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CALIF. IUC CALLS FOR UNEMPLOYMENT INSURANCE ELIGIBILTY FOR WORKERS RECEIVING SEVERANCE, VACATION PAY...

LABOR SEEKS IMPROVEMENTS IN WORKER INSURANCE LAWS — KNIGHT ASKS FOR NEEDED REFORM...

Improvements in the unemployment insurance, unemployment disability insurance and workmen's compensation laws are being sought in Sacramento by legislative representatives of organized labor.

In all three insurance programs labor is calling for a uniform maximum weekly benefit payment of $55, plus dependence benefits of $5 for the first dependent and $2.50 for each additional dependent.

Present maximums are as follows:

Unemployment Insurance—$33 per week
Unemployment Disability Insurance—$40 per week
Workmen's Compensation—$40 per week for temporary disability and $35 per week for permanent disability

Measures providing for retroactive payment of benefits for the so-called "waiting period" and extension of coverage in each insurance program are also high on labor's legislative priority list.

In the field of workmen's compensation legislation, organized labor is proposing a new program for the rehabilitation of the industrially injured worker, and conversion of the present limited death benefit into an unlimited life pension benefit.

Knight Supports Improvements

In his message to the California legislature Governor Goodwin J. Knight went on record in support of labor's position that maximum benefits should be increased and coverage extended.

Briefly, here is the position of the Governor in the compensation programs:

1. *Unemployment Insurance*—Knight told the legislators that "there are at least two deficiencies remaining in the law. These, he said, "relate to the maximum benefit amount and to the extent of coverage under the law." He also stressed a point long made by the California labor movement: the maximum benefit has not kept pace with wage advances; the maximum benefit in 1939 equalled 60% of average weekly earnings as compared to less than 40% today.

   Regarding coverage which labor has long contended must be broadened, the chief executive said that "25 percent" of wage and salary earners remain outside the protection of the law and the matter should be examined in light "of smooth and effective extension of federal old age and survivors' insurance protection in recent years."
2. *Unemployment Disability Insurance*—Knight stated that the reasons for increases in unemployment insurance "apply with equal force to unemployment compensation for disability" and that "if anything" they are "even stronger in that the reserves in the disability fund are obviously sufficient, belong to the workers, and with justice could be paid out to them for their legitimate disability needs."

   In calling for extension of coverage under this program, the Governor said, "It seems the essence of logic that those groups of workers desiring to contribute to the disability fund for their own protection could effectively be brought within the scope of the law."
3. *Workmen's Compensation*—Knight stated that the 65% wage-loss principle which governs the rate of compensation for industrial injuries—enacted 40 years ago—does not operate effectively for "80 percent" of injured workers because of "current restrictions on average weekly earnings" in applying the accepted principle. Complimenting the state lawmakers for enacting increases in maximum weekly benefits two years ago, he urged them "to continue along the road of substantial progress at a rapid pace until the 65% wage-loss principle in the law is restored to the level of operation contemplated by the fathers of workmen's compensation." (It should be noted that 40 years ago 80% instead of the present 20% realized full operation of the principle.)

(Continued on page 2, column 1)

JOINT AFL-CIO MERGER COMMITTEES TO MEET FEBRUARY 7-8...

Merger discussions on the state level will resume when the merger committees of the California Industrial Union Council and the California State Federation of Labor meet at the Clift Hotel in San Francisco for the two-day period of February 7-8.

This will mark the fourth meeting of the combined committee, comprised of 10 representatives from each state organization.

STATE FEDERATION PRESS RELEASE ON MERGER

Hollywood, Dec. 14, 1956.—With respect to the merger discussions of the state AFL and CIO committees, the executive council reaffirmed its confidence in the stability and maturity of its committee. In view of the fact that the council was certain further committee meetings will result in a complete and equitable understanding between the respective groups, it did not believe that any stalemate existed and no benefit was to be derived by issuing unilateral statements of position. The council was confident its committee was fully informed and efficiently functioning, and believed the merger matter was properly in its care. The committee expressed to the executive council a desire to meet as soon as possible with the state CIO committee counterpart.

