

Adverse Gap In State - U.S. Jobless Rates Unchanged

Creeping unemployment is still with us.

Although California's 6.1 percent seasonally adjusted jobless rate in October reflected a slight decline from the 6.3 percent rate recorded a month earlier, the state had 26,000 more persons unemployed last month than a year earlier and its jobless rate continued to compare unfavorably with the excessive 5.5 percent rate nationally.

In October, 1962, California's seasonally adjusted unemployment rate was 5.8 percent.

These facts were disclosed last Friday in the regular monthly joint report on employment and unemployment issued by Ernest B. Webb, director of the State Department of Industrial Relations and Albert B. Tieburg, director of the Department of Employment.

The state's total unemployment was 336,000 last month, Tieburg said, indicating a seasonal drop of 14,000 since September. In October, 1962, 310,000 persons were jobless, the report said.

While civilian employment set a record for October at 6,611,000 — 175,000 or 2.7 percent above 1962 — California's total civilian employment declined 46,000 between September and October due, Webb said, principally to cut-backs in agriculture and manufacturing resulting from the end of many harvesting and seasonal food processing activities.

Manufacturing jobs totaled 1,492,000, up only 8,000 over the year and reflecting the smallest margin of growth recorded in more than two years.

Even though more persons were at work this year than last in all major

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Pitts Issues Pre-Yule Season Warning On Operations of Phony Labor Papers

Thos. L. Pitts, State AFL-CIO leader, issued an alert this week to all central labor bodies in California to be on the lookout for copies of two phony labor papers that apparently attempt to cash in each year during the Christmas season on the good will local business communities bear toward bona fide labor unions.

Drive Opens To Kill Fair Housing Law

Despite an appeal from Governor Edmund G. Brown to call it off, the California Real Estate Association initiated action late last week to seek a constitutional amendment to torpedo the labor-backed Rumford Fair Housing Law enacted by the 1963 legislature.

The Association's president, L.

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THOS. L. PITTS
Executive
Secretary-Treasurer

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Special Appeal Seeks Funds To Press AWOC 'Victory' Won 18 Months Ago

A special appeal for funds to support a pivotal long drawn-out battle to establish the rights of domestic farm workers to organize unions and bargain collectively has just been issued by the State AFL-CIO in behalf of its Agricultural Workers' Organizing Committee.

In a letter dispatched to local unions throughout the state, Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, indicated organized labor's determination "to bring the benefits of organization" to what he called "the most depressed segment of our labor force" by calling for contributions to a "Farm Workers' Organizing Assistance Fund" to help enforce a National Labor Relations Board election won by AWOC by an overwhelming vote some 18 months ago.

The protracted dispute giving rise to the fund appeal involves the V. C. Britton Company, one of the largest processors of alfalfa feeds in the nation and the largest in California.

Pitts said the firm, located in

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Brown Tells Senate Unit Ways To Spur States' Growth

Eight specific recommendations designed to help the federal government help the states to maximize employment and economic growth have been suggested by Governor Edmund G. Brown to a U. S. Senate Subcommittee studying the problems of employment and economic growth in relation to the nation's defense industry.

The Governor's statement, delivered to the Employment and Manpower Subcommittee of the Senate Labor and Public Welfare Committee last week, noted the vital inter-relationship between federal defense spending and California's economy saying:

"Already some of our communities have seen and felt the effects of defense decisions over which they have no control—the closing of a century-old arsenal at Benicia, the phasing out of aircraft contracts at San Diego, the cancellation of the Skybolt contract in Los Angeles."

Recent studies, the Governor's statement said, show that 23 percent of the state's manufacturing employment is defense and space related. Some economists estimate this relationship to be closer to 35 percent.

In view of the direct effect of federal defense spending decisions on state economies, Brown suggested:

1—An immediate acceleration in the retraining programs of the Manpower Development and Training Act with special emphasis on those skills involved in defense industries or deriving from the impact of

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Brown Tells Senate Unit Ways To Spur States' Growth

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automation or other technological changes.

