

## Rumford Act Progress Noted As Repeal Petitions Filed

Conciliation rather than litigation dominated the picture in the satisfactory adjustment of almost half the cases already completed under the Rumford Fair Housing Act, it was reported this week by Carmen H. Warschaw, chairman of the California Fair Employment Practices Commission.

A few days earlier, opponents of the 4-month old fair housing law, led by the California Real Estate Association, submitted an estimated 650,000 signatures to the Secretary of State in their effort to qualify an initiative petition repealing the Rumford Act.

Although it is doubtful that this filing will yield the 468,259 valid signatures necessary to get the initiative on the ballot, observers feel that the tremendous sums of money available to the initiative's supporters will probably enable them to obtain the additional signatures in the supplemental 60-day filing period.

This development has intensified the efforts of labor and civil rights groups, working through the California Committee for Fair Practices, to educate the public on the issues at stake.

In her report on FEPC's progress in implementing the Rumford Act, Mrs. Warschaw indicated that 30 of the 59 cases filed since last September 20 have

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## Pitts Seeks Improved Health Care For Public Employees

Greatly increased financial contributions toward employee health plans by public agencies, along with the elimination of present practices encouraging costly and inequitable proliferation of coverage groups, was urged recently by State AFL-CIO leader Thos. L. Pitts in order to "bring the best of voluntary health programs within the reach of public employees."

## LBJ Stresses Public Housing and Suburban Needs

Doubling the present rate of public housing development and federal aid to facilitate orderly suburban growth are two of the key issues proposed to Congress last week in President Lyndon B. Johnson's housing message.

The suburban development proposal proved to be the most unique element in the President's long list of needs related to the over-all housing problem. It would set up a system of federal aid aimed at preventing expansion of communities and suburban areas "in a sprawling, space-consuming, unplanned and uneconomic way." This would be done by:

- Grants and loans to state and local

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UNIVERSITY OF CALIFORNIA



THOS. L. PITTS  
Executive  
Secretary-Treasurer

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## Social Insurance Programs Omitted In Special Session Call

Governor Edmund G. Brown this Monday called the California Legislature into special session to work on some 42 items concurrently with the 1964 regular budget session.

A notable exclusion in the special session call, however, was any provision by the Governor for the consideration of urgent improvements in unemployment insurance, workmen's compensation, and unemployment disability insurance as recommended by the state AFL-CIO to correct some of the serious omissions of the 1963 general session.

Federation Secretary-Treasurer Thos. L. Pitts noted organized labor's "deep concern" over the situation, but pointed out that the Governor will have ample opportunity to augment his special call during the legislative recess period

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## Brown Asks Boost In Construction Safety Program

An accelerated safety program in the Division of Industrial Safety to help reduce "a rising and intolerable injury rate" in the construction industry was included by Governor Edmund G. Brown in his 1964-65 budget recommendations to the legislature.

A statement by the Governor last Saturday, outlining his request for funds to provide 22 additional construction safety engineers along with two more district supervisors, declared:

"I have been greatly concerned for some time about the fact that California's work injury rate has remained at a virtual plateau since 1957, despite noteworthy efforts by all concerned.

"What has contributed to this lack of improvement in the over-all work injury picture is the extremely poor safety record in construction, one of the giant industries in the state.

"While the disabling work injury rate for all California industry is practically unchanged since 1957, the injury rate in construction has sharply advanced—from 76.9 injuries per 1000 workers that year to an estimated 83 per 1000 in 1963.

"In other words, one out of every 12 construction workers is so seriously injured during the year that he cannot return to work the following day.

"Construction deaths are increasing at a still sharper and more unsatisfactory rate—from 163 deaths in 1957 to 220 deaths in 1962. (The figure for 1963 is not yet available.)

"The situation demands greater safety

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## Social Insurance Programs Omitted In Special Session Call

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scheduled for the study of the budget between now and March 2nd.

In a number of important areas — education, tax reforms, housing aids, economic development, among others—the special session call is tied closely to the Governor's budget, which recommends expenditures totalling \$3.66 billion in fiscal year 1964-65.

Brown depicted his budget as "matching dollars against needs, sparingly, but sufficiently." Broadly speaking, he said, "our paramount task is to extend the benefits of a prosperous California to the hundreds of thousands still denied full participation in our abundance."

In housing, the Governor asked the special session to create what appears to be a skeleton Department of Housing and Community Development, backed up by the modest appropriation of \$81,000 in his proposed budget. He called this a "minimum investment to help meet one of the great unmet needs of our time—adequate housing for tens of thousands of our citizens, particularly for low income families, the aged and the farm worker."

