorse Richard Richards in the Democratic primary and incumbent Thomas H. Kuchel in the Republican primary.

Although the recommendation was restricted to a statement of preference within the separate party primaries without choosing between the two candidates, strong support for Richards overturned the Executive Council report. A roll call vote recorded 140,800 votes against the Executive Council recommendation and 102,655 in support of it.

Following rejection of the report, the state AFL-CIO movement's official recommendation went to Richard Richards on a second, overwhelming roll call vote favoring the Democratic challenger's candidacy for the U.S. Senatorial seat. The actual vote on Richard's endorsement was 142,865 to 68,438.

The Richard's endorsement was followed by immediate and unanimous action on the part of convention delegates giving labor's endorsement to the following slate of candidates for the state's top constitutional offices as recommended by the Executive Council:

- Governor: Edmund G. Brown (D)
- Lieutenant Governor: Glenn M. Anderson (D)
- Attorney General: Stanley Mosk (D)
- State Controller: Alan Cranston (D)
- State Treasurer: Bert Betts (D)
- Secretary of State: Don Rose (D)
- Secretary of Public Instruction (Non-partisan office): Ralph Richardson

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Pitts Statement On Steel Prices

State Secretary-Treasurer Thos. L. Pitts, today, praised the success achieved by President John F. Kennedy in preventing the nation's steel giants from "robbing the consumer blind."

In a statement attacking the steel industry's $6 per ton price increase announced earlier this week but retracted on pressure of Preident Kennedy, Pitts said:

"The utter contempt for the consuming public displayed by the nation's steel giants this week isn't anything new on the American scene.

"The power elite who control the basic steel industry have been robbing the consumer blind for years through the technique known as 'administered pricing'. The current situation is distinguishable from the price gouging practices developed to a peak of efficiency under the Eisenhower-Nixon Administration, only because we now have a President who has the will and know-how to defend the public interest against the economically disastrous policies of this new class of would-be industrial dictators.

"It's high time that the public learned some of the rules which guide the steel executives in the game of 'calendar economics' they have been playing with the consuming public in an effort to cover up price gouging by announcing increases to coincide with the conclusion of negotiations.

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Pitts Ask $1.50 State Minimum Wage for Women

A minimum wage of $1.50 and major improvements in the penalty pay provisions for overtime work performed by women and minors in California's "after-harvest" industries was proposed this week by California Labor Federation, AFL-CIO Secretary-Treasurer Thos. L. Pitts.

In a prepared brief submitted to the Industrial Welfare Commission's newly appointed wage board covering industries handling farm products after harvest, the Federation spokesman pointed to the Commission's June 1961 "Budget for a Self-Supporting Working Woman" as the prime justification for the proposed change from the present wage orders callings for $1.00 per hour.

In line with the legislature's "moving standard," adjustments in the "Minnie budget" for cost-of-living increases and living standard improvements since June 1961, called for an annual income of over $2900 by January 1962. On the basis of a 2000 hour work-year (50 weeks a year at 40-hours a week), the budget alone justified a $1.44 an hour rate, Pitts declared.

The budget is priced for the Commission as a tool in estimating a minimum wage "adequate to supply the necessary cost of proper living to, and maintain the health and welfare of, women and minors."

Pitts observed that the budget itself constitutes a conservative estimate of these needs because it is based on a series of optimistic assumptions as to the factors involved

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State COPE Convention

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Endorsement actions in the state's 38 Congressional districts, 80 Assembly districts, 20 State Senatorial seats up this election year, and four districts of the State Board of Equalization are as listed below.

Secretary-Treasurer Thos. L. Pitts and President Albin J. Gruhn lauded the spirit and enthusiasm of the convention delegates as clear evidence that organized labor in California is entering the 1962 campaigns with determination and full realization of the issues at stake for the workingman and the general public.

The convention was a living example of democracy in action. A standing ovation was given Pitts and Gruhn on conclusion of the convention for the fair and efficient manner in which they handled the liveliest endorsement convention in state COPE's history.

As one of its final actions, delegates unanimously gave the Secretary-Treasurer authority "to withdraw the endorsement of any candidate should his actions be detrimental to the labor movement."

In the listing of endorsements below, where an "open" recommendation was adopted by the convention, the Secretary-Treasurer was also given full power to make endorsements in consultation with local COPEs, subject to the approval of the Executive Council.

All of the convention endorsements will be carried in an official primary endorsement pamphlet which will be printed by California Labor COPE, and made available for distribution to AFL-CIO members through local organizations. Pitts said that local organizations will be advised of the pamphlet's availability at an early date well in advance of the June 5 primary.