- 2—Creation of a program of subsidies to employers for on-the-job retraining projects to assist industries converting from defense to civilian production. Brown suggested that benefits under such programs should be extended to the unemployed defense worker wherever he may subsequently be employed.
- 3—Establishment of a program under the basic machinery that already exists in the Wagner-Peyser Act of 1933 to permit unemployed defense workers to move at federal expense into areas where jobs exist regardless of whether the new job is an in-state or out-of-state job. The Governor pointed out that "the concept of federal payments to recruit and move individuals in the defense industry is not new. It has been working very well for engineers, scientists and administrative personnel for whom the government is willing to pay moving costs. Those benefits should be extended to skilled labor also," he declared.
- 4—Creation, through the Small Business Administration or some other appropriate agency, of a new program of hardship grants to state and local governments to aid both the workers for whom there are no jobs at all and the economies of local communities that need "stronger help . . . to compensate for the loss of payrolls and income to the community" resulting from shifts in the field of defense spending.
For example, the Governor explained, such grants would be used to help attract new industries to an impact area by financing alterations to closed defense plants to make them capable of manufacturing civilian goods.
"Such grants are needed to complete the cycle of retraining in the wake of a defense cut-back. They would make it possible for workers to keep their homes, and, at the same time, help civilian industry move into areas where an available pool of skilled workers already exists," the Governor declared.
- 5—Creation of some type of early warning system to alert states as early as possible to any major defense decisions affecting their economy.
- 6—Federal grants to defense-oriented local communities to enable them to inventory their resources and develop plans for shifting from defense to civilian work.
- 7—Expansion of the Area Redevelopment Act program to spur the development of local plants that should be integrated with state and federal efforts to absorb the economic shock of defense spending

cut-backs. Stand-by plans for accelerated public works projects in defense industry communities should be developed now, the Governor declared.

- 8—Initiation by the federal government of a detailed study of the specific inter-relationships involved between federal spending and local effect.

"Such an econometric study would give us a model for fully measuring the various effects of both defense and non-defense spending by the federal government, enabling our economic and industrial planners to make more accurate projections for the future," he asserted.

The state's chief executive prefaced his recommendations with a review of some of the steps California has taken to cope with the problems of employment and economic growth.

"On September 21 of this year our new State Economic Policy for Full Employment became law," he explained.

"As Governor, I am charged with transmitting to the legislature at the next session in 1964 an economic report setting forth:

- "1—The rates and levels of employment, production, income and purchasing power obtaining in the state and needed to carry out the policy declared in the Policy for Full Employment..
 - "2—Current and foreseeable trends in the levels of employment, production, income, and purchasing power.
 - "3—A review of the economic program of the state and a review of economic conditions affecting employment in the state or any considerable portion thereof during the preceding year and of their effect upon employment, production, income and purchasing power.
 - "4—A program for carrying out the policy declared in the Policy for Full Employment, together with such recommendations for legislation deemed necessary or desirable."
- This legislative mandate, enacted with the active support of the California Labor Federation, AFL-CIO, during the 1963 regular session, also directs the Governor to seek the assistance and cooperation of industry, agriculture, labor, the federal government and local government to "coordinate and utilize all its policies, plans, functions, and resources for the purpose of creating and maintaining, within the framework of free competitive enterprise, the general welfare and conditions under which there will be afforded useful employment opportunities, including self-employment, for all those qualified persons willing and seeking work."

Prior to the enactment of this re-

quired legislative report, however, the State Administration, the Governor said, had already initiated a comprehensive state development plan aided by a federal Housing and Home Finance Agency planning grant.

This effort, which will be greatly enlarged by a pending second grant, is designed to develop a set of intensive studies of California's population and economy and of the directions their growth and development will take over the next 15 to 20 years, he explained.

The development of a growth model or economic forecasting device that enables the state not only to predict the level and composition of statewide economic growth in job and income terms but also to test in advance the effect of possible changes in such critical factors as the level and type of defense spending was one of the foremost results of these studies, the Governor said.

Although this model will be principally used to analyze economic changes for their effect on the state's overall economy, the Governor also indicated that the same methods would be used to examine the economies of the state's major metropolitan areas.

In sum, he explained, his administration has "put first emphasis on getting the clearest possible picture of our limits and possibilities—in the basic terms of people, jobs, and income.

Pointing out that California's unemployment rate of 6.3 percent is "far too high" and that there are "serious trouble spots in the state," the Governor's statement concluded saying:

"It is vitally necessary for the federal government to develop plans to assist us and other states in broadening the base of our economy and in preparing for changes in defense production."

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industry divisions except agriculture, the widening of the over-the-year gap of three-tenths of a percentage point in the state's jobless rate documents the basic fact that the state's economic growth rate is too low to meet the demand for jobs created by the increase in the total civilian labor force which was 6,947,000 last month compared to 6,746,000 in October 1962.

Employment in the service industries accounted for the largest increase in employment on a divisional basis last month by rising 55,000 above a year ago to a record of 1,197,000. Government jobs—local, state and federal—reached an all-time high total of 1,024,000, up 42,000 for the year, and employment in trade was 1,361,000, reflecting an increase of 39,000 above October, 1962.

