

Legislative Notes

Countdown

The Countdown has begun with only one week left to go in the 1963 General Session of the California Legislature. It is impossible at this writing to pass judgment on the Session or to predict whether the Countdown will see the launching of a major flop, a smashing victory, or even a moderate success. The fate of legislation in major areas of labor and public interests is still very much in doubt. The leadership of both the Assembly and the Senate, however, has the know-how and the political muscle to shape the outcome. It's a question of their determination as to whether the people or the special interests are to be served.

Social Insurance Legislation

The Assembly this week completed work on a series of social insurance measures that move forward and backward at the same time, reflecting both the work of a few dedicated legislators with a social conscience and the political chicanery of the Assembly leadership. (See lead story.) Just what can be salvaged, restored, or repaired remains to be seen. The upper House Insurance and Financial Institutions Committee, which reviews all social insurance measures, is firmly controlled by the Senate leadership.

(Continued on Page 2)

Fair Housing Prospects Brighten

Developments during the past week both nationally and at the state level have improved the prospects of securing passage of an effective fair housing bill through the State Senate.

AB 1240 (Rumford) is expected to be released by the upper house Governmental Efficiency Committee possibly this Friday or early next week for floor consideration during the closing days of the 1963 State legislative session. Assemblyman Rumford has served notice on the committee that he will not accept anything less than a strong measure that covers private housing as well as publicly assisted dwellings.

In its present form, AB 1240 would ban discrimination in virtually all sales units and an estimated ninety-five percent of rental units. Administrative enforcement would

(Continued on Page 4)



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Executive
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Weekly News Letter

Vol. 5—No. 24
June 14, 1963

Published by California Labor Federation, AFL-CIO



Assembly Measures Reflect Combination Of Advancements and Regressive Steps in Social Insurance Legislation

The State Assembly early Thursday morning, working against a stopped clock on lower house-initiated measures, completed action on a series of bills that ignore basic needs of workers and combine improvements in social insurance legislation with backward steps vigorously opposed by organized labor.

The key measures passed on to the Senate for consideration during the remaining week of the 1963 Session would do the following:

—Provide a small benefit increase for temporary disabilities in workmen's compensation and offset a good portion of the cost by cutting back on benefits for permanent disabilities below 10%.

—Improve the benefit structure of unemployment insurance by about \$37 million a year while handing out some \$46 million to employers to avoid an automatic federal tax boost for the repayment of temporary unemployment compensation benefits enacted by Congress in the recession year of 1958.

—Extend unemployment insurance coverage to farm workers, effective in 1965.

FLASH

Amendments offered by Assemblyman Edward Gaffney of San Francisco with Federation backing to remove the cutback in permanent disability benefits in the Zenovich bill have been defeated on the floor of the Assembly. The full story on how the Assembly leadership defeated these amendments and similar amendments by Assemblyman Phillip Burton will be told at a later date.

Workmen's Compensation

The major workmen's compensation measure is AB 2019, authored by Assemblyman George N Zenovich.

(Continued on Page 3)

U. I. Coverage For Farm Workers Advances

On a roll call vote of 42 to 35 this Tuesday the State Assembly approved a measure authored by Assemblyman Phillip Burton of San Francisco which would extend unemployment insurance coverage to farm workers. The hotly contested measure has been sent to the Senate and referred to the Committee on Insurance and Financial Institutions where there is only a glimmer of hope for passage.

Lower house approval of the Burton bill reflects the first time an unemployment insurance coverage bill for farm workers has ever passed either house of the Legislature.

Under AB 547 benefits to farm workers would become payable beginning February 28, 1965. Growers, however, would start making contributions into the unemployment insurance fund in October this year.

It is estimated that employer contributions would build up to some 20 million dollars in the unemployment insurance fund before benefits become payable. Although the actual cost figures on the extension of coverage are contested by supporters of the Burton bill, the Department of Employment estimates that in a year like 1963, 66 million dollars in unemployment insurance benefits would be payable to farm workers. These figures are considered inflated.

The cost of total coverage under

(Continued on Page 2)

U.S. Jobless Rate Nears 6% Again; State Rate Continues Above National Average

The nation's stubborn unemployment problem worsened last month when the seasonally adjusted jobless rate climbed to 5.9 percent of the labor force—compared to 5.7 percent in April and 5.5 percent a year ago. In California, a slight dip in the seasonally adjusted rate from 6.2 to 6.1 percent still left the state leading the nation as a whole in the level of unemployment.

The unadjusted figures for May show that state unemployment declined from 410,000 in April to 400,000 last month and total civilian employment rose by 101,000 to 6,409,000 in May, reflecting a growth of 188,000 jobs from a year ago and a growth rate of 3.0 percent.