U. S. CONGRESS

Dist. Recommendation

1. Clem Miller (D)
2. Harold T. Bizz Johnson (D)
3. John E. Moss (D)
4. Open
5. John F. Shelley (D)
6. John A. O'Connell (D)
7. Jeffery Cohelan (D)
8. George P. Miller (D)
9. Francis Dunn (D)
10. Open
11. William J. Keller in Democratic primary. No endorsement in Republican primary.
12. Open
13. Open
14. Charles R. Weidner (D)
15. John J. McFall (D)
16. B. F. Sisk (D)
17. Cecil R. King (D)
18. Harlan Hagen (D)
19. Chet Holifield (D)
20. Open
21. Augustus F. (Gus) Hawkins (D)
22. James C. Corman (D)
23. Clyde Doyle (D)
24. Open
25. Ronald Brooks Cameron (D)
26. James Roosevelt (D)
27. Everett G. Burkhalter (D)
28. Robert J. Felixson (D)
29. Open
30. Edward R. Roybal (D)
31. Open
32. W. Bud deCannis (D)
33. Harry R. Sheppard (D)
34. Richard T. Hanna (D)
35. Open
36. No endorsement
37. Open
38. D. S. (Judge) Saund (D)

STATE SENATE

Dist. Recommendation

2. Randolph Collier (D)
4. Open
6. Open
8. Virgil O'Sullivan (D)
10. Open
12. Joseph A. Rattigan (D)
14. J. Eugene (Gene) McAteer (D)
16. John W. Holmdahl (D)
18. Joseph F. Lewis (D)
20. Alan Short (D)
22. Hugh P. Donnelly (D)
24. James A. Cobey (D)
26. Shephen P. Teale (D)
28. Open
30. Hugh M. Burns (D)
32. Open
34. Walter W. Stiern (D)
36. Eugene G. Nisbet (D)
38. Thomas M. Rees (D)
40. Hugo Fisher (D)

STATE ASSEMBLY

Dist. Recommendation

1. Open
2. Pauline L. Davis (D)
3. Open
4. Open
5. Pearce Young (D)
6. Paul J. Lunardi (D)
7. Robert D. Carrow (D)
8. Open
9. Edwin L. Z'berg (D)
10. Jerome R. Waldie (D)
11. John T. Knox (D)
12. Richard J. Gibson (D)
13. Carlos Bee (D)
14. Robert W. Crown (D)
15. Nicholas C. Petris (D)
16. Robert L. Hughes (D)
17. William Byron Rumford (D)
18. Edward M. Gaffney (D)
19. Charles W. Meyers (D)
20. Philip Burton (D)
21. Open
22. Open
23. Open
24. Alfred E. Alquist (D)
25. William F. Stanton (D)
26. Donald A. Barr in Democratic primary
    Carl A. Britschgi in Republican primary
27. Leo J. Ryan in Democratic primary
    Raoul A. Vancilione in Republican primary
28. Jack T. Casey (D)
29. John C. Williamson (D)
30. Charles M. Spencer (D)
31. Gordon H. Winton, Jr. (D)
32. Russell E. Leavenworth (D)
33. Charles B. Garrigus (D)
34. Open
35. Myron H. Frew (D)
36. Open
37. Burt M. Henson (D)
38. Carley V. Porter (D)
39. Bert Bond (D)
40. Edward E. Elliott (D)
41. Tom C. Carrell (D)
42. Tom Bane (D)
43. Open
44. Joseph M. Kennick (D)
45. Alfred H. Song (D)
46. John W. Evans (D)
47. Open
48. Merrill W. Francis (D)
49. Open
50. Dan Mundy (D)
51. William C. (Bill) O'Donnell (D)
52. George A. Willson (D)
53. Open
54. Open
55. Vernon Kilpatrick (D)
56. Charles Warren (D)
57. Open
58. Open
59. Open
60. Milton John Lear (D)
61. Lester A. McMillan (D)
62. Tom Waite (D)
63. Don A. Allen, Sr. (D)
64. Wallace J. (Wally) Lauria (D)
65. Jesse M. Unruh (D)
66. Open
67. Clayton A. Dills (D)
68. Vincent Thomas (D)
69. Open
70. Open in Democratic primary
    No endorsement in Republican primary
71. Open
72. Open
73. Open
74. Joseph F. Palaia (D)
75. Leverette D. House (D)
76. No Endorsement
77. No Endorsement
78. No Endorsement
79. James R. Mills (D)
80. No Endorsement

