

## Legislative Notes

The 1963 general session of the California legislature is rapidly drawing to a close. At this writing there are less than 30 hours left before adjournment at midnight on June 21st to resolve the key issues that have been plaguing the legislature since convening in January. Talk of a special session is rampant.

Both houses are operating under suspended rules in an effort to speed the flow of bills from committees to the floor and break the traditional log jam, but it's the big unresolved issues—taxes, civil rights, budget, social insurance, school aid, etc.—that are holding things up. The situation is ready-made for what the seasoned political observer refers to as “playing games.” Translated this includes a lot of “double dealing.”

### Social Insurance

In unemployment insurance and workmen's compensation, the scene of battle is on the Senate side where  
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## Legislature Passes "Deficiency Judgment" Ban

Legislation prohibiting “deficiency judgments” on repossessed goods is on the Governor's desk for signature. The labor-sponsored consumer bill, AB 481 (Foran) was pushed through the Senate during this final week of the 1963 Session over the combined opposition of the California Banking Association and other financial interests.

Under the Foran bill, a creditor who repossesses and resells goods is prohibited from recovering deficiency charges from the defaulting buyer based on the difference between the amount owed under contract and the price for which the repossessed goods are sold. Creditors, in other words, would have to make a choice between repossessing the goods or suing for the unpaid balance—they could not have it both ways.

The repossession of furniture, freezers, TV sets and other household appliances are among the major items covered by the ban on deficiency judgments. AB 481's scope extends to all credit sales under the so-called Unruh act, but does not cover automobile conditional sales contracts.

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## Meany Pledges AFL-CIO Support for Kennedy's Civil Rights Program

“The prompt achievement of a full, enforceable civil rights program on every front” will receive the “unstinting assistance” of the AFL-CIO, George Meany assured President Kennedy last week. From California, Thos. L. Pitts wired Kennedy that he also “has the state AFL-CIO's full cooperation.”

“This is no time for half measures . . . we can no longer expect Negro Americans to be content with a little liberty. They are entitled to full liberty, full citizenship, full standing in the community not next year but now,” Meany declared.

His statement was read to some 300 labor leaders called to the White House by the President for a discussion of discrimination problems.

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## Private Trade School Regulatory Bills Passage Assured

Legislation aimed at curbing misrepresentation and deceptive practices by private trade schools has been cleared for final passage in the California Legislature as the 1963 Session draws to a close.

As *News Letter* goes to press, Federation-sponsored AB 419, authored by Assemblyman John Knox of Richmond, is on the Senate floor for approval. Fully compatible legislation authored by Senator Donald L. Grunsky of Watsonville, contained in Senate Bills 1429 and 1335, is on the Assembly floor for final action. Still to be overcome, however, is the log jam of bills in the legislature's race with the clock for adjournment.

The Knox bill relates to private trade schools which are regulated by the Labor Commissioner under the private employment agencies' law because they hold out prospect of job placement as an inducement to enrollment or engage in place-

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## Lack of Openings For Apprentices Hit as 'Deplorable'

One of the key factors preventing the entrance of more minority youth into apprenticeship programs is “the lack of apprenticeship openings as such” in the vast majority of California's industries, Charles F. Hanna, Chief of the State Division of Apprenticeship Standards, declared in opening the first fully coordinated pilot apprenticeship information center in the state in San Francisco last Friday.

“The sad truth is that a large part of California's industry is not meeting its responsibilities in training sufficient numbers of skilled craftsmen through apprenticeship.

“Only about 25 percent of the firms that could train apprentices see the importance of this problem and they are doing more than their share. But the majority are doing nearly nothing,” Hanna asserted.

The apprenticeship chief was particularly critical of defense and public works contractors and he pointed out that the state's huge defense industry employs fewer than 250 apprentices in six major companies.

“I think it is deplorable that an industry wholly supported by tax dollars has been willing to do so little toward alleviating one of the major domestic problems of our time . . . If we can increase the number of apprenticeship openings in these two areas (defense and public works), I think we will see a similar increase in the number of minority youths taking part in apprenticeship programs,” he said.

Creation of a series of such informa-

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# Meany Pledges AFL-CIO Support for Kennedy's Civil Rights Program

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Kennedy spelled out a five-point program which he asked organized labor to help implement. Specifically, the President urged that:

- 1—A working committee to cooperate with the government to end job discrimination be created and that it concentrate its work in 30 or 40 major cities in the months immediately ahead.
- 2—Maximum support be rallied for the Administration's economic and social programs, particularly income tax reduction to spur economic growth and to create more jobs.
- 3—Organized labor intensify its voter registration drive to help all minority groups express their views in the 1964 election.
- 4—The promotion of Negro trade unionists to positions of leadership and responsibility in organized labor be encouraged.
- 5—Labor leaders take an active part in the formation of bi-racial committees and councils that work to dismantle racial barriers throughout the nation.

