

State Federation Scholarship Winners Named

Winners of seven \$500 college scholarship awards offered in the 12th Annual High School Scholarship competition sponsored by the California Labor Federation, AFL-CIO, were announced this week.

The seven winners, chosen from a field of 518 high school seniors competing in the examinations, are:

Barbara Rhine, Morningside High School, Inglewood; Jayne M. Knoche, Fallbrook Union High School, Fallbrook; Joseph W. Powers, Westchester High School, Los Angeles; Marcia Blair Kump, Polytechnic High School, Riverside; Bruce Henschel, Alameda High School, Alameda; Virginia Ann Ramset, Junipero Memorial High School, Monterey; Melvin E. Page, El Capitan High School, Merced.

Thos. L. Pitts, secretary-treasurer of the State Labor Federation, who announced the winners, explained that they may apply the \$500 awards at any accredited college or university of their choice. No restrictions whatever are placed on the future course of study undertaken by the winners, he added.

In addition to the \$500 cash awards, the winners will receive an expense-free trip to the 1962 state-wide convention of the California Labor Federation, AFL-CIO, to be held in Long Beach the week of

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UNION LEADERS ASKED TO HELP LABOR SURVEY

John F. Henning, California Director of Industrial Relations, urges all California union officials to assist in the State's 1962 census of labor unions which began this week.

This year's Organized Labor Questionnaire, the 67th in the annual series, has just been mailed to over 3,500 California union locals by the Division of Labor Statistics and Research of the Department of Industrial Relations.

The Questionnaire provides the basic information for recording the history of California's labor movement. Replies to the Questionnaire are summarized in the Division of Labor Statistics and Research's annual report, **UNION LABOR IN CALIFORNIA**.

Henning paid tribute to the excellent cooperation extended by union officials over the years. "Last year, nearly every local replied to the Questionnaire," Henning said. "This year, I hope EVERY union officer will do so."



THOS. L. PITTS
Executive
Secretary-Treasurer

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Federation Wins Round in Court Fight To Bar Raiding of State Insurance Fund

The California Labor Federation won another round this week in its fight to bar private insurance carriers from skimming the cream off the top of the insurance risks involved in the state unemployment disability insurance program.

The California Supreme Court on Tuesday ordered the Department of Employment to proceed with the immediate enforcement of regulations drawn up under the mandate of the legislature to stop private carrier raiding of the disability insurance fund.

The action was taken on a petition for a hearing filed by Secretary-Treasurer Thos. L. Pitts concerning the selection of risks by private carriers adverse to the state program.

The high court issued an alternative writ of mandamus and set a hearing for August 28, thus staying a preliminary injunction that had been issued by a Sacramento Superior Court against the Director of

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Wily Scheme By Nixon Aides Flops

Richard M. Nixon's wily campaign strategists couldn't let well enough alone last week, with the result that a neatly engineered publicity stunt involving Nixon's jaunt to Denmark to take part in that country's observance of American Independence Day backfired to the thorough discredit of the would-be governor of California.

On Tuesday, June 26, Nixon's Los

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American Legion Hears State AFL-CIO Chief Cite Record of Labor's Mutual Aims

"The signal point of an emerging totalitarian state is always the loss of freedom to the individual worker," Albin J. Gruhn, president of the California Labor Federation, told the California Department of the American Legion at its statewide convention in Fresno last week.

Pointing out that the labor movement and the Legion have always maintained "a close relationship" because of the common objective "of our dedication to freedom," Gruhn cautioned the 5,000 legionnaires present "that it is not enough to establish the evils of communism alone.

"It is essential," he said, "that there be a complete and exhaustive exposition of the basic values of a free society which distinguish it from communist and other totalitarian states, coupled with the determination on the part of the American people that the principles of our free society shall be applied for the betterment of mankind."

"In collective bargaining," Gruhn continued, "we have been guided by one objective—to extend a measure of democracy to the decision-making processes that affect the well being of individual workers. We have always sought to work within the private enterprise system, to mitigate its abuses, and to strengthen it as the economic system that has brought the highest standard of living in the world to our people.

"Indeed, collective bargaining is a product of our economy and re-

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State Health and Welfare Chief Says Kerr-Mills Act Is Inadequate, Hits AMA

California pioneered in setting up medical assistance for the aged under the Kerr-Mills law and the result of its experience is that Kerr-Mills is "an expensive makeshift which does not meet the needs of our elder citizens," according to Health and Welfare Administrator Samuel Leask, Jr.