STATE BOARD OF EQUALIZATION

Dist. Recommendation

1. George R. Reilly (D)
2. John W. Lynch (D)
3. Paul Leake (D)
4. Richard Nevins (D)

UCD Adverse Selection Regulations

On April 6, by a vote of 2 to 1, the State Unemployment Insurance Appeals Board approved of a regulation drafted by the Department of Employment to put an end to adverse selection by private insurance carriers. AB 234 (Rees), a Federation sponsored bill passed during the last general session of the state legislature, required that private insurance companies cease to skim the cream from disability insurance risks, leaving the poorer risks to the state fund.

The new regulation requires that private carriers assume a distribution of women, persons aged 50 years or more, and persons with an income of less than $3,600 a year similar to the distribution in the state population at large. This matter has been before the Appeals Board since last winter.

In 1946, the state legislature in establishing UCD, decreed that private carriers should not be allowed to select risks that would have a substantially adverse effect upon the state disability fund. However, the 1953 legislature was induced to suspend this prohibition, and although the adverse selection prohibition has been in the Department of Employment's regulations they have been inoperative from 1953 until the present. After the suspension of the adverse selection prohibition, the state plan and the private carriers developed a wide spread in the amount of female content in the two respective systems. Consequently, solvency of the state fund was jeapordized. It is well known that female coverage is considerably more expensive than male coverage, and indeed female content was the sole criterion on adverse selection during the period when adverse selection prohibition was enforced.

The 1961 state legislature took the position that the UCD tax is compulsorily levied on the working people of California for the purpose of providing wage continuance during periods of disability and is not primarily intended for the enrichment of insurance companies. This decision of the Appeals Board is an essential step in the implementation of this legislative intent. It is expected that the insurance companies will appeal the Board's decision in court.

Pitts Statement On Steel Prices

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"As President Kennedy pointed out, increases in labor productivity have been sufficient to cover all increased labor costs without boosting steel prices.

"Indeed, this has been the case throughout the post World War II period, which has seen 23 administered price increases in steel prior to this week's announced $6 per ton boost.

"The attempted increase was in keeping with the industry's established practice of biting the consumer with an average $3 increase in steel prices for every $1 increase in worker earnings, totally disregarding the increased productivity factor.

"The simple truth of the matter is that the steel giants have been picking the pockets of consumers by forcing them to pay for capital outlay expenditures through the administered pricing mechanism, which reaps staggering profits for those who own large blocks of steel stocks.

"It has been documented in Congressional hearings that U.S. Steel, as pace-setter, sets prices to break even operating at less than 40 percent of capacity. In this manner, they have exercised control over prices to get consumers to cover not only a high dividend return to stockholders, but also to generate internal financing for up to 80 percent of capital outlay for new plant and equipment.

"Rather than drawing on so-called risk capital in the investment market, they force the consumer to foot the bill for the benefit of the big stockholders, who number among them the top executives who make the pricing decisions.

"This method of providing internal financing for the bulk of capital outlay expenditures is augmented by the rapid depreciation allowances permitted corporations under the tax revision bill pushed through Congress by the Eisenhower-Nixon Administration in 1954.

"The happy stockholder is the sole beneficiary of these new methods of accumulating 'costless capital'. Make no mistake about it, the more than 1000 percent rise in U.S. Steel stock values that has occurred since 1940 is not a paper gain. It is backed by real expansion of plant and equipment for which the consuming public is paying the bill under the Wage-Price-Profit relationships that exist today in the steel industry.

"We in organized labor, who have been trying for years to inform the public on this issue, are thankful that the Kennedy Administration has come to grips with the problem.

It is interesting to note also that President Kennedy has expressed some second thoughts about giving the nation's corporate giants the additional tax credit which he is proposing in the tax revision bill currently before Congress. The AFL-CIO has opposed this feature of the tax revision bill, although it is supporting the measure on balance because of other needed reforms.

"President Kennedy has our deep admiration for the manner in which he defended the public against the forces of rampant wealth.

Record Big Business Political Contributions Expected This Year

Conservative and big business interests will "pour money into this year's campaign in record amounts for an off-year election," James L. McDevitt, Director of the AFL-CIO Committee on Political Education, said this week.

He predicted, "The sky will be the limit, because they hope to add enough votes in Congress to the Dixiecrat-conservative Republican coalition to completely paralyze progressive legislation."