While lauding Kennedy's past executive order to eliminate racial discrimination in federally assisted employment and indicating strong support for the Administration's civil rights legislative program, Meany noted that "equal opportunity has meaning only if there is full opportunity for all."

"The greatest single contribution that could now be made toward equal employment opportunities for Negroes is full employment opportunities for all Americans," Meany

declared. In addition to citing the need to expand job opportunities in order to give reality to the principle of equal employment opportunity, Meany noted that "segregated housing is the major cause of de-facto segregation in public schools."

The AFL-CIO has called for a national FEPC law and has long advocated civil rights measures that go beyond Kennedy's current legislative recommendations.

## Lack of Openings For Apprentices Hit as 'Deplorable'

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tion centers in key areas in the state was recommended by the California Plan for Equal Opportunity in Apprenticeship and Training for Minority Groups.

A bill to set up six additional apprenticeship information centers passed the Assembly but was tabled Monday by the Senate Finance Committee.

The purpose of the centers is to centralize information on apprenticeship programs, keep in contact with unions and employers, and to test and counsel youths seeking jobs.

A similar center was opened in Fresno a year and a half ago run by the Department of Employment with aid from the Department of Industrial Relations but the San Francisco center at 1450 Mission Street is the first pilot center to open that will be operated with the full participation of the three principal agencies involved, the Departments of Employment, Industrial Relations and Education.

A spokesman for the Division of Apprenticeship Standards said that the additional centers called for by AB 110 would have been located at Eureka, Los Angeles, San Diego, Oakland, Sacramento and San Jose.

In stressing the critical need for the centers, Hanna said:

"By 1965 we will have seen 296,000 youths enter the California labor market in just five years, a 53 percent increase. By 1970 another 219,000 will have entered the job market. Four out of five of these youngsters will have a high school education or less. If they are to succeed in a skill-oriented society, they will need additional training. Most of that additional training will have to come from industry.

"At present we are training some 22,000 apprentices in California, the highest number in history. But it is not enough . . . We should be training 100,000 youths in apprenticeship alone and additional thousands in other types of on-the-job training."

At present California is not even training enough apprentices to meet normal attrition resulting from death, retirement and craftsmen leaving their trades voluntarily, he added.

## Private Trade School Regulatory Bills Passage Assured

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ment activities. It requires the Labor Commissioner to prescribe rules and regulations establishing standards governing the advertising and placement activities of private trade schools.

Under AB 419, such standards would prevent misleading advertising and require accurate information when the advertising or publicity relates to job availability and the degree of skill and length of time required to learn a trade or skill. The standards governing placement activities would require fulfillment of a promise of placement made as an inducement to enrollment or return of the training fees charged.

The Grunsky legislation in SB 1429 prohibits private schools from offering courses of education or training leading to professional or vocational objectives without the approval of the Superintendent of Public Instruction, and sets up standards for the performance of such schools along with specific prohibitions in the solicitation of students, advertising of job opportunities, etc.

The Grunsky measure is broader than the Knox bill and extends to private schools that fall outside of the jurisdiction of the Labor Commissioner, including business schools. It carries a provision which declares that the authority granted the Department of Education in this field "shall supplement and not displace the authority granted the Division of Labor Law Enforcement" under the Knox bill.

Also, the Labor Commissioner and the Chief of the Division of Apprenticeship Standards in the Department of Industrial Relations would serve on an advisory commission to the Department of Education for the implementation of SB 1429. These amendments assure the compatibility of the Grunsky and Knox bills and provide for a co-operative effort in regulating abuses of private trade and vocational schools.

The other Grunsky measure, SB 1335 broadens the scope of the so-called "diploma mill" law administered by the Department of Employment to remove loopholes that currently allow certain trade schools to escape the law's prohibitions.

## Clerks Sponsor 'Monitor'

The Retail Clerks International Association will sponsor NBC's weekend radio program, Monitor, including news reports by Chet Huntley, for 14 weeks this summer. The program is broadcast on 197 stations throughout the nation and will carry messages about the history, achievements and membership benefits of the 75-year-old clerks union which now represents some 400,000 retail store employees. The RCIA sponsorship schedule runs from June 1 through September 1 and will include daytime and evening programs.

## **GOP, Dixiecrats Torpedo Aid for Distressed Areas**

A coalition of Republicans and Southern Democrats torpedoed President Kennedy's efforts to increase aid to economically distressed areas last week when the House defeated a bill to authorize \$450 million in new funds for loans and grants for such areas by a vote of 209 to 204.

The action means that, despite mounting unemployment, the area redevelopment program will not be augmented before next year at the earliest. The present Area Redevelopment Act program, enacted in 1961, is due to expire in 1965. Some 189 Democrats and 15 Republicans voted for the measure but 152 Republicans and 57 Democrats, most of the latter from southern states, opposed it. All of California's Democrats in the House voted for the bill and all Republican representatives voted against it.

