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Grievances

Public Workers' Right to Union's Help Affirmed

Public employees have a right to be accompanied by their shop stewards or other representatives of their employee organization during "all stages of grievance proceedings," an opinion issued recently by the state legislative counsel asserts.

The opinion, requested by Assemblyman Nicholas Petris (D-Oakland) in connection with a dispute involving the East Bay Municipal Utility District, said, however, that it knew of no reason why public agencies such as EBMUD may not lawfully refuse to permit its employees, including those serving as shop stewards, to accompany other employees "during grievance proceedings occurring during working hours."

In short, the gist of the ruling appears to be that if public employees are to enjoy union protection in grievance proceedings they may be required to do it on their own time.

To avoid this would require the cooperation—a quality sometimes noticeably lacking—of the public agency in scheduling grievance meetings during the working rather than the non-working hours of both the aggrieved employee and his shop steward.

But on balance, the opinion, written by Deputy Legislative Counsel Sherwin C. MacKenzie, Jr., is a step forward.

It makes it clear that it is **NOT**

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Actuarial Report Bears Out Fed's Stand on Inadequate Financing of U.I. and D.I. Funds

An intensive study by an independent actuarial firm this week substantiated the California Labor Federation's stand taken during the last regular legislative session that both the state's unemployment insurance and disability insurance programs need "additional financing."

The report, made for and submitted to State Director of Employment Albert B. Tieburg by Woodward and Fordiller, Inc., of New York, Los Angeles and Dallas, declared California's unemployment insurance program "is now operating on a financing basis that will require further strengthening if it is to be adequate for the long run.

"If unemployment continues at the levels of the recent past the program will not realize actuarial balance," the report stated.

"If the employment situation improves substantially for one or more years, the program will not be well equipped to meet the shock of increasing unemployment thereafter. A more adequate and lasting arrangement for actuarial balance remains therefore as a significant question for future resolution," it asserted.

Last July state AFL-CIO leader Thos. L. Pitts made substantially the same point in his preliminary assessment of the 1965 legislative session when he said:

"We believe the inadequacies of financing, the introduction of harsh and cruel disqualifications and reducing benefit payments within the schedule of benefit amounts to less than 50 percent of the weekly wage were regressive.

"We fear that AB 518 will be interpreted by the press and by the public as a forward step when, in fact, it ill prepares us to protect adequately the unfortunate unemployed in California."

Last Spring the Legislature hiked

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Are Higher Profits In Offing for Job Corps Contracts?

Higher profits for industries taking on Job Corps training projects and shorter training periods for the Job Corpsmen are currently under consideration, according to a report in The Wall Street Journal this week.

The Job Corps projects currently re-

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State Medicare Bill Wins Final Approval; Special Session Ends

Final legislative action on a far-reaching measure to assure more than 1.1 million poor people in California free health insurance coverage was taken this week when the Assembly voted 61 to 1 Wednesday to accept Senate amendments to the bill and send it to the Governor for his signature. The action cleared the way for adjournment of the second special session of the Legislature this year yesterday without action on auto smog control devices.

As approved, the Medicare bill will permit Kaiser Foundation and similar low-cost closed panel health care plans to participate in the program.

Late last week the Senate Committee on Governmental Efficiency had adopted an amendment which would have excluded such plans but their eligibility was restored by subsequent amendments adopted by the Senate Finance Committee.

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Shun MRA Pleas, Meany Suggests

Appeals to local unions and central bodies to support Moral Rearmament (MRA) should be rejected.

That is the gist of a recent communication from AFL-CIO President George Meany.

Meany pointed out that the AFL and the CIO joined with the International Federation of Free Trade Unions in

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Actuarial Report Bears Out Fed's Stand on Inadequate Financing of U.I. and D.I. Funds

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maximum unemployment benefits from $55 to $65 and added nine other weekly benefit steps of $1 each from $56 through $64 but made the earnings qualifications for the additional steps steeper. It also increased the wage base for the unemployment insurance program temporarily from $3800 to $4100 starting in 1966 and boosted the so-called "balancing account" tax from 0.5 percent of taxable wages to 1.0 percent.

The "balancing tax" is a separate tax paid by all employers to offset unemployment insurance benefit payment costs that are not chargeable to individual employers.

The report pointed out that "credits to the balancing account were far short of meeting its charges in fiscal 1964" and suggested that "to provide equivalence between the two, the balancing tax would have had to be 1.2 percent."

Noting that joblessness in California in 1964 remained "at the uncomfortably high level of six percent" and that it has fluctuated at this level for six of the past seven years even though the jobless problem in the rest of the nation showed improvement, the report warned:

"If unemployment continues at the levels of the recent past, the program is likely to incur a deficit of five percent of revenue or more."