In reply to charges by Dr. Edward Annis, president-elect of the American Medical Association, Leask said, "No one—least of all Dr. Annis—should blame the fact that Kerr-Mills is not a satisfactory

answer to the problem of providing medical care for our elder citizens on our counties and state governments," Leask said.

"They have made a determined and costly effort to make it work," he said, "and have made California one of only four states who made a substantial effort to get Kerr-Mills to work."

"Between them, the state and counties are spending this year approximately \$40 million of the \$80 million estimated cost trying to get Kerr-Mills to work and I know the officials involved will resent Dr. Annis' statement—as I do—that this amount of money is being spent in an effort to sabotage the program," Leask said.

"Under a program such as proposed by the King-Anderson bill, our state and county governments would save a substantial portion of that yearly outlay," Leask said, "and would be able to provide better medical care to more people without applying to them the degrading means test."

"It is not true that California enacted a 30 day waiting period for recipients of Kerr-Mills assistance in order to sabotage the program," Leask said.

California chose a flexible 21 to 30 day waiting clause because the greatest need among California's older population is for convalescent care and that is where the bulk of the available money has to go. Acute care needs are handled through county hospitals and the Public Assistance Medical Care Payments program, Leask said.

"Instead of making false charges against Governor Brown, the legislature and state and local governments in California for his own purposes as an AMA lobbyist," Leask said. "Dr. Annis and his fellows in the association should analyze California's experience with Kerr-Mills."

"They would find that that experience shows the great need for a medical care program financed through social security such as the King-Anderson bill," Leask said, "which would allow our citizens to pay the costs of medical care for their later years during the active years of their lives."

Scholarship Winners

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August 20, 1962. They will be honored guests at the convention and will receive their scholarships at a special presentation ceremony.

Pitts said the seven scholarship winners were selected on the basis of a two-hour written examination held on May 18 with the cooperation of the high schools of the competing students.

The examination was designed to explore and evaluate the student's knowledge and understanding of labor and industrial problems and his ability to convey this knowledge. Demonstration of an understanding of past and present social and economic conditions that have affected labor-management relations was another important consideration used in grading the tests.

The examination papers were graded by competent university personnel who had no knowledge of the students' identities.

Serving on the judges committee for this year's scholarship examination were:

Frederick A. Breier, Ph.D., Associate Professor of Economics, University of San Francisco, San Francisco; Leon F. Lee, Ph.D., Associate Professor, Department of Industrial Relations, San Jose State College, San Jose; and Benjamin Aaron, L.L.B., Director, Institute of Industrial Relations, University of California at Los Angeles.

The contest was open to all graduating seniors in all California high schools, both public and private. As of the application deadline on April 16 a record number of more than 800 students had qualified to enter the competition.

Of the seven scholarships awarded this year, four were made available through the direct cooperation of the following affiliates of the Federation:

The Los Angeles Building and Construction Trades Council, the California Legislative Board of the Brotherhood of Railroad Trainmen; the Los Angeles District Council of Carpenters; and the Painters' District Council No. 36 of Los Angeles. The last is to be known as the "Roderick Mackenzie Scholarship Award."

Local central labor bodies, unions and school officials throughout the state cooperated with the Federation to encourage participation in the scholarship competition.

Wily Scheme by Nixon Aides Flops

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Angeles office, apparently in an effort to lend some prestige to their candidate, said in a statement reported by the wire services that Nixon would represent the United States at the festivities.

Two days later a Danish embassy spokesman refuted this, saying that U. S. Ambassador William M. Blair, Jr., not Nixon, would be the U. S. representative at the festivities.

In Copenhagen, Nixon's invitation to the celebration set off a storm of protests.

A conservative paper, the Berlingske Tidende, pointed out in an editorial that Nixon is a leading opponent of the Kennedy Administration and "would try to get the most out of the prestige" attached to his participation in the festivities.

The Berlingske Tidende, which is also Denmark's biggest daily newspaper, said Nixon should never have been invited.

And Information, Copenhagen's independent evening paper said on June 30, on the eve of Nixon's arrival, that the U. S. "ought to be represented by a personality who stands for the America we like."