At present 1,054 areas containing one-sixth of the nation's population and one-sixth of the labor force but one-third of the nation's jobless, have been determined to be eligible for ARA assistance. To qualify for aid an area must devise a local redevelopment program and apply for approval of the projects proposed.

## **Agency Shop Clause Upheld**

The validity of the agency shop has been upheld by the U. S. Supreme Court but the decision ruled a state may enact legislation to ban such union security provisions under Section 14B of the Taft-Hartley Act.

The high court's unanimous decision found the General Motors Corporation guilty of unfair labor practices in refusing to bargain with the United Automobile Workers over the union's demand for an agency shop clause covering the company's employees in Indiana, a state that has a so-called "right-to-work" law.

Indiana state courts had ruled that the state's RTW legislation does not ban agency shop clauses.

An agency shop requires persons in a collective bargaining unit who do not join the union to pay a service fee to the union since a collective bargaining contract, by law, covers all persons in the unit and the union must represent all persons in the unit.

## **Three New Films Available**

Three new films have been added to the AFL-CIO film library. Here is a brief description of them:

- 1) **THE BATTLE OF NEWBURGH**—Approximately two years ago the NBC White Paper did an excellent program entitled **THE BATTLE OF NEWBURGH** which dramatized the issue of welfare in Newburgh, New York. This 50 minute film has now been released by McGraw Hill. It can be purchased from them for \$250, or it can be rented from the AFL-CIO film division for \$7.50 per showing. The film does an excellent job in portraying the problems of people on relief and develops the kind of understanding that is especially useful in community services educational programs. It is an effective film in counteracting the present-day attacks on welfare programs.
- 2) **SKILLS FOR PROGRESS**—The U.S. Department of Labor, Bureau of Apprenticeship and Training, has produced a new film entitled **SKILLS FOR PROGRESS** which is 30 minutes long and can now be rented from our Department for \$3.00 per showing. The film would be especially useful in presenting the apprenticeship program to high school students.
- 3) **DISCHARGE FOR ABSENTEEISM**—The third film, **DISCHARGE FOR ABSENTEEISM**, is a film on arbitration produced in cooperation with the American Arbitration Association. It is also 30 minutes long and rents for \$3.00 per showing from the AFL-CIO Film Division. It deals with the "right of the company to discharge employees for absenteeism."

The films may be ordered through the AFL-CIO Department of Education in Washington, D.C. They should be booked in advance, if possible, listing 3 or 4 alternate dates. Discussion guides, if available, will be sent with the film.

## **Keynotes On Labor**

In 1910 a strike by the Amalgamated Clothing workers against the Hart, Schaffner & Marx Company resulted in a settlement that called for collective bargaining and voluntary arbitration of grievances — ideas that became widespread throughout American economic life. Today this achievement of the union and the firm, which was followed by 50 years of peaceful bargaining, is commemorated in the United States Department of Labor's Hall of Honor.

## **Legislature Passes "Deficiency Judgment" Ban**

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The levying of deficiency judgments is a practice that encourages repossession, overextension of credit and ultimately hardship and bankruptcy.

Court cases are numerous where the repossessed goods (frequently overpriced and loaded with heavy credit charges) are often sold at a fraction of their actual value without recourse by the buyer. The creditor is able to profit from the deficiency judgment and at the same time make the consumer pick up the tab for court costs and attorney's fees on repossession.

The Foran bill was handled on the Senate floor by Senator Edwin J. Regan, Chairman of the upper house Judiciary Committee which gave it a "do pass" recommendation several weeks ago.

Final approval was on a 22 to 12 vote, upholding an earlier 22 to 12 decision which was overturned on reconsideration by motion of Senator James A. Cobey. Weakening amendments advanced by Cobey and Senator Clark L. Bradley on behalf of the banks and financial interests were also defeated prior to final passage.

The Cobey amendments, which would have confined the deficiency judgment ban to contracts on which less than 50 percent is owing, were defeated by a 12 to 18 vote. The Bradley amendments, requiring only that the deficiency judgment be obtained within four months after repossession, was defeated by a 12 to 18 vote.

Here is the final vote on passage of AB 491:

**AYES:** Arnold, Begovich, Cameron, Christensen, Collier, Farr,\* Geddes, Grunsky, McAteer, Nisbet, O'Sullivan, Peterson, Quick, Rattigan, Rees, Regan, Rodda, Short, Stiern, Teale, Weingand, and Williams—22.

\*Farr was the 22nd vote. He switched from "No" to "Aye" after 21 votes had been secured and passage was assured.