But, during the same period the state's total labor force grew from 6,591,000 to 6,809,000 or 218,000—some 30,000 more new workers than new jobs. Thus, despite the small April to May drop in the state's unemployed, there were still 30,000 more persons jobless this May than a year ago.

The Department of Employment reported that the seasonally adjusted unemployment rate of 6.1 percent in May compare with a seasonally adjusted rate of 5.8 percent a year ago. (The *unadjusted* unemployment rate for May 1963 was 5.9 percent compared with a 6.1 percent in April and 5.6 percent in May 1962.)

The U.S. jobless figures indicate that 1.2 million teenagers are looking for jobs and that more than 25 percent of the nation's unemployed are teenagers. Total unemployment, which usually declines in April and May, remained static at 4.1 million. The jobless rate for adult men stood at 4.4 percent, virtually the same as it was both a month and a year ago and the jobless rate for adult women rose to 5.4 percent in May compared with 5.2 percent in April and 5.1 percent a year earlier.

The long term unemployed — those lacking work for 15 weeks or longer declined by only 100,000 to 1.3 million in May. This was a smaller decline than had been expected.

The spiralling increase in the seasonally adjusted unemployment rate for teenagers which rose from 14 percent in May 1962 to 16 percent in April '63 and to 18 percent last month, prompted Secretary of Labor W. Willard Wirtz to warn that there will be a growing "slag heap of human beings, most of whom started as (school) drop-outs" unless more jobs are found for teenagers.

Wirtz said the problem of teen-

age unemployment will remain urgent for at least three years as the World War II baby crop enters the work force. He pointed out that while school dropouts are declining, machines are absorbing the unskilled jobs that school dropouts used to take and they lack the training needed to fill other jobs.

The Labor Secretary pointed out that to solve the problem we need to spur the economy to a higher level of activity and revise our educational and training system to equip people for the jobs available.

Labor Department manpower experts indicated the situation is liable to get even worse in June.

The nation's employment in May totaled 69.1 million, one million above the previous month and 850,000 more than in May, 1962. Non-farm jobs totaled 63.9 million, an increase of 450,000 for the month but just 1.1 million above a year ago.

The failure of the jobless total to decline resulted in an increase in *labor force time lost* from 6.6 percent in April to 6.9 percent in May compared with 6.6 percent a year earlier. The *labor force time lost* indicates the number of man hours lost to the economy due to both unemployment and part time employment or under employment.

U. I. Coverage For Farm Workers Advances

(Continued from Page 1)

unemployment insurance, including agricultural coverage, would be 2.83 percent of taxable wages, instead of the current coverage cost of 2.53 percent, according to the Department.

A "call" of the House was necessary to secure approval of AB 547. The vote on the first roll call was 39-35 with 41 votes necessary for passage. On repeated call of the absentees, the vote shifted to 40-35, then back to 39-36, then to 40-36, and finally the 42-35 vote on passage.

Legislative Notes

(Continued from Page 1)

The magnitude of the struggle that lies ahead is indicated by the fact that the Senate this year has failed to initiate even one piece of legislation that embraces any phase of labor's basic legislative program.

Labor Bills

Labor-sponsored bills to curb the use of professional strike breakers, enact a State Fair Labor Standards Act and a statutory minimum wage, provide machinery for determination of collective bargaining rights in intra-state commerce, curb the issuance of anti-labor *ex parte* injunctions, modify the State's misnamed and misused jurisdictional strike act, and repeal the State's unconstitutional hot cargo and secondary boycott act are all on the casualty list of the 1963 Session. Both the Senate and Assembly leadership share the dubious honor of having prevented these basic labor bills from coming to a vote in either house. In this area of legislation, it is very doubtful whether anything can be done during the remaining week to revive any of these measures.

Civil Rights

Organized labor is lined up with the community of civil rights, religious and other groups which have joined forces in the California Committee for Fair Practices to press for the Rumford fair housing bill, which is waiting clearance from the Senate Governmental Efficiency Committee. (See story on page 1.) The Committee represents the main stream of support for civil rights legislation.

As a coordinating body, the Committee has made it clear that although there are potentially many areas for improving civil rights laws, the Rumford fair housing bill has top priority, and that no Legislator will be considered a supporter of equal rights who does not work for a strong fair housing bill.

Housing Bill

An extremely modest step forward toward an economic housing program for California is contained in AB 2976 (Z'berg) which was approved by the Assembly this week and sent to the Senate. The measure would create a State Housing and Community Development Department, but generally restricts its activities to pressing for modifica-

(Continued on Page 3)

Assembly Measures Reflect Combination Of Advancements and Regressive Steps in Social Insurance Legislation

(Continued from Page 1)

vich of Fresno, Chairman of the Workmen's Compensation Subcommittee which cooked it up and pushed it through the parent Assembly Finance and Insurance Committee with the assistance of the Assembly leadership.