Aid Asked To Push AWOC 'Victory'

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Firebaugh in Madera County, "has challenged the extension to agriculture of the fundamental principle of representation and bargaining in good faith which have become the accepted standard for stable labor-management relations in other areas of employment."

The facts of the case are simple, Pitts said.

"Back in March, 1962, AWOC initiated an organizing drive among the workers of this firm and won representation rights in an NLRB election that gave AWOC a 47-7 majority out of 57 workers eligible to vote. . . . Since then, the company has steadfastly refused to bargain in good faith by adopting 'Boulwarism' tactics and refusing to negotiate on any basis other than 'open shop.'

"Throughout this period, which has been marked by unfair labor practices, AWOC has continued its efforts to negotiate an honorable contract under strike conditions that have caused a serious drain on AWOC's organizing funds," he explained.

(Boulwarism, named after an ex-vice-president of the General Electric Company, has come to mean the submission of an offer to a union on a take-it-or-leave-it basis followed by the formality of protracted bargaining sessions in which there is no real intention on management's part to bargain at all.)

"The outcome of the dispute has a significance far beyond the number of workers involved," Pitts pointed out.

Access to NLRB machinery has long been denied to farm workers, he noted. Since this case is the first time AWOC has been able to participate in an election of this type, the V. C. Britton Company dispute is being followed closely by growers and agri-business interests generally, Pitts asserted.

In view of the symbolic nature of the case, the State AFL-CIO leader called on all affiliated unions and central bodies to support the fund, which was established with an initial contribution of \$1,000 from the Federation, to the limit of their ability.

Checks should be made payable to the "Farm Workers' Organizing Assistance Fund."

Realtors Launch Drive To Torpedo Fair Housing Law

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H. Wilson of Fresno, applied for and obtained a title and summary for the CREA-sponsored amendment from Attorney General Stanley Mosk.

The present Fair Housing Law outlaws racial discrimination in most types of housing with the exception of privately financed one-family homes. The CREA's proposed amendment would repudiate the present law in favor of guaranteeing "absolute discretion" to property owners in the sale, lease or rental of housing facilities.

The petition's sponsors will have a maximum of 130 days to gather the signatures of 468,259 registered voters.

If the signatures are obtained within the required time limit, California voters will be confronted probably at the November 1964 general election, with what boils down fundamentally to a choice between human rights and property rights. A vote against the measure would indicate that the voter felt that human rights are more important than private property rights.

The initiative petition was titled: "Sales and rentals of residential real property. Initiative constitutional amendment."

Its summary reads as follows:

"Prohibits state, subdivision or agency from denying, limiting, or abridging rights of any person to decline to sell, lease, or rent residential real property to any person as he chooses. Prohibition not applicable to property owned by state or its subdivisions; property acquired by eminent domain; or transient lodging accommodations by hotels, motels, and similar public places."

The full text of the amendment reads:

"Neither the state nor any subdivision or agency thereof shall deny, limit or abridge directly or indirectly, the right of any person who is willing or desires to sell, lease, or rent any part or all of his real property, to decline to sell, lease or rent such property to such person or persons as he, in his absolute discretion, chooses.

"'Person' includes individuals, partnerships, corporations and other legal entities and their agents or representatives but does not include the state or any subdivision thereof with respect to

Pamphlet Cites Key Role of MDTA Local Advisory Units

A new 12-page pamphlet that outlines the key role that Local Manpower Advisory Committees play in the development of job training programs at the community level has just been published by the National Manpower Advisory Training Committee.

Entitled "Manpower Problems and Local Action," the pamphlet points out that while "30 formerly unemployed people getting a job won't reduce the national unemployment rate . . . 30 people getting a job in hundreds and thousands of communities WILL reduce the national unemployment rate." This, in short, is the philosophy behind the Manpower Development and Training Act.

In addition to suggesting guide lines and specific programs for Local Manpower Advisory Committees, the pamphlet notes that "it takes local people to spot 30 job opportunities and to find 30 people who can be adequately trained to fill them . . . People who want to, can, and are willing to do something to help other people . . . belong on a Local Manpower Advisory Committee," the pamphlet explains. Copies may be obtained from the National Manpower Advisory Training Committee, U. S. Department of Labor, 14th and Constitution Ave., Washington, D.C.

the sale, lease or rental of property owned by it.

"'Real property' consists of any interest in real property of any kind or quality, present or future, irrespective of how obtained or financed, which is used, designed, constructed, zoned or otherwise devoted to or limited for residential purposes whether as a single family dwelling or as a dwelling for two or more persons or families living together or independently of each other.