PERIL CITED

This means that the state's jobless program could be faced with a real bind if any significant recession got under way.

In this connection, Pitts noted in his report last July that:

"Experience has shown if the state awaits the coming of excessive unemployment it can neither create immediately the organization necessary to orderly, economical or effective relief nor bear the financial burden of relief without disrupting its whole system of ordinary revenues and without jeopardizing its credit."

In the course of the last legislative session, the state AFL-CIO had urged an increase in the UI taxable wage base to $7500; an end to the so-called merit rating system; a boost in maximum weekly benefits to equal two-thirds of weekly wages in covered employment and extension of coverage to farm workers, domestics and public employees as well as employees of nonprofit institutions, among other things.

The inadequacy of the benefit structure was pointed up by the fact that in 1964 the average weekly benefit replaced only 36 percent of average weekly earnings.

Needless to point out, few California families could survive long without resorting to welfare if their weekly income was suddenly reduced two-thirds by virtue of unemployment resulting from a recession or the impact of automation.

In connection with the employee-paid disability insurance program, the actuaries' report asserted that "financing, under the amended law can best be characterized as tight. The balance between income and outgo is so close that there is virtually no room for error or for adverse developments."

The report pointed out that the new ceiling of $7400 plus the extra 0.1 percent in effect for the last five months of 1965 "will probably develop a cash reserve of $20.1 million."

But thereafter — for 1966 — the report said the operating surplus is "expected to be only $1 million."

This amounts to less than one-half of one percent of the fund's annual income.

DEFICIT POSSIBLE

"Actual developments," the report said, "are bound to be different from present projections by some margin and while this surplus of 0.5 percent might prove to be larger, it can also turn the other way and become an operating deficit."

The report declared that the D I fund needed to preserve a reserve equal to 15 to 20 percent of expenditures. In terms of 1966 levels, it said, this would amount to $33 to $45 million.

Under present financing arrangements, however, the Disability Fund balance is expected to amount to only $20 million at the end of 1965 and not to increase substantially thereafter.

Although noting that the Department now has continuing authority to borrow and that this helps ease the need for larger reserves, the report noted that other possible contingencies such as an unusual degree of illness leaves little or no room in the balance between income and outgo for "error or adversity."

In view of this, the report declared, "thought ought to be given on the next possible occasion for some temporary measure to strengthen the reserves to a point equal to 15 to 20 percent of a year's expenditures."

The report also pointed out that prior to the 1965 legislative session, the legislature had long been aware that more adequate financing would be necessary.

The fact that the report states quite bluntly that "the financing provided by the (1965) amended law can only be characterized as tight" and adds that the fund's reserve should be strengthened on the next possible occasion," makes it quite clear that this independent actuarial firm regards the action taken by the last legislature as inadequate.

In this, the report echoes the sentiments expressed by the California Labor Federation two years ago and again nearly four months ago.

Are Higher Profits In Offing for Job Corps Contracts?

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turn between five and 10 percent net profit to the firms that undertake them.

Since sizeable numbers of the trainees subsequently become employees of the sponsoring firm, this amounts to paying private firms a profit out of general tax funds for training some of their own future employees.

The report claims that industry has proved more able than non-profit organizations to cope with disciplinary, managerial and dropout problems and said that "government men hope to offer new contracts with added profits for concerns with top showing in job placement and education improvements."

It also said that the minimum one-year training period now required is "not always necessary" since a higher percentage of the youths than expected are returning to school before the year is up. This, it adds, means more youths will be trained next year without raising the present 50,000 trainee ceiling.

But of what real importance is the ceiling if the trainees receive only enough incentive to attempt to return to school but not enough remedial education and self-discipline to enable them to cope with it when they get there?

Currently such firms as Litton Industries, International Telephone & Telegraph, Burroughs Corp., IBM and U.S. Industries are managing Job Corps projects.

At a Poverty Conference sponsored by the California Labor Federation last Spring, it was pointed out that a number of these firms had exhibited an anti-union bias at a number of their plants.

The extent to which this bias is translated into the Job Corps training program is unknown. But when government starts expanding its subsidies to undertake basic public education and training projects with expanding profit margins figuring prominently in the package, it is time for all thinking citizens to become concerned.

Meany Suggests Rejection of MRA Appeals

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condemning MRA and its activities in 1953 because, as the ICFTU report pointed out, while MRA claims to be on the side of workers, it actually has a record of interference on the side of management.

The ICFTU action was taken after a lengthy worldwide investigation of the organization and there has been no reason in the ensuing 12 years to change it, Meany said.