John A. Despol, legislative representative of the California Industrial Union Council, has announced that "the California Industrial Union Council will implement the legislative policy resolutions adopted at our recent State CIO convention by presenting, among other things, amendments to the Unemployment Insurance Act to permit an unemployed worker to be eligible for unemployment insurance benefits during the period of time for which he may be in receipt of severance pay or vacation pay by virtue of the provisions of an existing collective bargaining contract agreed to by his former employer and his union."

Following is a presentation of the background of the positions taken by the Department of Employment and courts in this matter and the reasons for the position taken by the California IUC in support of amendments to the Unemployment Insurance Act.

Current decisions of the Department of Employment and the Unemployment Insurance Appeals Board have disqualified claimants from receiving unemployment benefits because claimants have received, or are eligible to receive, vacation pay, sick pay, dismissal pay and severance pay.

These rulings by the Appeals Board and the Department discriminate against employees who receive deferred compensation held back by the employer for services rendered for a preceding period of employment. The payments are for services rendered weeks or even months prior to the layoff or termination of the employees. In effect, by its rulings the Department of Employment has penalized employees who subscribe to compulsory or voluntary savings plans of monies earned prior to layoff. The rulings are particularly unfair when considered in the light of other Department and Appeals Board rulings which do not disqualify workers who draw on private savings plans. In fact, under the current law, business executives who receive a bonus or stock payments upon termination are not disqualified from receiving benefits, but a worker protected by a similar type of plan achieved through collective bargaining, is disqualified from receiving benefits. While an executive is entitled to compensation no matter how much he is worth, the union employees are penalized. The provident as well as the improvident is entitled to unemployment benefits under the law. Why should union workers be denied benefits when they are provident as a result of an agreement between their union and employer?

(Continued on page 3, column 1)

EDITORIAL

'57 SESSION — ONE OF MOST PARTISAN IN MANY YEARS...

Many legislators predicted at the opening of the session in early January that it would be one of the most partisan in many years.

As expressed by Thomas W. Caldecott, Republican Assemblyman of Oakland: *"Party labels and party responsibility are going to mean a lot around here this session."*

For those who have followed the Sacramento scene this is indeed noteworthy and healthy for the body politic. In the past there were very few issues on which one could clearly define party position. Those who have studied the voting behavior of state legislators can readily attest to this. For the most part, state party platform pledges of the two major parties have meant little in trying to determine how votes woulld go on a policy issue. Among the factors creating this type of situation, particularly prior to 1954, was that of crossfiling where a candidate won on both party tickets in the primary. It was not therefore unusual for the attitude to develop that the winner was not beholden to either party since he was elected by "all the people." This in turn has contributed over the past years to weaken party organization in both political camps since campaigns have devolved around political personalities, in the main, rather than party program.

It is hoped that the diminution of crossfiling victories —as a result of party labels on the primary ballot—will help to encourage meaningful party programs and party responsibility by elected officials and by those chosen to guide the internal functioning of the Democratic and Republican Parties in California.

G. L.

Worker Insurance Reform...

(Continued from page 1)

The Governor followed this recommendation with an analysis of the inadequacy of the death benefit and called for a bold new approach in the direction of enacting a "life pension, with additional benefits for dependents, payable in death cases at the temporary disability rate until death or remarriage of the beneficiary."

In another recommendation he labeled the enactment of a program for the rehabilitation of injured workers as "most essential." Pointing to the "lack of adequate provisions" for rehabilitation in the current law, he declared that enactment of a training program "would constitute a service in keeping with both the original concept of rehabilitating workers to gainful employment and the modern concept of encouraging self-support rather than 'welfare support'."

In regard to the primary goal of accident prevention, he set forth as a "minimum program for immediate action," the granting of additional funds to the Department of Industrial Relations "in order that it may hire the safety engineers necessary for a realistic program of education, engineering, and enforcement of state Industrial Safety Orders."

ADMINISTRATION PUSHES UP FHA RATES — INTEREST RATES GOING UP FAST...

By SIDNEY MARGOLIUS
December, 1956

Working people, farm families and others who buy on credit, are going to find themselves paying much higher finance charges and interest rates in the months ahead.

The general level of interest rates now is at the highest level since 1932 and still moving up.

Finance charges on new cars even among the more reputable finance companies have already been raised to a true rate of 14% per year in many cases, compared to the 11½ to 12% which has been the charge for many years.

Finance charges on used cars, which were often 24-28% a year among the more reputable dealers and finance companies, now are headed for the 30% level.

