



# California AFL-CIO News

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## Jobless Rate Dips But All's Not Well

Although the nation's seasonally adjusted unemployment rate dipped last month for the third time this year to 3.7 percent, its lowest level in 13 years, and total U.S. employment was higher than ever, three major manpower centers in California were still suffering from substantial unemployment in October with rates ranging between 6 and 8.9 percent, the U.S. Labor Department disclosed this week.

In October 1965, however, five of California's eight major labor areas were in the substantial unemployment category.

The three major areas still saddled with a 6 to 8.9 percent jobless range in October were: Fresno; San Bernardino-Riverside-Ontario, and Stockton. And although the major areas of San Diego County and San Francisco-Oakland were in the 3 to 5.9 percent jobless range, the higher range of 6 to 8.9 percent still persisted in the cities of Oakland and San Diego.

Total unemployment was 326,000 less than a year ago

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## Alameda Co. Met Agents Vote On Union Dec. 16

The first representational election for Metropolitan Life Insurance agents in Northern California will be held in Hayward and Castro Valley in Southern Alameda County next Friday, December 16.

This is the date set by the National Labor Relations Board

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## Welch Credits Birchers For Vote Results

An inkling of the magnitude of the right-wing John Birch Society's contribution to conservative victories in California this year has just been revealed in Birch leader Robert Welch's December bulletin to his membership.

While claiming that the society itself took no part or position in the campaign, Welch openly conceded that the society "had chosen California as a state in which to concentrate practically from the beginning" and said that "as a rule about 15 percent of the total field staff we could afford, and hence at least 15 percent of our total membership, has been in California."

Since estimates of the society's income this year range

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## Hold Firm For Fair Housing, Fed Asks

The state AFL-CIO this week urged the Governor's Commission on the Rumford Act "to give courage to all who would fight bigotry and intolerance" by "standing firm" in support of the open occupancy principle laid down in California's Fair Housing legislation in 1963.

Pointing out that national and state legislation over the past few years "has accomplished much" in providing job-training opportunities, the California Labor Federation, AFL-CIO, said that in today's "peaceful revolution" to correct abuses that have existed for more than a century "much more remains to be done before true equality of opportunity exists" and that now is no time for a "backward step."

Despite the current "violent rhetoric of 'black power'" and the white backlash, the Federation said that "the shortcomings

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## Reagan Drops In on State Fed Meeting

Governor-elect Ronald Reagan this week dropped in on a meeting of the Executive Council of the California Labor Federation at the Ambassador Hotel in Los Angeles for a brief discussion of the state's financial problems.

The Governor, who met with the state AFL-CIO's 37-man Council Wednesday, the first day of a three-day session devoted to determining priorities for legislation to be sought during the 1967 session, expressed grave concern over the state's budgetary problems and stressed the need to reduce what he termed the "oppressive burden of taxation in California."

State AFL-CIO leader Thos. L. Pitts told the Governor that the Federation intends to work with his administration in every area it can to improve the state's economy and the welfare of all Californians.

Also on the Council's agenda was discussion of Federation participation in the Council for Health Plan Alternatives, an as yet unincorporated organization of trade union officials which seeks to pool the collective bargaining strength of all unions to win the best possible care for

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## Change In Jobless Tally Hit as 'Serious Mistake'

A change in the government's method of measuring employment and unemployment has been attacked by the AFL-CIO as "a serious mistake" because, by reducing the number of those counted as unemployed, it could lead to inaction or insufficient action by Congress and the administration because the extent of the jobless problem is not fully recognized.

The change in the tally, scheduled to go into effect January 1, 1967, was announced last week by Commissioner of Labor Statistics Arthur M. Ross.

Both AFL-CIO Research Director Nat Goldfinger and an advisory committee of union economists have protested the

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## Court To Review Prop. 14 Ruling

The U.S. Supreme Court has agreed to review the California Supreme Court's 5 to 2 decision last Spring that Proposition 14 was unconstitutional.

The proposition, a constitutional amendment approved by the voters in November, 1964,

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## High Court To Review Prop. 14 Ruling

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was often referred to as a "referendum to repeal the Rumford Fair Housing Act" during the 1964 election campaign but this description was attacked as "inaccurate" by scores of legal experts including the deans of three of California's foremost law schools.