The ICFTU report also noted that the organization has vast real estate holdings both in the United States and abroad, runs a costly propaganda machine and has tremendous operating expenses. But, the report said, no one knows where the money comes from and MRA isn't talking. But, the report added, "We can state with certainty that these sources must be very rich."

Although the ICFTU has traditionally observed the basic principle of political and religious neutrality, it inquired into MRA "only because this is clearly an exceptional body which is trying to upset the trade union movement with its ideas and, through small groups of followers, trying to introduce its directives into the factories," the report said.

"These directives seldom correspond to the will of the majority and in view of the sectarian character of MRA are hardly aimed at the welfare of mankind in general," the report said.

It also reviewed the history and activities of MRA from the pro-Nazi statements of the organization's late founder, Frank Buchman who hailed Hitler as "sent by God to cure the world's ills," to the employer-backed recruitment of workers in Sweden.

Statements from key union leaders in many nations of the world were also included in the ICFTU report. Among them:

"We neither have nor desire any relation with MRA."—New Zealand Federation of Labor.

"We regard MRA with suspicion, distrust and even open hostility."—Canadian Congress of Labor.

"The organization hardly deserves attention."—H. Shastri, current Prime Minister of India who was then with the Indian Trade Union Congress.

"MRA statements that it has created industrial peace in Denmark are viewed by us as immoral, since it in no way corresponds with the truth."—Danish Labor Organization.

"In our view, the methods employed by MRA are calculated to weaken the trade union movement."—German Labor Organization.

Pointing out that MRA directives seldom correspond with the will of the majority, the ICFTU report concluded that:

"It is our view that MRA should be prevented from encroaching upon trade union preserves."

Public Workers' Right to Union Support in Grievance Affirmed

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LAWFUL for public agencies to deny employees the services of union aides during any step of a grievance proceedings.

The next point to be clarified—and this apparently would require a new opinion—is if there is no reason why such agencies may not lawfully refuse to let their employees and shop stewards take part in grievance proceedings during working hours is there not similarly no reason why such agencies may not lawfully **permit** its employees and shop stewards to participate in grievance proceedings during working hours.

In fact, since Chapter 10, Section 35 of the Government Code specifically states that the purpose of the chapter is "to promote the improvement of personnel management and employer-employee relations within the various pub lic agencies in the State of California by providing a uniform basis for recognizing the right of public employees to join organizations of their own choice and **be represented by such organizations in their employment relationships with public agencies,** it should be obvious to all but the most virulently anti-union personnel managers that grievance proceedings should be scheduled during working hours in the interests of improving employer-employee relations.

Initially, the East Bay Municipal Utility District maintained that employees had no right to union representation during grievance proceedings.

Subsequently it has tried to maintain that an employee couldn't have shop steward or other union representation until the third step of the grievance proceedings.

The Alameda County Central Labor Council and EBMUD Local 444 of the American Federation of State, County and Municipal Employees are currently challenging the district's arbitrary stand.

State Medicare Bill Wins Final Approval; Special Session Ends

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The lone opponent of Medicare for the poor in the final Assembly vote was Assemblyman John L. E. Collier (R-Los Angeles).

Prior to Senate approval of the measure, the Senate Finance Committee voted unanimously to cut the state's $821,000 "tooling up" commitment to $546,000 after uncertainties developed as to the exact extent of such expenses.

The measure, which required a two-thirds majority, won final Senate passage on 30 to 3 vote.

State Senators voting against health insurance coverage for the poor were: Howard Way (R-Exeter); Clark L. Bradley (R-San Jose); and John G. Schmitz (R-Santa Ana).

The bill will permit between $6 million and $7 million a month in federal funds — to be matched dollar for dollar with state and county funds — to be pooled to give the poor the same quality of medical aid now available to Californians who can afford it.

It will provide health insurance for some 900,000 people on welfare and an estimated 200,000 other low income people who although not on welfare, have insufficient income to purchase health insurance.

Private health plans such as the Kaiser Foundation, Blue Cross and the California Physicians' Service would submit bids to handle the insurance.

Recipients will carry insurance cards similar to the health insurance cards carried by the average citizen and if ill they would go to a private physician or hospital of their choice and present the card. Subsequently the bills would be paid by the goverment.

The Act, an urgency measure, is effective immediately but will not become operative until March 1, 1966. It will enable welfare recipients and people who are medically indigent to be treated by their private doctors instead of going to a county hospital in case of illness.

The funds to finance the program will be placed in a special health care deposit fund to prevent its use for any purpose other than medicare.