As before, in poorer neighborhoods, fringe dealers and finance companies get finance charges amounting to 40-50%, except, in the 12 states that legally limit the charge to 24-30% (and sometimes there too).

* * *

A RISE of two per cent in the finance charge for a car slaps a hefty additional charge on your bill. For example, to finance a $2,000 balance over a three-year period, a buyer now must often pay a finance charge of approximately $420 instead of $360.

To finance a $1,000 balance on a used car at a 30% true interest rate, over a two-year period, costs $300, compared to $240 at a rate of 24%.

Finance rates don't sound that high when the dealers and finance companies state them. The trade custom is to describe the 14% rate as 7% or "$7 per $100."

But as this department has pointed out many times, the true interest rate on an installment purchase or loan is double the stated rate, because you owe on the average only half the amount of your original debt.

Thus, if you are charged $7 on a debt of $100, and you repay every month, you actually pay $7 interest on an average debt of $50.

* * *

INTEREST RATES on home mortgages also are going up drastically. Many banks and building and loan associations have clamped down almost completely on the VA and FHA 4½-5% mortgages.

The shutdown virtually amounts to a bankers' strike as the lenders waited for the administration's plan to raise the rate on Government- guaranteed mortgages, as we reported two months ago it was expected to do. An increase of ½% on FHA loans was approved this week.

Meanwhile, the rate on conventional mortgages (non-VA or FHA) has moved up to 5½ and 6% even outside of the South and Far West where homeowners generally pay high rates for mortgage money.

* * *

MOREOVER, banks have sharply reduced the amounts they will lend on mortgages. Many speculative builders have had to curtail construction of new homes because of lack of financing, while home-seekers find many lenders now will grant mortgages of only 50-60% of the appraised value of used homes.

Typically, a bank that was willing to lend $11,500 on a house appraised at $16,000, recently cut down the amount to $8,500. Too, insurance companies who give mortgages in connection with insurance policies now also are raising rates.

In the household goods business, too, the tendency is for rates to be firmer, and for stores to switch customers to credit accounts involving a finance charge instead of the once-popular no-interest charge accounts.

One of the largest finance companies specializing in the household appliance business, tells this department the rate charged by reputable companies for financing a $500 balance to be paid in 12 monthly installments, is now $37. This amounts to a true interest rate of about 15% per year.

* * *

FRINGE DEALERS and finance companies charge even more, or conceal a credit charge in the tag on the merchandise itself, or by adding "investigation" or "service" fees.

On smaller balances, the price you now pay for installment purchases jumps noticeably. For example, on a balance of $50, stores and finance companies now often charge a fee of $12.

This amounts to a true interest rate of 48%. On television sets, Better Business Bureaus have reported interest fees of 30-35% are frequent.

Behind the jumping finance charges on consumer goods is the policy of the Federal Reserve Board, Federal Home Loan Bank and the U. S. Treasury department itself.

About 60% of all skilled and semi-skilled workers, and two out of three married couples between 18 and 45, nowadays use time payments to finance purchases.

* * *

THE TIDE OF rising interest rates and finance charges can be turned only by government action.

But to hold down your own living costs, now more than ever is the time to follow a policy of making down payments as large as possible, and the period of repayment as short as you can manage.

For example, if you repay a $2,000 balance on a car in 30 months instead of 36, the finance charge, at 14%, is $350 instead of $420.

If you can undertake to repay in 24 months, you bring the charges down to $280. The more you manage your family's business on a cash basis in 1957, the more goods you'll be able to buy.

(Reprinted through courtesy of *The Machinist.*)

LINCOLN RETAINS SPEAKERSHIP POST...

The members of the lower house of the California legislature, composed of 42 Republicans and 38 Democrats, again chose Republican Assemblyman Luther Lincoln of Oakland to serve as speaker for the 1957 regular session. The vote: 73-0.

The speaker of the assembly determines committee assignments and hence, in the final analysis, has a great effect on the fate of legislation—not only does he have the prerogative to assign the assemblymen to the various committees but determines to which committees the many thousands of bills will be assigned.

Speaker Pro Tem Goes to Conrad

The speaker pro tem spot is rated the second most important office. The Lincoln supporters had hoped to elect Republican Charles J. Conrad of Sherman Oaks by acclamation. While he finally won the post, it was not without opposition.