The benefit improvements in the bill increase the minimum for temporary disabilities from \$25 to \$30 a week and the maximum from \$70 to \$75 a week. This would result in benefit increases of an estimated \$3.1 million a year. *The net increase, however, would be reduced to \$1.6 million by cutting back on benefits for permanent disability rating below 10%.*

The formula for robbing permanently injured workers to help pay for the completely inadequate benefit increases in AB 2019 would be accomplished by reducing the weeks of compensation for permanent disabilities by 1/10 of a week for each percentage point that a permanent disability rating is below 10% for each 1% of disability. For example, a person with a 5% permanent disability rating who now receives 20 weeks of compensation at 65% of his wage loss would be cut back to 17.5 weeks.

The Zenovich bill was reported out of the Finance and Insurance Committee a week ago under conditions which denied members of this important Committee the opportunity to even know what was in the bill.

The proposed reduction in permanent disability benefits strikes at provisions of the workmen's compensation law which are already grossly inadequate. There are no rehabilitation benefits under workmen's compensation. Further, at present, 70% of those currently suffering permanent disabilities are compensated at a rate below the law's 65% wage-loss standard.

Unemployment Insurance

The major unemployment insurance bill approved by the Assembly is AB 1518, authored by James R. Mills of San Diego, Chairman of the lower house Finance and Insurance Committee.

The benefit provisions increase the minimum weekly benefit from \$10 to \$25 and the maximum from \$55 to \$60 a week within a revised benefit schedule based on high-quar-

ter earnings steps of \$27 instead of \$28. They also repeal the exclusion of "lag quarter earnings" which currently renders about 19,000 claimants ineligible for benefits. The Department of Employment estimates that the total additional benefits in a year like 1963 would amount to \$37.7 million as a result of these liberalizations.

On the other hand, the bill raids the Unemployment Insurance Fund—and the General Fund of the State along with it—to help employers avoid an automatic federal tax increase to pay for the extension of unemployment insurance benefits during the 1958 recession under the Temporary Unemployment Compensation Act passed that year. Thirty-four million dollars in trust funds that should go for improving benefits would be transferred along with nine million dollars from the General Fund of the State. In addition, the Department of Employment Contingent Fund would be raided to the tune of three million dollars to pay administrative costs of the 1958 Federal TUC program.

The most praiseworthy action of the Assembly this week was the approval of a Burton measure to extend unemployment insurance coverage to farm workers, but this faces virtually insurmountable odds in the Senate. (See story page 1.)

Unemployment Disability Insurance

In the unemployment disability insurance program, the lower house has approved a set of Federation-sponsored bills to provide for proper funding of the DI program beyond 1965 through the establishment of an escalator clause on taxable wages and by requiring monthly remittance of employee contributions by employers.

The major issue shaping up in the Legislature regarding the unemployment disability insurance program involves the effort by the private carriers to overturn 1961 legislation so that they may again select preferred risks adversely to the State fund. The bill to do this is SB 784, authored by Senator Thomas Rees of Los Angeles County, which is now before the Assembly Committee on Finance and Insurance, having passed the upper house by a vote of 33 to 4.

Legislative Notes

(Continued from Page 2)

tions in federal legislation to meet California's particular housing needs. Unfortunately, the bill does not contain any of the bold recommendations of the Governor's Housing Commission aimed at mobilizing the State's credit to supplement federal programs and provide for low and middle income housing within planned communities without discrimination or income stratification. But even in its emasculated form, the Z'berg bill is considered a step in the right direction—provided it gets by the Senate.

Budget and Tax Reforms

The Governor's \$3.25 billion budget for fiscal year 1963-64 finally reached the floor of the Assembly and Senate this week and is in "free conference" to reconcile differences in the versions approved by the respective houses. Forty-two million dollars separates the Assembly and Senate, involving funds for education, state employee salaries and modest appropriations to finance some new programs. Included in the latter, which have been deleted from the Senate budget, are some two million dollars in experimental housing funds for the proposed new State Department of Housing and \$50,000 to staff the Automation Commission created by the Legislature just a few weeks ago.

Both versions of the budget, however, require action on the Governor's tax reform program or further slashes in the budget and the undercutting of essential state programs. In this respect, the scene of battle has shifted to the Senate side.