The first task of the Housing and Community Development office, Brown said, "will be to lead a determined effort to find housing for the elderly and the farm worker," seeking to utilize federal funds and programs. The Governor pointed out that better than 60 percent of the state's elderly citizens live on incomes of less than \$2,000 a year and that adequate housing is scarce at the rents they can afford to pay.

Pointing to the need for low cost housing for farm workers, he noted that "rural slums mar the farms" of California.

The Federation had urged the Governor to include housing on the special call, but envisioned an agency which would at least have the authority to come to grips with land speculation and provide for planned community development without income stratification or racial segregation within a "new towns" approach.

In another special session proposal, the Governor asked for the creation of an Office of California Development "to help promote California's exports, to search for new fields of industry to replace defense and space projects as they are phased out, and to encourage tourism."

Brown said that this recommendation would incorporate the present activities of the World Trade Center Authority, the Economic Development Agency and "assume the responsibility for helping to increase California's share of the nation's tourist business."

In his budget recommendations, the

Governor proposed a \$593,000 appropriation for the new office, "only \$275,000 of which is not now expended for comparable purposes in other agencies." Brown said that "it is urgent that we take concerted action now in the face of anticipated reductions in the level of federal defense spending. We must produce the jobs for our expanding population or bear the burden of mounting and excessive unemployment."

On the tax front, the Governor proposed a state income tax reform that would eliminate the tax liability for an estimated 120,000 of the lowest income earners and provide a "modest tax relief" for an additional 990,000, at the cost of reducing revenues by \$2.7 million annually. This would be accomplished by eliminating the present percentage method of computing the standard deduction and substituting instead a flat allowance—\$500 for a single taxpayer, \$1,000 for a married person or head of household.

At the same time, the Governor recommended that the \$2.7 million revenue loss be made up by closing a "legal loophole" in the gross receipts premium tax paid by private insurance carriers. The Governor recommended that the "principal office" deduction of real estate taxes from the payment of the gross premiums tax be confined to that portion of insurance company buildings actually used for the transaction of insurance business. At present real estate taxes are deducted for large commercial buildings used only in part for insurance activities.

In increased school aid, the Governor proposed a \$35 million augmentation of the "normal" increase due to school age population growth, but tied the increased aid to a county-wide equalization proposal which would produce an additional \$27½ million at the local level to help poor districts. The latter equalization proposal was rejected at the 1963 general session, and has stiff legislative opposition in the special session.

Among the numerous other special session items are proposals to reduce the two-thirds vote requirement for school bond approval, to curb outdoor advertising, create an elections commission to study voter registration and elections, and provide for the formation of transit districts.

### BUDGET

In advancing his \$3.66 billion budget, Governor Brown noted that it includes \$3.26 billion in expenditures from current sources, plus \$398 million from previously authorized bonds for capital construction.

He anticipated an \$8.6 million balance in the general fund at the end of fiscal

## Brown Asks Boost In Construction Safety Program

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efforts all along the line. The construction industry and the unions must do their part and we must have greater safety supervision by the Division of Industrial Safety."

Governor Brown's budget included an increase of \$300,470 for the Division's construction section, bringing its total appropriation to \$703,030.

The safety engineers' duties include job inspections, accident investigations and liaison with labor and management safety groups.

year 1964-65.

Over and above the budget recommendations, Brown said that "we must continue our traditional bond issue financing, both for elementary and secondary schools and for our institutions of higher education, including the junior colleges."

For the June primary ballot, he proposed a \$260 million state bond issue to continue the state's 14-year-old program to provide local school construction aid.

For the November general election ballot, he proposed a \$350 million state bond issue to continue the state's nine-year old bond program "for capital construction, largely at the University of California, the State College System and hard-pressed local junior colleges."

The Governor, in his budget message to the Legislature, stressed the necessity of a "six percent increase" over the 1963-64 budget while the population increased only 3.3 percent.

"The problem," he said, "is simply that the population group under age 25 is growing far faster than the rest of the population. It is kind of a human tidal wave, sweeping through all our institutions, but especially our most expensive institutions — correctional and educational."

The Governor pointed out that the state's under-25 age group population now represents 45 percent of the state's entire population. "It contributes only a tiny fraction to state revenues, yet it rightly takes more and more education of a more and more expensive variety," he added.

Brown indicated that "\$1.54 billion of the budget is proposed in direct expenditures for young people — in education, in the Youth Authority, the Youth Conservation Program, Aid to Needy Children, the Crippled Children's Program, and other categories."

Both the budget and special sessions are expected to produce intense partisan controversy as well as disagreements between the Senate and Assembly on several issues.

## Rumford Act Progress Noted As Repeal Petitions Filed

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been completed. Eighteen of the others were filed during the past four weeks.