A coalition of Democrats and Republicans who opposed Lincoln's bid for a second term as speaker placed in nomination Vincent Thomas of San Pedro, in opposition to Conrad—Assemblyman Thomas has been Democratic floor leader for the past several sessions. Other Democrats rallied behind Jesse M. Unruh (Dem.) of Los Angeles. On the first ballot Conrad failed to win a majority (41 votes). The first vote tally recorded 33 votes for Conrad, 26 for Thomas and 19 for Unruh. The second time around Conrad captured 45 votes; Thomas polled 30; Unruh 5.

To those who follow the Sacramento scene and who have identified Assemblyman Pat McGee as a staunch supporter and representative of the Republican Party in California and Assemblyman Harold Levering as an ultra-conservative Republican, it came as quite an interesting sidelight to hear these gentlemen give their support to Vincent Thomas, identified as a liberal Democrat. McGee, in supporting Thomas, cited the fact that in a past session Republican Walter Little was elected to the speakership and a Democrat was elected as speaker pro tem.

Deserving of notice is at least a portion of his comments regarding the contest on the Senate side, which reflected his thinking on the assembly contest, when he said, "If a Democrat is elected as president pro tem, as he will be and *as it should be...*" (The President of the Senate is Republican Lt. Governor Harold Powers. Democrat Hugh Burns of Fresno won the post of president pro tem of the upper house.)

* * *

One of the questions in an employe-opinion survey in Cleveland was, "If you were made president of this company, what is the first thing you would do?"...One answer was simply, "I'd go nuts!"

UI Eligibility . . .

(Continued from page 1)

It appears that Appeals Board decisions are directly contrary to Section 923 of the Labor Code which makes it the public policy of California to encourage collective bargaining. In recent decisions the Appeals Board has repeatedly struck down provisions of collective bargaining agreements and declared it would ignore the intention of employers and unions in regard to these compulsory savings plans. This has been true in cases where it was obvious that the payments were part of the hourly rate of the employee while he was working on the job.