He pointed out that "boasts by conservative leaders about their potential strength at the polls have encouraged big political spenders to open their checkbooks wide."

"Their aims will be the same as always," McDevitt said, "to elect Senators, Representatives, state and local officials who are committed to stand-pat government."

Adding to their confidence, he warned, is the traditional swing away from the administration in power during off-year elections. It has been reversed only once in this century. That was in 1934, when Franklin Roosevelt's majority in Congress was increased.

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Pitts Ask $1.50 State Minimum Wage for Women

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in a working woman's living costs.

One such assumption, in defiance of substantially higher findings by the Women's Bureau is that working women are 35 years of age on the average. The result of this understatement of the case is that allowances for such costs as medical care are made at unrealistically low levels.

A similar inadequacy of the June 1961 California budget was pinpointed in the area of "insurance, savings and emergencies." The Federation statement observed:

"Almost a year earlier, New York State estimated the cost of adequate maintenance and protection of health for a working woman living as a member of a family. For 'insurance, savings and emergencies', the New York budget in August 1960 allowed a total of $324.

"The basic disparity involved here is in regard to the budget allocation for savings. California wage orders have historically virtually ignored this crucial item up to the time of the June 1961 budget. On the other hand, the New York State Department of Labor has for years allocated a flat 10 percent of the total budget for savings purposes . . ."

Allocations for savings are made for the purpose of coping with old age, uninsured medical expenses, unpaid absences from work and unemployment.

Although it was priced almost a year earlier, the New York State budget reflected a ned for an annual income of at least $2936. The extent to which California's June 1961 budget requirement of $2855 fell short of the mark is seen only in part at this level, the AFL-CIO official stated.

Its full dimensions, he said, can only be gathered when note is also taken of California's higher living costs. As measured by the City Worker's Family Budget in the fall of 1959, New York's annual income requirements for the same living standard were over $300 below those prevailing in California. The cost of this budget was $5970 in New York, $6285 in Los Angeles, and $6304 in San Francisco.

The budget was also sharply criticized by the Federation for totally ignoring the needs of the very sizeable group of working women supporting children, disabled or unemployed husbands, or other dependents. Pitts submitted government statistics confirming his observation that ". . . millions of working women are the sole or principal breadwinners for families of two or more people. It is apparent that an adequate wage for such individuals cannot possibly coincide with any minimum wage level designed to barely meet the requirements of a self-supporting working woman without dependents."

The statement also belittled traditional employer arguments to the effect that a substantial increase in minimum wage levels would adversely affect business and employment opportunities in the state. Pitts cited federal studies of the effects of earlier minimum wage increases which conclusively demonstrate that no such consequences have in fact resulted. He added:

"Instead, the impact has been to spur marginal employers to reorganize their operations and at times to update outmoded physical plants. In the great bulk of such cases, the employer himself has benefited equally with his labor force and the general community."

Beyond this, the Federation official pointed out that, due to generally higher wage levels in California, there would be fewer employers affected by a $1.50 state minimum than will be the case nationally when the $1.25 federal rate goes into effect next year.

With the $1.15 federal minimum scheduled to rise to $1.25 next year, Pitts gave heavy emphasis to the need for restoring the Commission's earlier recognition of higher living costs and better living standards in California by adoption of the $1.50 minimum. Noting that California's minimum wage provisions are much older than those of the federal Fair Labor Standards Act, and that until 1950 the state's bottom legal wage requirements were as much as 25 cents above the national minimum, he declared:

"This vast deterioration in the handling of the wage orders portrays the startling transforamtion of California's minimum wage machinery from that of a pioneering mechanism, setting the example for the entire nation, into a rusty piece of equipment in need of renovation to keep abreast of social and economic progress. It reflects a disregard for the economic facts of life which of themselves, demand a California minimum substantially in excess of that prescribed for the nation as a whole.

"Equally important, it challenges the leadership role California has assumed in establishing progressive standards for the protection of working people. The irony of this latter consideration is brought home with its fullest impact when cognizance is taken of the fact that the national minimum is itself the product of compromises forced by the anti-labor congressional bloc from the South and its allies."

In condemning the present lax hours provisions for women and minors, under which "after-harvest'" employers extract exceedingly long hours of labor, Pitts called upon the Wage Board to recommend the following provisions to the Commission:

1. Time and one-half for hours beyond eight in one day, up to the tenth hour, with double time for the tenth and subsequent hours.

2. Time and one-half on the sixth day, with double time beyond 48 hours a week.

3. Triple time for the seventh day as such.