Fourteen of the 30 cases resulted in "satisfactory adjustments," she said, and all of these involved refusing Negroes an opportunity to inspect dwellings in which they were interested. With one exception, involving a San Fernando apartment rental complaint, all of these cases were reported settled through conciliation. Commenting on this, Mrs. Warschaw said:

**"We feel that the record of the past four-and-a-half months indicates the soundness of the main assumption of the Rumford Act. That is, that a grievance involving racial or religious discrimination in housing can be settled more promptly and therefore more effectively by a well-equipped administrative agency than through long litigation in the courts.**

**"The Fair Housing Act is new only because it assigns such a function to FEPC. Otherwise, essentially, it restates provisions of two statutes on the books since 1959, applying to dwellings financed with public assistance to persons and firms in the business of housing."**

Although the bulk of the complaints were filed by Negroes, two involved persons of Spanish surnames and one complainant was an East Indian. Another case involved discrimination based on national origin and religion.

A majority of the cases involved apartment rentals. Real estate brokers were named as respondents or co-respondents in 12 instances.

The FEPC chairman reported that of the 59 cases, 16 were dismissed on grounds of insufficient evidence, lack of jurisdiction, or withdrawal of complaint.

Supporters of the fair housing bill noted that, if successful, the repeal petition would also revoke the earlier Unruh Civil Rights Act. They urged the friends of democratic housing practices to make maximum use of the 8-page leaflet "Questions and Answers About . . . the Initiative Against Fair Housing."

Issued by the California Committee for Fair Practices, this leaflet presents a point-by-point rebuttal of CREA's propaganda against the Rumford Act. In addition, it explains the elements of the law, the consequences of the initiative, and the nature of the forces seeking repeal.

**Revoking the law without a fair trial would, the publication makes clear, establish California as a state that "is moving backwards in the struggle**

## Pitts Seeks Improved Health Care For Public Employees

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**ers and their families as long ago as January, 1961. In the ensuing three years, he estimated, the average employer contribution has moved very close to the \$20.00 per month level.**

Conceding that some disagree with labor's view that the state and other public agencies should assume the role of model employer, Pitts declared:

**"But it would be a rare individual indeed who would openly advocate that the state or other public agency, as an employer, should consistently fall far behind the pattern of the general community.**

**"Yet this is precisely the situation in which the State of California and many of its political subdivisions have found themselves ever since hospitalization and medical care plans become a significant factor in this nation's labor-management relationships."**

The 1961 study, he pointed out, involved about 1.3 million workers covered by negotiated health and welfare programs. Almost 90 percent of these enjoyed coverage calling for total financing by the employer "ranging at times as high as \$38.13 a month per worker."

### Uneconomic Coverage Practices

Pitts stressed the further need to maximize benefits per premium dollar contributed into the program. Directing his criticism at the consequences of the "proliferation of coverage groups that fragments eligible state employees for experience rating purposes," he declared:

**"Most obvious is the added administrative burden that results from the large number of 'approved' and 'contract' plans eligible for the state contribution. Apart from the added burden placed on the State Employees Retirement System Board in the administration of the Meyers-Geddes Act, the administrative duplication is a cost factor that reduces the amount of the premium dollar left for the payment of benefits.**

**"Beyond this, and even more important, is the unequal distribution of risks that results from excessive fragmenting of the over-all coverage group. The state cannot justify a flat contribution that results in a wide variation in benefits per premium dollar as between**

**against bigotry and racial bitterness at a time when the rest of the nation is trying to move forward."**

The leaflet may be obtained without charge from the California Committee for Fair Practices either at 590 N. Vermont Avenue, Los Angeles, or at the San Francisco Labor Temple, 2940 16th Street, Room 212, San Francisco.

state employees in the various plans that are eligible for the contribution."

Noting that benefits available under various plans offered to state employees did not vary greatly, the AFL-CIO leader reminded the legislators that this proliferation had resulted in rates ranging from \$6.48 to \$13.20 per month for plans of the same type.

In urging that participation be confined to those plans contracted for directly by the State Employees Retirement System, Pitts observed:

**"This would lower the administrative costs and immediately provide for larger experience rating groups.**

**"In turn it would then become feasible for the SERS Board to more effectively provide for adjustments in any adverse selection that still might result from the distribution of risks between the major health plans for which the SERS contracts."**

Further improvements in benefits through broader risk-spreading could be achieved by permitting local agencies to participate in the SERS program on a contract basis, Pitts contended.

## Low Cost Farm Labor Housing Urged

Alleviation of the "appalling housing conditions which plague our rural citizens" through technical assistance and long-term loans carrying low interest rates was called for last week at the Visalia hearing of the State Senate Fact Finding Committee on Labor and Welfare.

Recommendations along this line were submitted to the Senate unit by Gerald N. Hill, former executive director of the Governor's Advisory Commission on Housing Problems.