The Danish embassy and the U. S. officials said Nixon was invited, as a private citizen, by the Danish Park Board.

By the time Nixon reached Copenhagen he appeared thoroughly cowed:

"I am on a nonpolitical trip and I'm not making any political comments," he said.

Key Notes on Labor

Earl Warren Jr., the Republican son of the Republican appointed Chief Justice of the United States by a Republican President, has changed his registration to Democratic and is stumping the state for the reelection of Governor Edmund G. Brown. Referring to Governor Brown's first term as "an administration marked by extreme courage and high morality," the U. S. Chief Justice's son, now a Sacramento attorney, said: "I tell you in complete sincerity that I would support Gov. Brown even if Nixon was in no way involved in the race." Young Warren also said he had discussed his change in registration with his father and that his father not only

did not object, but, young Warren said, "I had the impression that if he was in a position to do so today, he'd do exactly the same thing."

* * *

The number of major U. S. areas classified as having substantial unemployment dropped to 51 in June, the lowest figure since November, 1960, according to U. S. Secretary of Labor Arthur J. Goldberg. The San Bernardino-Riverside-Ontario area moved from the "substantial unemployment" group D category (in which unemployment ranges from 6 to 8.9 per cent of the work force) to the "moderate unemployment" group C category (3 to 5.9 per cent). Five smaller areas, including Oxnard, Calif., were removed from the "substantial unemployment" list.

* * *

The AFL-CIO has urged a House subcommittee to act promptly on educational aid to migrant farm workers and their children to help lift them "out of a vicious circle of ignorance and poverty." The bill, already passed by the Senate, would provide aid to the states to facilitate regular school attendance for these children, for summer schools and for planning and pilot projects. The Kennedy-backed bill is opposed by the American Farm Bureau Federation as "undesirable" federal aid to education.

* * *

On the same day the daily press reported that the United States Court of Appeals had upheld the criminal conviction of the 1,500 member Northern California Pharmaceutical Association for conspiring to fix the prices of prescription drugs, the American Medical Association took the position in an official report that it is not unethical for doctors to own drugstores or stock in pharmaceutical companies. The association, accused by the government of causing the public to pay at least \$12 million more for prescription drugs than it should have, was fined \$40,000. The three-man appellate tribunal said the evidence was "not merely sufficient but was indeed overwhelming." Anyone for refunds?

* * *

The Consumer Price Index in May remained at 105.2, unchanged from April, reflecting a balance between lower prices for food, solid fuels and gasoline and higher prices

Study Exposes Automation Myth About New Jobs

A decade of experience with automation has exploded many "myths and platitudes" about its ability to produce new jobs, the AFL-CIO Industrial Union Dept. has declared.

The IUD, in a 28-page study, quoted 1955 predictions of business leaders who foresaw "a continuing shortage of labor for the next 10 years" and the creation of "whole new industries."

"The economic behavior of our nation over the past decade has made a mockery of these and similar predictions," the study said. "We have been witness to the paradox of higher levels of output and productive potential while the ranks of the unemployed grow."

The IUD said only the federal government can acquire the know-how and has the resources to deal with rapid technological change. It called for creation of a permanent commission on technological change which would make recommendations to Congress and to the President "to insure that the social gains and social costs of technological progress are fairly shared."

Legislation also is needed, it stressed, to improve the jobless pay system, and expand educational and retraining opportunities.

The IUD said labor and management in a more limited way can "cushion the impact of automation on people and jobs" by including in contracts supplemental jobless pay, early retirement, seniority and transfer rights, retraining and shorter hours.

—AFL-CIO News

for services and used cars, according to the U. S. Bureau of Labor Statistics. Among the most important over the year increases were costs for medical care services. The increase in medical care costs resulted from higher professional fees, hospital room rates and health insurance rates, the bureau reported. Some 160,000 workers covered by cost-of-living escalator clauses are due to get pay hikes ranging from 1 to 3 cents an hour on the basis of the quarterly change in the index to May 1962. About 60,000 workers, mainly aerospace firm employees, are due for 1-cent-an-hour pay boosts.

Federation Wins

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Employment at the request of Cal-Western States Life Insurance Co. on April 27, 1962.

The Federation has been engaged in a running battle in the legislature, the courts and before various administrative agencies with the insurance carriers to put an end to "adverse selection."