In their view a short accurate description of the measure was that:

**"Proposition 14 would establish constitutional immunity for those who discriminate in the sale or rental of their property and would exempt them from present and future fair housing laws."**

In announcing Monday that it would review the case, the U.S. Supreme Court made no additional comment and gave no date for the review. Attorneys involved in the case, however, said they expect a decision to be rendered next Spring.

The 1963 Rumford Act prohibited discrimination on the basis of race, color, religion, national origin or ancestry in the sale and rental of certain types of housing. It covered owner-occupied single family dwellings covered by government-insured mortgages or other public assistance; all multiple dwellings (except duplexes) that are not government-assisted and multiple dwellings containing five or more units whether publicly assisted or not.

It also applied to persons in the housing business such as lenders and real estate brokers.

In the decision handed down May 10, 1966, the State Supreme Court held that Proposition 14 violated the "equal protection clause" of the 14th amendment to the U.S. Constitution and pointed out that the State Constitution must "conform to federal constitutional standards before it may be enforced."

The appeal from the State Supreme Court's decision is being carried by the California Real Estate Association.

## Change In Jobless Tally Hit as 'Serious Mistake'

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revision. The Advisory Committee maintained that the change was "much inferior" to the present method.

The key change at issue is the BLS decision to no longer count as unemployed those persons who are not employed but who are no longer actively seeking work because they have been discouraged by the lack of jobs.

During periods of high employment persons in this category are not generally statistically significant but during hard times they can be.

### PRESENT PROCEDURE

At present, persons without jobs interviewed in the Bureau's monthly census sampling are asked if they are actively looking for work. If they say they are not, they are normally not counted as part of the work force. But if they volunteer that they are not seeking a job because there is no work to be had in the area they are presently listed as unemployed.

After January 1 the BLS will ignore such volunteered information and list as unemployed only those who actively applied for jobs within the past four weeks.

In announcing the changes, Ross said that more probing questions will be asked to find out more about "discouraged job seekers" even though they will not be counted as jobless.

"If and when we can develop accurate and meaningful data on the discouraged, it will be time to consider whether they should be included among the unemployed," he maintained.

### WHY NOT DO BOTH?

While voicing approval of the in-depth analysis, Goldfinger

pointed out that there is no reason why both cannot be done, that is, "provide the in-depth analysis and also count these people as unemployed, which in fact they are."

The changes in the sampling procedure, Goldfinger said, "would make the unemployment record a less sensitive indicator than it is at present during periods of high and rising unemployment."

This is detrimental, he indicated, because "economic policy formulation—and, importantly, congressional reaction—is based heavily on the overall unemployment rate."

### AN AGGRAVATION

Nat Weinberg, economic analyst for the United Automobile Workers, also wrote the Commissioner charging that the change would "aggravate" what is already an understatement of unemployment and would have the effect of providing "an additional excuse for complacency."

Ross said the changes were expected to effect a change of one-tenth or two-tenths of a percentage point in the unemployment rate.

Another change effective January 1 is that children 14 and 15 years old will no longer be counted in the job statistics on the grounds that their part-time work has little economic significance. Their elimination will reduce the total employment figure but will have little effect on the unemployment rate, the Bureau said.

What effect, if any, these changes may have in the computation of state jobless figures and in figuring extended benefits or supplemental unemployment insurance benefits is not yet clear.

## Jobless Rate Dips But All's Not Well

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in response to a petition filed by the Insurance Workers International Union last October, even though the nation's civilian labor force increased 1.8 million to 77,646,000 over the year.

The jobless rate for married men dipped from 1.9 percent to 1.7 percent; the jobless rate for women declined from 4 percent to 3.5 percent and the teenage jobless rate dipped from 11.9 to 11 percent.

Another continual sore spot in an otherwise generally favorable U.S. employment picture was the construction industry. It was the only industry that not only failed to show an increase but dropped by 154,000 in November and, for the first time this year, registered less employment than a year earlier.

The jobless rate for non-whites dipped from 7.6 to 7.4 percent but still remained more than double the 3.2 percent rate for jobless whites.