"This article shall not apply to the obtaining of property by eminent domain pursuant to Article I, Sections 14 and 14½ of this Constitution, nor to the renting or providing of any accommodations for lodging purposes by hotel, motel or other similar public place engaged in furnishing lodging to transient guests.

"If any part or provision of this Article, or the application thereof to any person or circumstance, is held invalid, the remainder of the Article, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end the provisions of this Article are severable."

The Home Builders Association and the Apartment House Owners Association have joined the CREA in its efforts to kill the Rumford Fair Housing Law.

Nebraska Court Ruling Strikes Blow To Curb Excessive 'Service Charges'

A recent Nebraska Supreme Court decision that called a spade a spade may help throw the spotlight of public indignation on California laws that let car dealers, department stores and other sellers of commodities impose so-called "service charges" ranging from 18 to more than 22 percent despite the fact that California's Constitution sets a 10 percent simple annual interest ceiling on usury to be charged in the state.

In striking down a statute, similar to California's Unruh Act, which permitted finance rates of up to 15 percent, the Nebraska Court ruled that the financing charge is interest, just like the interest on a bank loan, and, therefore, subject to the usury limits.

"Regardless of the terms used," the Court said, the difference between a time-sale price and a cash price "is a charge for the loan of money or for forbearance of a debt" and therefore, "disguise it as we will, it is and remains interest."

The decision made an estimated billion dollars worth of installment-plan sales in Nebraska illegal and paved the way for thousands of buyers to seek refunds.

In the past, courts in other states like California have been unwilling to apply the constitutional usury ceiling to installment sales, generally on the feeble contention that the finance charge is not interest.

Many states have statutes on their books similar to the one just invalidated by Nebraska's high court but the Nebraska jurists' action reinforces a similar decision made earlier by an Arkansas court and may help to realign the thinking of California judges on the issue.

If it does, a test case might save the public millions of dollars in interest payments.

Study Commission On Workmen's Comp. Appointed

Seven Californians have been appointed by Governor Edmund G. Brown to serve on the Workmen's Compensation Study Commission which was created by passage of Senate Bill 783 in the last regular session of the legislature.

Appointed, subject to State Senate confirmation, were: Conrad J. Moss, 40, a Los Angeles attorney, who will serve both as a public representative and as chairman of the Commission.

Fred Drexler, 47, of Mill Valley, a senior vice-president of the Industrial Indemnity Insurance Company of San Francisco as insurance industry representative.

Robert H. Biron, 51, of Rancho Santa Fe, a vice-president and West Coast representative of General Dynamics Corporation who will serve as the employers' representative.

Joseph D. Peluso, M. D., 69, a Los Angeles doctor, as the medical profession's representative.

Charles P. Scully, 48, a San Francisco attorney who will represent the legal profession.

Wendell J. Phillips, 58, secretary of Bakery Wagon Drivers and Salesmen's Local Union No. 484 of San Francisco who will serve as labor representative.

Stephen A. Riesenfeld, 55, a professor of law at the University of California, Berkeley, as a public representative.

The legislature appropriated \$100,000 for the Commission's work. Two assemblymen, James R. Mills and George M. Zenovich, and two senators, Richard J. Dolwig and Stephen P. Teale, have been appointed to serve in an advisory capacity to the Commission.

Pitts Warns of Phony Labor Paper Operations

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the 'State Labor News' that this office has had an opportunity to examine," Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, explained.

Noting that a Placer County firm had inquired last week about the legitimacy of both of these publications following receipt of what appeared to be a bill from the California Union Labor Journal, Pitts urged all central labor bodies to notify their community newspapers, police and postal authorities and Better Business Bureaus of the "dubious nature of these purported publications."

Earlier this year, Pitts warned local labor councils about the operations of each of these alleged papers and requested that anyone encountering copies of them send them to his office. This request still stands.

"To date," he reported this week, "no copy of either publication has been received."

Since various business concerns that have been approached by ad salesmen for the two publications have reported that the salesmen represented their publications to be AFL-CIO publications, Pitts declared:

"Neither the so-called 'California Union Labor Journal' nor the so-called 'State Labor News' are AFL-CIO publications. They are not authorized, sanctioned or in any way endorsed by any AFL-CIO affiliate nor, to the best of my knowledge, by any other legitimate labor organization in the state . . .

"Since the operators of these phony papers appear to be beginning a yuletide campaign that may prey on employers who have contracts with local unions in your area, it is morally incumbent on us to do our best to see that such employers are not fleeced by specious, phony labor publications," the State's AFL-CIO chief said.

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