"The carriers, by electing to cover primarily only those groups of employees in which the risk factor is minimal, place the state fund in the position of covering all the high risk employees at the same premium rate which the private carriers get for the minimal risks," Pitts noted.

"This results in a drain on the state fund which, though sweet for the private carriers, is quite sour for the workers of the state and for the taxpayers in general," Pitts declared.

The court action, Pitts explained, was sought to enforce the provisions of a bill passed by the 1961 legislature "to halt this raiding of the state fund."

The bill, AB 234 (Rees), which was passed in June, 1961, directed the Department of Employment to put into effect regulations that would prohibit the selection of risks adverse to the state fund by the private carriers. The regulations prohibit the private carriers from selecting preferred risks based on such factors as sex, age and wage levels.

But the insurance companies threw up one roadblock after another in an effort to thwart the legislature's intent.

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flects labor's total involvement in the institutions of freedom to achieve a better life."

The state AFL-CIO leader emphasized the vital link between a free labor movement and the survival of democratic institutions, saying:

"It can be readily understood that as long as workers remain free, as long as they are protected in their rights to organize to improve their conditions of life and labor, they will remain responsible citizens with a real stake in democracy.

"In pressing for socio-economic reforms for the welfare of the general public, we do not expect everybody to agree with us. . . . However, when we take positions on programs and policies affecting our state and nation it is out of honest belief that we are making a contribution toward giving freedom its fullest meaning," Gruhn said.

"It is in this constructive vein, for example, that we have taken positions in support of greater aid to education; comprehensive programs for natural resources development with protection for the people against monopolies . . . health care under social security as a matter of right . . . and other labor programs to provide full employment in an expanding economy. . . ."

The labor leader also expounded the view that every economic system should be responsible to its people.

"When private needs extend beyond the capacity of individuals so as to affect the community at large, or when the satisfaction of community needs exceeds the capacity of private enterprise to meet those needs, it is not an act of disloyalty

to private enterprise to suggest that social needs exist and that government should be called upon to help satisfy them.

"On the contrary, I am sure you will agree, that where government is a servant of the people it is the essence of democracy itself when society acts as a body through representative government to finance its . . . social needs."

On the issue of taxation, the state AFL-CIO president declared:

"The taxes we are willing to pay to meet our community responsibilities should not be viewed as some kind of hostile act whereby government confiscates funds which would otherwise be available to meet private needs.

"In a free society, taxes are a measure of the priority free people may choose jointly to give the financing of social and community needs."

On international issues, the labor federation chief cited the aid recently rendered by the AFL-CIO to the nascent Algerian labor movement to help it fight off a Sino-Soviet plan to subvert it to the ends of the communist worldwide conspiracy.

He also warned that President Kennedy's "Alliance for Progress" faces major obstacles in Latin America to essential socio-economic reforms in land ownership, distribution of income and taxation.

"The balancing factor," Gruhn said, "may well be the free trade union movement in Latin America."

In closing Gruhn declared that the "course charted by American labor is one "that is determined by the dedication of those who are doing something to combat communism. I believe we share this kind of active fighting of communism with your organization."

Trade Bill Would Aid Workers Hit By Rising Imports

President Kennedy's trade expansion bill, which was overwhelmingly approved by the U. S. House of Representatives last week by a vote of 298 to 125 and which apparently faces little opposition in the Senate, includes provisions for special adjustment assistance to workers in industries hurt by rising imports.

The AFL-CIO backed bill, passage of which was a major victory for JFK's program, stipulates that if tariff reductions cause or threaten to cause "unemployment or underemployment" the President will be authorized to provide a readjustment allowance for workers equal to 65 per cent of average wages, payable for up to 52 weeks.

Persons over 60 would be entitled to an additional 13 weeks of coverage.

Workers taking retraining could receive up to 78 weeks of benefits. Relocation allowances for heads of families are also provided in the bill.

The measure would give the President authority to join other nations in major tariff cuts and to negotiate lower duties covering broad categories of goods with the European Common Market.

Tariffs could be eliminated completely over a five year period for products where the United States and the Common Market nations together account for 80 per cent of world trade.

Other tariffs could be reduced by up to 50 per cent on a reciprocal basis, with the reduction spread over five years.

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