On a numerical basis, the nation's unemployment totaled 2,650,000 and employment, at 75 million was up 300,000 although it usually declines by 600,000 in November.

Assistant Commissioner of the Bureau of Labor Statistics Harold Goldstein attributed some of the contra-seasonal increase to the fact that several hundred thousand women got temporary jobs on election day but he said that "some of the employment increase is real and reflects a continuing strong job situation."

## New Program Covers Union Group Health Clinics

Federal mortgage insurance and planning funds are available to unions and central bodies to help finance medical, dental or eye clinics for members.

A provision of the new Demonstration Cities Act incorporates legislation long sought by the AFL-CIO to assist non-profit group health practice programs.

It authorizes the Secretary of Housing & Urban Development to insure mortgages covering 90 percent of the cost of construction or remodeling a group practice facility providing medical, dental or optometric services. The term of the loan cannot exceed 25 years and the interest rate cannot be above 6 percent.

A significant, little-noted provision of the law authorizes the department to provide technical assistance in planning and constructing such group health facilities.

Heretofore, lack of planning funds has made it difficult for many unions and central bodies to start their own health, dental or eye care programs.

## LBJ Acts To Spur Construction

In an effort to further spur the nation's sagging construction industry, President Johnson this week announced that the Federal Home Loan Bank Board will release \$500 million to savings and loan associations to ease the shortage of funds for home mortgage loans.

The President's action is a follow-up to his order last week releasing \$250 million in federal mortgage funds for use to purchase mortgages insured by the Federal Housing Administration and the Veteran's Administration.

### \$750 MILLION ALL TOLD

Combined, the Federal National Mortgage Association funds and the Home Loan Bank funds bring to \$750 million the amount made available to the housing industry in the past two weeks.

Secretary Robert C. Weaver of the Department of Housing and Urban Development said the \$250 million in so-called "Fannie May" funds will be used only for mortgages on new construction houses costing no more than \$15,000, or \$17,500 in "high-cost areas."

Release of the Fannie May money is expected to permit construction of 15,000 units, Weaver said.

Cause of the slump in the housing industry, which has been evident for more than a year, is generally attributed to high interest rates.

### CRIMINALLY HIGH

In fact Dr. Leon H. Keyserling, an economic advisor to President Truman, last week attacked the current interest rate structure as "criminally high" and declared:

**"I regard the current interest rates as a public crime."**

Keyserling maintained that "holding back the economy to restrain inflation, rather than stimulating the economy, seems palpably wrong to me."

A national survey by the New York Times indicates that housing starts sank to an annual rate of 848,000 in October, a 20-year low. And housing starts for the entire year of 1966 are expected to total only 1,225,000, some 19 percent

## Birch Leader Credits Members For 1966 Election Results

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between \$12 and \$26 million, this means that if the 15 percent factor also applies to the society's financial resources, the Birchers plunked somewhere between \$1.8 million and \$3.9 million into their propagandizing efforts in California this year alone.

And it's a fairly safe bet that substantial chunks of this money were used to propagandize against repeal of Section 14(b) of the Taft-Hartley Act, and promote such other extremist ideas as dismantling the United Nations, abolishing the progressive federal income tax, and impeaching Chief Justice Earl Warren.

In a report that should set the ears of trade unionists in California ringing with alarm, Welch said that the "sharp change in the California political climate during the last very few years was due in large part to the untiring educational work of thousands of members of the John Birch Society. . . .

"While the labor and contributions of individual Birchers on behalf of Reagan undoubtedly helped, it was the Birch educational program, carried on steadily for years, especially in

southern California, which had helped so mightily to make a Reagan campaign even possible in the first place," Welch boasted.

Welch, a retired New England candy maker, also credited the work of society members for conservative victories elsewhere in the nation, particularly in Idaho, and for the defeat of the referendum to create a civilian police review board in New York City.

The John Birch Society, organized by Welch exactly eight years ago today, has succeeded in doubling its income every year for the past five years. In 1962 it reported income of \$737,000; in 1963, \$1.6 million; in 1964 \$3.2 million; in 1965 its income was estimated at \$6 million; and in 1966 at anywhere between \$12 million and \$26 million.