The Assembly this week, on a 41 to 38 roll call approved AB 1944, which accelerates the collection of State income taxes and provides for income tax withholding on the wages and salaries. On another roll call vote, 46 to 22, the Assembly also approved AB 1946, eliminating installment payment of corporation and franchise taxes by business and industry. These two measures together would contribute an estimated \$127 million toward balancing the 1963-64 budget, plus some \$50 million in permanent increases from progressive sources to balance future budgets. The two Assembly approved measures join others already sent to the Senate including the

(Continued on Page 4)

LEGISLATIVE NOTES

(Continued from Page 3)

Governor's proposal for advancing the collection of the insurance premium tax paid by private insurance carriers.

Also approved by the Assembly and sent to the Senate is AB 1945, which removes the income tax liability of those in the low and moderate income groups who pay less than \$5 as individuals and \$10 as married couples.

Consumer Legislation

AB 481 (Foran), the Federation's bill prohibiting creditors from securing so-called deficiency judgments on goods that are repossessed from defaulting buyers, is still on the Senate floor waiting final action. The community of financial interests, led by the bankers, is working desperately to prevent this important labor-sponsored consumer measure from reaching the Governor's desk. Passage would probably record AB 481 as the major consumer bill of the Session.

This week the Assembly also approved a watered-down version of AB 482 (Foran) which originally prohibited attachment or garnishment of wages. As sent to the Senate, however, this Federation-sponsored measure merely requires that a worker be given eight days' notice by registered mail to his last known address before any writ of attachment is issued.

The State Consumer Counsel reports at this juncture that some 14 out of 28 original consumer proposals are still alive in the legislature. These include a series of bills to strengthen somewhat consumer protections in the State's retail credit sales act, provide other protections against false advertising, and curb abuses in household moving and TV repair work.

The major consumer bills of the Session, however, were dumped by the Assembly leadership in the lower house Committee on Finance and Insurance. These included both the "truth in lending" bill and a measure to reduce some of the outrageous interest rates being charged

consumers in the financing of automobile purchases.

Whatever the outcome in the consumer legislation field, the Legislature has been forced to recognize that there is a consumer movement afoot. This is due primarily to the work of State Consumer Counsel Helen Nelson, supported by organized labor, the coops, and other consumer interest groups who make up the Association of California Consumers.

Women's Eight-Hour Law

AB 983 (Bane) — Labor-opposed legislation aimed at reinstituting a version of the so-called defense production act to allow defense producers to work women up to ten hours a day and fifty-four hours a week under a system of special "emergency exemption permits" issued by the Department of Industrial Relations — squeaked by the Assembly this Thursday on a 41 to 22 roll call vote.

The Federation will continue its effort to defeat the bill on the Senate side where a similar measure was rejected by a special session of the Legislature in 1962. AB 983 has been referred to the upper house Committee on Governmental Efficiency.

Fair Housing Prospects Brighten

(Continued from Page 1)

be under an expanded State Fair Employment Practices Commission.

In the face of Rumford's strong stand and President Kennedy's warning to the nation that the "fires of frustration and discord are burning in every city," there are indications that the upper house committee unit is backing away from emasculating amendments which would restrict the application of the Rumford Fair Housing Bill to publicly assisted multiple dwellings constituting less than 5 percent of the state's housing units. The climate of public opinion has ma-

Porter Loses Bid For Congressional Seat in 23rd Dist.

Carley V. Porter, COPE-endorsed candidate for the 23rd Congressional District seat thrown open by the death last March of Rep. Clyde Doyle, was defeated in a special election last Tuesday by Del M. Clawson, Republican Mayor of Compton, a suburb of Los Angeles.

Complete unofficial returns from the District's 252 precincts gave Clawson, who had been defeated by a 2 to 1 margin when he ran against the late Rep. Doyle in November 1962, 33,086 votes to Carley Porter's 21,951.

Six other candidates in the eight-way, high-man-in contest polled a total of only 7,097 votes. Of the 146,044 registered voters in the district, only 42.4 percent went to the polls. The ballot carried the names of five Democrat and three Republican candidates.

On a party basis, 66 percent of the district's registered voters cast their ballots for the Republican endorsed candidate, but only 23.8% voted for the Democratic Party's candidate, although the district has 92,000 voters registered as Democrats and only 50,000 registered as Republicans.

Clawson's victory cut the Democrat's margin in California's Congressional delegation to 23 to 15.

terially strengthened Rumford's hand in negotiations on the bill with Senator Luther Gibson, Chairman of the Senate Governmental Efficiency Committee.

Governor Brown also has warned against "any watering down compromises" and has called for a statewide campaign in support of the Assembly-approved Rumford measure.

Everywhere in the State Capitol the impact of public opinion is being felt. Assembly Speaker Jesse M. Unruh who early in the Session indicated a "go slow" attitude toward fair housing legislation is now reported as having suggested to Governor Brown that the Legislature be kept in session all summer if necessary to approve a fair housing bill.

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