Hill noted that a 1962 survey by the State Department of Industrial Relations indicated that 54 percent of all off-the-farm homes in rural areas were "dilapidated or deteriorating" by U.S. Census standards. The study also indicated that 27 percent of these homes had pit privies while 10 percent had no water.

Furthermore, he declared, "there is an outright shortage of decent housing of any type at rental levels within the means of most of the rural population."

Maintaining that this was not so much a housing problem as "a low income problem," Hill said studies have shown that a simple but adequate rural home could be constructed for about \$6000. However, he added, "without low interest financing, which is not now available

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# President Johnson Stresses Public Housing and Suburban Needs

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governments to plan and provide public facilities required by new communities.

- Loan insurance to aid developers of such new communities.

- Deferred payment loans to local governments for construction of sewer, water and other facilities in advance of anticipated growth.

- Deferred payment loans to states and localities for the purchase or optioning of land that will be needed for school sites, rights-of-way and other facilities serving expanded populations.

Noting that the 100,000 public housing units authorized by the 1961 Housing Act are now fully committed, Johnson called for legislation to construct, purchase and lease 240,000 more units during the next four years as a major objective of his "war on poverty."

The President recommended 50,000 additional public housing units annually during the next four years. Most of this would be in the form of new construction. The balance would be acquired through the purchase and rehabilitation of units originally built as private housing.

In addition, Johnson asked Congress to empower local housing authorities to lease existing privately built housing up to 10,000 units annually during this same period.

## SENIOR CITIZEN HOUSING

Prominent attention in the Johnson message was given to the needs of the elderly. The principal proposals in this area were:

- Extending low interest loans to the moderate income elderly, and providing \$100 million in loan funds during the next year for this purpose.

- Bringing single elderly persons under the roof of the special housing program for the aged.

- Providing insurance and low interest loans, with deferred principal payments, to rehabilitate existing housing for the aged.

Upper middle income housing would be given a boost under the Johnson program primarily by increasing the maxi-

mum mortgage insurable by FHA on a single-family home from \$25,000 to \$30,000.

Authority was also sought to permit FHA and VA to finance the correction of "substantial" structural defects that develop in housing approved by these agencies.

Johnson asked that FHA's forbearance procedures be strengthened to encourage foreclosure postponements where defaults in mortgage payments are caused by circumstances beyond the home owner's control.

The housing message set forth the need for Congressional action to step up loan and insurance programs for rural housing. Other legislation was also urged to help meet the housing needs of migratory and other farm workers.

The President noted that the \$4 billion authorized in 1961 for urban renewal purposes would be completely earmarked by the end of this fiscal year. Continuation of the program was sought on the basis of an additional \$1.4 billion appropriation for the next two years.

Johnson also stressed the need for additional allowances to help families and small business displaced by urban renewal projects.

A sense of urgency was conveyed by the Chief Executive for the "early enactment" of the mass transit program proposed by the late President John F. Kennedy and already approved by the Senate.

A bill to implement the President's request that the Housing and Home Finance Agency be elevated to a cabinet-level department is being co-sponsored by Senators Joseph S. Clark and Hubert H. Humphrey.

Legislation embodying most of these proposals has been introduced by Senator John Sparkman and Representative Albert Rains, the Alabama Democrats heading housing subcommittees in the Senate and House. Hearings opened February 3 in the upper body and were scheduled for February 17 on the House side.

# Low Cost Farm Labor Housing Urged

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on the private market, such efforts will not amount to much.

"With four percent interest, a \$6000 loan can be paid off in 25 years at \$31.68 a month with ownership held by non-profit sponsors, farmers' associations, cooperatives or direct tenant ownership. If property taxes are about \$100 a year, this amount can bring decent housing to thousands now paying \$40 and \$50 a month for shacks."

Hill also recommended a state program of low-interest loans to counties and towns for facilities such as streets and sewers. Coordinated with the new housing, he said, such a plan would promote stability in a community "and raise the horizon of its residents." These facility loans, he explained, could be repaid in great part by the property tax increase.

Where appropriate, Hill concluded, "these two loan plans could go hand-in-hand with federal direct loans for rehabilitation of reparable rural housing."

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## AFL-CIO Report on 1963 Congress

"Labor Looks at Congress, 1963"—a convenient 44-page run-down of legislative developments on major issues of interest to working people during the first session of the 88th Congress—has been prepared for distribution by AFL-CIO's Department of Legislation.

While pinpointing the unfinished legislative business confronting Congress in 1964, this handy summary also spells out the congressional rules and procedures strategically abused by the conservative minority towards obstructing the democratic process by preventing floor action on vital issues.

Copies may be ordered from the AFL-CIO Pamphlets Division, 815 16th Street, N.W., Washington 6, D.C.

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