In the face of the admittedly totalitarian nature of the society and its clearly autocratic objectives, can any worker, union member or not, still honestly believe he can ignore the threat extremists pose for himself and his family?

And in the face of the society's past financial growth, what sort of slush fund can it be expected to amass for the 1968 Presidential campaign?

below 1965.

Despite the fact that some economists say that there is a potential demand for 1.6 million housing starts a year, some experts are now predicting that only 750,000 to 800,000 housing starts will be recorded in 1967.

But a report for the National Association of Home Builders this week was less pessimistic even though it expects the decline in housing starts of about 25 percent per month to continue through the first quarter of 1967.

An Association spokesman said that an upturn in the housing industry "should begin sometime in the Spring and wind up the year at an annual rate of about 1.3 million starts."

The report predicted a 16

percent increase in housing starts in the Los Angeles area for next year and a 15 percent increase over 1966 figures in the San Francisco area. It maintained that the nation will need more than two million new units to satisfy the housing demand expected by 1968.

What the impact of the tight money situation has meant to building construction tradesmen is mirrored in the fact that according to preliminary estimates for November, employment in the construction industry for the state as a whole is 30,500 less than it was in November, 1965.

And in some areas joblessness in building trades unions has reportedly exceeded 30 percent.

## 5% Hike Urged For State Employees

A 5 percent wage increase for practically all state employees has been recommended by the State Personnel Board in its annual report to the Governor and the Legislature despite an attack on the traditional percentage increase concept last month by representatives of the American Federation of State, County and Municipal Employees, AFL-CIO.

### ADJUSTMENTS

The Personnel Board's report also suggested, however, that additional adjustments should be made for employees in classes in which "salary problems are particularly severe."

The proposed pay boost, which would amount to \$56.1 million for the 1967-68 fiscal year, is necessary, the Board said, "to place state salaries in line with salaries paid for similar jobs in private industry and other public jurisdictions."

In an appearance before the Board last month, AFSCME representative Hugh MacColl urged that pay increases be granted, at least at times, on an across-the-board basis instead of a percentage basis so that the gap between well-paid employees and those in greatest need might be narrowed instead of widened.

### EXAMPLE GIVEN

To demonstrate the inequity of the continual use of a percentage increase approach, MacColl offered the example of workers A and B, one starting at \$300, the other at \$1,000 per month, and both receiving (hypothetical) 5 percent increases every year for five consecutive years. Worker B, starting with \$700 advantage over worker A, receives more than three times the increase (\$276) which worker A receives (\$89) over the five-year period, he pointed out.

The union spokesman also urged that the number of annual steps required to reach full pay be reduced from 5 to 3 and that the state pay all costs of employee health and welfare plans.

## ***It's 64 to 36 And 248 to 187 In Congress***

The political mathematics of the nation's potentiality for progress or the lack of it is mirrored by a before and after look at the changes effected in Congress by last month's general election.

Before the election, Democrats held 294 seats, Republicans 139, and there were two vacancies. The Democrats' 155-vote majority in 1965 and 1966 was sufficient to overcome the long-standing Dixiecrat - GOP coalition that had succeeded in blocking the passage of Medicare, meaningful federal aid to education legislation and other long-overdue public interest legislation for years.

But the November 8 general election changed all that. The GOP won 47 new House seats, making the lineup for the forthcoming 90th Congress 248 Democrats to 187 Republicans, a margin which virtually guarantees a revival of the GOP-Dixiecrat coalition.

In the Senate where the Democrats had enjoyed a 67 to 33 majority, one vote more than a two-thirds margin, the Republicans picked up three additional seats and the new line is 64 Democrats to 36 Republicans, three votes shy of a two-thirds majority. The Senate picture is brightened slightly, however, by the fact that three of six new Republican Senators are regarded as moderate to liberal — Charles H. Percy of Illinois, Edward W. Brooke of Massachusetts, and Mark Hatfield of Oregon.

## **Yuba County Farm Union Vote Set**

A tentative date for representational elections to be held at the DiGiorgio Corporation's D'Antoni and New England Orchards near Marysville in Yuba County was set last week following a conference between representatives of the AFL-CIO's United Farm Workers Organizing Committee and the DiGiorgio Corporation.