**NOES:** Backstrand, Bradley, Burns, Cobey, Donnelly, Lagomarsino, Murdy, Pittman, Schrader, Sedgwick, Symons, and Way—12.

**ABSENT OR NOT VOTING:** Dolwig, Gibson, Holmdahl, McCarthy, Miller,\* and Sturgeon—6.

\*Miller's absence was due to illness.

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# LEGISLATIVE NOTES

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key Assembly-approved bills are moving to the floor.

This includes workmen's compensation legislation that cuts back on permanent disability benefits for disabilities below 10 percent in order to help offset the cost of a small increase in temporary disability benefits. In unemployment insurance, the major bill approved by the Assembly would provide more benefits for employers than jobless workers.

On the Assembly side, the Federation is battling to protect the unemployment disability insurance fund from raids by the private insurance carriers. Senate approved legislation authored by Senator Rees of Los Angeles is on the floor of the Assembly. It would overturn Department of Employment regulations, upheld by the state Supreme Court and implementing 1961 legislation, which require private plans to carry their fair share of so-called "adverse risks." Under the Rees bill, the private carriers would again be given the green light to feed out of the state fund (worker contributions) by adversely selecting the "cream" risks. This amounts to an outright employee subsidy to the insurance companies.

## Fair Housing

At this late hour, the Rumford fair housing bill still hasn't been released by the Senate Governmental Efficiency Committee. Negotiations have bogged down and it is possible now that no bill will be allowed out of the committee by its chairman. It appears more and more that only a breach of so-called Senate "fraternity" rules regarding committee chairman powers will salvage the situation. Here again talk of a special session is serious unless a strong fair housing bill is passed during the remaining hours of the session.

## Taxes and Budget

Governor Brown's program to speed up the collection of taxes and balance the state budget has run into trouble on the Senate floor after clearing Senate committees with

surprising ease. In the meantime, the Assembly-Senate conference committee on the budget is unable to work out differences until it knows how much money is going to be available for budget balancing purposes. Even if this hurdle is overcome, the Republicans in the Assembly are threatening to block two-thirds approval of the budget unless the Governor drops his income tax withholding plan.

## Other Fronts

The pace of developments on other fronts is also too rapid and indefinite to report in any detail at this time. Here are a few actions:

**Consumers**—Most consumer legislation, like basic labor legislation, has been defeated. The major bill surviving the session is AB 481, sponsored by the State AFL-CIO. It prohibits "deficiency judgments" on repossessed goods. (See story on page 1.)

**Eight-Hour Law**—AB 983, re-instituting a form of the old defense production act and undermining the women's eight-hour law has been defeated in Senate committee.

**Housing Bill**—Legislation creating a State Housing and Community Development Department with limited powers to help find ways of meeting the needs of low and moderate income families appears to be dead. The California Savings and Loan League and other financial interests killed it in the Senate Governmental Efficiency Committee.

**Aged Health Care**—The legislature has given its approval to SB 1122 (Rattigan), a bill suspending anti-trust laws to enable private insurance companies to form cartel-like arrangements for the sale of health insurance to the elderly. The legislation, which is referred to by its sponsors as the "Western 65" plan, has been forwarded to the Governor. It is patterned after similar legislation in the east, which the insurance industry is pushing to block health care for the aged under social security.

At best, the bill will help persons aged 65 and over, and their spouses,

who are well-to-do. A report made to the Senate Committee on Insurance and Financial Institutions by a health insurance expert from UCLA indicates that,

"In order to get a fairly adequate hospital program under the 'Western 65' plan, the annual premium is to be \$252 a year. No medical coverage is provided under this plan, but Western 65 will offer a better major medical for \$282 a year."

This is far beyond the reach of the average aged person or couple.

An unsuccessful attempt was made by Assemblyman Philip Burton (D.-S.F.) to convert the bill into a piece of public interest legislation at a subcommittee meeting of the Assembly Finance and Insurance Committee on Tuesday.

The principal amendment would have required the companies forming the combine to offer insurance to the aged on a non-profit basis in return for the suspension of anti-trust laws.

The Connecticut State Labor Council, AFL-CIO, has issued a critical report on the operation of a similar plan in that state. It appears that only 11.5% of Connecticut's aged have been able to afford such coverage.

## New Leaflet Cites Need for Medical Care for Aged

A new leaflet, entitled "Why America Needs the King-Anderson Bill," is now available from the pamphlet division of the AFL-CIO Department of Publications at 815 - 16th Street N.W., Washington 6, D.C.

Prepared by the AFL-CIO Department of Social Security, the leaflet analyzes the campaign currently afoot to attempt to defeat the measure and discusses the scope and nature of the problems involved in providing hospital care for the aged. Reasonable quantities of the leaflet may be obtained free on request.

A speakers handbook on the aged health care issue is also available through Social Security Department of the AFL-CIO.

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