AFL-CIO Spells Out Unfinished Business Facing Congress in 1966

Although the first session of the 89th Congress, "the most productive Congressional session ever held," is now history, there is still "a long list of unfinished business," the AFL-CIO Executive Council declared in a statement issued in Washington last week.

On the positive side, the Council cited "Medicare and other Social Security improvements, aid to education at every level; Federal protection of voting rights; a stepped-up War on Poverty and a broad, new regionally-based public works program; a better and stronger housing program, with a Department of Housing and Urban Affairs added to the cabinet; a sweeping new attack on health problems; and the highway beautification bill."

But, the Council added:

"It is in no way a reflection on this record to say that there is also a long list of unfinished business."

Noting that President Johnson has already stated that "the remaining gaps must be filled," the Council spelled out these gaps as follows:

1—Failure to restore full freedom of collective bargaining and reduce strife between management and labor by repealing Section 14(b) of the Taft-Hartley Act.

2—Failure to enact the single most important measure on the war on poverty—an increase in the federal minimum wage and its extension to millions who are now denied its protection.

3—Failure to strengthen the single most important safeguard against catastrophic recession—the unemployment compensation system.

4—Failure to act at all on urgently-needed consumer safeguards, such as the truth-in-lending and truth-in-packaging bills.

5—Failure to grant to the citizens of the District of Columbia the fundamental American right of self-government.

6—Failure to take action on the situs picketing bill which has had the support of the Eisenhower, Kennedy and Johnson Administrations.

"These major failures must be promptly corrected by the second session of the 89th Congress," the Council asserted, because each of them "involves immediate and pressing needs."

While there are many other items of unfinished business, including a start toward a 35-hour week, those cited above "are absolutely essential if the total record of the 89th Congress is to fulfill this year's historic beginning," the statement concluded.

NLRB Official Hits Operation of 'Phantom Unions'

"A handful of phantom unions" that collect dues but provide no benefits for workers should be deprived of labor law protections, National Labor Relations Board member Sam Zagoria declared last week.

He said that Board officials had discovered so-called "labor organizations" in the New York metropolitan area whose principal reason for existence appeared to be "to provide lucrative incomes for their promoters from dues collected."

They preyed mainly on Negro and Puerto Rico workers, he said, who are uninformed about their rights. Generally, he added, they operate in relatively small plants with the active cooperation of employers.

Zagoria pointed out that workers victimized by such "phantom unions" can fight to deprive such unions of bargaining rights but he noted that a legitimate union seeking to represent the workers would probably be handicapped by NLRB rules that are designed to protect a union from constant raiding attempts.

State's Jobless Ranks Top All Of Great Britain

Great Britain, with a population of 53 million, had fewer jobless workers in mid-October than California whose population is less than 19 million.

A report issued last week placed Britain's jobless rate in mid-October at 1.3 percent and its total joblessness at 316,774, slightly above Britain's September figure of 315,328.

In contrast, California had 353,000 jobless last month and a jobless rate of 5.9 percent, which is 34 percent worse than the national average of 4.4. percent.

Guidelines on Civil Rights Act

An interpretation of Title VII of the 1964 Civil Rights Act dealing with segregated union locals and collective bargaining arrangements was issued this week by the U.S. Equal Employment Opportunity Commission.

In a statement signed by chairman Franklin D. Roosevelt, Jr., the Commission noted that "progress has been made" in eliminating segregated union locals but pointed out that it still exists in some areas of labor-management relations.

The statement emphasized that segregated labor organizations, collective bargaining units, lines of promotion, seniority and employee representation committees, groups, associations, or plans maintained solely on the basis of the employee's race or national origin are in violation of the Civil Rights Act.

Here is the text of the Commission's statement:

"Progress has been made toward eliminating segregated local unions, collective bargaining units, lines of promotion and seniority and employee representation committees or other groups.

"Notwithstanding, labor organizations, employee representation committees, groups, associations, or plans segregated on the basis of race or national origin still exist in some localities, trades and industries, and bargaining units and lines of promotion or seniority are maintained solely on the basis of the employee's race or national origin.

"The Equal Employment Opportunity Commission interprets Title VII of the Civil Rights Act of 1964 to prohibit such practices.

"Any labor organization, employee representative committee, group, association, or plan which operates on a basis of segregation by race or national origin or from which employees are excluded solely on the ground of race or national origin, is in violation of the requirements of Title VII.

"The existence of segregation by race or national origin in collective bargaining units or lines of promotion and seniority also constitute violations of Title VII."

FED EXECUTIVE COUNCIL TO MEET

A meeting of the executive council of the California Labor Federation will be held Tuesday and Wednesday, November 16-17 at the Del Webb Ocean House now known as the Hilton Inn in San Diego.