The election is scheduled for July 20 at the height of the har-

# **Hold Firm For Fair Housing, Fed Asks**

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of all responsible groups will be augmented, not reduced, if we take a backward step in the field of 'open occupancy'."

"Intelligent men cannot bow to bigotry and intolerance if we are to achieve a great society," the statement presented to the Commission in behalf of Thos. L. Pitts, the Federation's secretary-treasurer, declared.

The State AFL-CIO cited the "shockingly high unemployment among Negroes," the lack of low-cost housing to meet the needs of the economically underprivileged, and "the many years of lofty indifference among almost all segments of society to the plight of the nation's minorities" as some of the components of the problem that gave rise to the need for fair housing legislation and justify it today.

And, borrowing a phrase from the late President John F. Kennedy, it warned that "when peaceful evolution is impossible, violent revolution is inevitable."

"... nothing will be reversed by retreating. The only result would be greater cleavage, greater frustration and further violence," the state AFL-CIO emphasized.

The Federation's statement was presented Tuesday at the Nourse Auditorium in San Francisco at the first of two hearings called by the Commission to consider the broad objectives of fair and equal housing legislation in California. The second hearing was held

vest season.

Earlier UFWOC National Director Cesar Chavez announced that the DiGiorgio Corporation and the union had also agreed to submit any unresolved issues involved in the contract for farm workers on DiGiorgio properties at the Sierra Vista ranch near Delano in Kern County and Borrego Springs in San Diego county to arbitration on December 1.

Wednesday in Los Angeles.

The bipartisan Commission, appointed last Fall by Governor Edmund G. Brown, will submit a report and its recommendations to the 1967 legislature.

Commission co-chairmen are retired Superior Court Judge Lewis Drucker of Los Angeles, and John A. Sutro, Sr., of San Francisco. Albin J. Gruhn, President of the California Labor Federation, AFL-CIO, is one of the 15 commission members.

## **Alameda Co. Met Agents Vote On Union Dec. 16**

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Joseph Gumina, the Union's regional representative, said:

The Northern California election is one of three new elections scheduled during the next month by the NLRB involving the Insurance Workers Union and Metropolitan Life Insurance agents.

The second election will be held January 6 at Fullerton and the third on January 13 involving 18 district offices in the Los Angeles region ranging from Santa Maria and Bakersfield to Norwalk in Los Angeles County.

Scheduling of the additional NLRB elections comes hard on the heels of four union victories at company's California offices — Covina, Lakewood, Long Beach and Norwalk. The initial victory at Covina last September climaxed a 16-year fight by Metropolitan Insurance agents to select a union of their own choice.

All of the three forthcoming elections will be held under NLRB supervision in the firm's various offices.

Maurice Cauchon, the IWIU's international representative, has appealed to all trade unionists to help organize the unorganized by "asking your insurance agent to show his IWIU membership card."

# **Reagan Drops In on State Fed Meeting**

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the money negotiated.

At present more than half a billion dollars is expended annually in California union health programs and studies conducted so far have suggested that some union health programs may be over-emphasizing catastrophic and acute illnesses and neglecting the chronic kinds of illness and disabilities that plague more people now than ever before.

It is also suspected that union programs may over-emphasize protection in cases requiring hospitalization at the expense of more frequently needed outpatient care services.

In the legislative field, the Federation's Executive Council had before it the recommendations of the Council's Legislative Committee which called for a host of improvements in state laws to bolster California's social insurance programs and strengthen and protect the employment and collective bargaining rights of all California workers.

A report on the Council's action on these matters will be carried next week.

## **Solon to Seek Probe Of Interest Rates**

"To combat inflation with interests rates is just like pouring gasoline on a fire," Rep. Wright Patman (D-Texas) declared this week in announcing that he would seek Congressional action to probe current high interest rates.

Patman, chairman of the House Banking Committee, noted that it was one year ago this week (Dec. 6, 1965) that the Federal Reserve Board last boosted interest rates.

"The events of the past 12 months plainly show that high interest rates do not deter inflation and high prices," he said. The "tight money" policy has failed to keep prices down, he added and he indicated that he would call on his committee to take a "long and hard look" at interest rates and the current "tight money" policy.