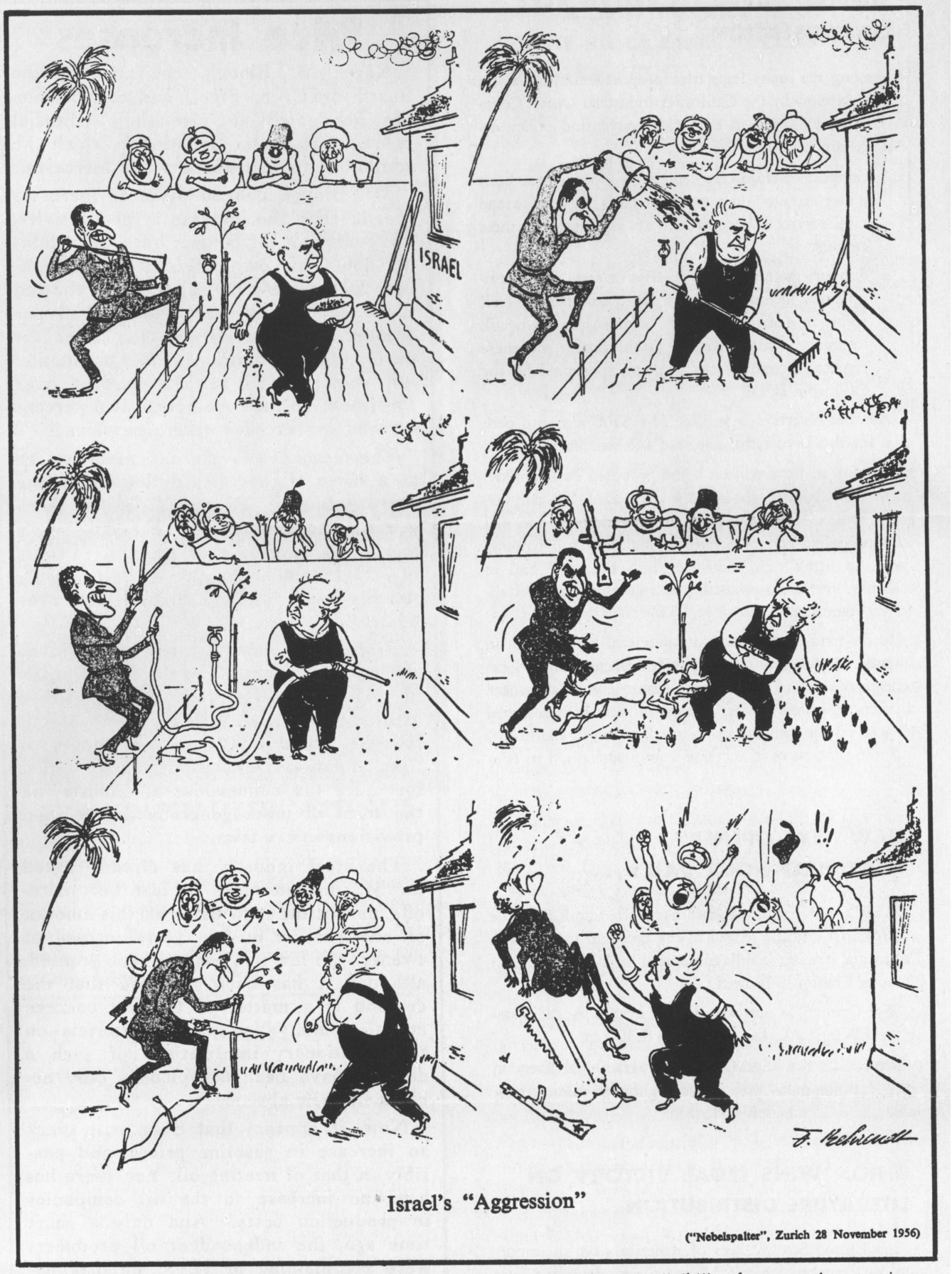
In the case of sick pay, the Department has denied benefits to individuals who received sick pay for a previous year, even though the period of illness was in a succeeding year. This was done directly in the face of contractual provisions which deny claimants sick pay during the period of illness. The Department has accomplished this absurd result by allocating the payments to the period of unemployment even though claimant is not receiving the sick or vacation pay for the unemployed period and in fact will *not* be eligible for such payments for many months, *if at all.* As a result, many union workers have been denied unemployment pay during a period of unemployment and have not received vacation or sick pay, resulting in a double penalty for the union worker.

The Department has also penalized claimants who belong to unions which have negotiated dismissal and severance payments. Contrary to the Department's rulings, severance and dismissal payments are in no way related to an employee's employment status after separation. In fact, employees are eligible to receive such payments even though the individual obtains a job the next day; or if he dies, in most cases his estate receives the money. But in the face of these contractural provisions, the Department has ruled that the payments are allocable to the period after termination and the employee is deemed to have earned them in this period even if he is working for another employer or is dead. Again it would appear that someone is anxious to penalize a claimant because an agreement between his union and employer assists him in a savings plan. Is this encouragement of thrift something that the State should discourage? Obviously not. Again it would appear that the working man has been singled out for discriminatory treatment.

There are other objectives which must be kept in mind in considering the nature of severance and dismissal payments. When an employee is terminated or laid off, he is entitled to compensation for loss of his seniority and his pension rights, and in many cases compensation for expenses which will be required in re-training or in acquiring new skills. It is obvious to many individuals acquainted with the facts of industrial life that many benefits are lost when an employee is terminated. Although employers and unions have considered the damages to an individual in the loss of his employment, the Department of Employment and the Appeals Board have chosen to ignore these facts in cases involving workers covered by collective bargaining agreements.

In a recent decision, *Bradshaw v. California Employment Stabilization Commission,* the California Supreme Court, in a four-to-three decision, affirmed a ruling of the Unemployment Insurance Appeals Board which denied benefits to a union worker who received dismissal pay. This narrow ruling of the State Supreme Court reversed a unanimous decision of the District Court of Appeals which had held that these payments had been allocated erroneously by the Appeals Board to the weeks following an employee's termination. The three dissenting Justices of the California Supreme Court were Chief Justice Gibson, Justice Carter, and Justice Traynor, who agreed with the unanimous decision of the District Court of Appeals and pointed out that where an employee's compensation is deferred, although the monies are earned earlier, it is improper to disqualify individuals for benefits by adopting a legal fiction that the individual is working while he is unemployed, or by adopting a legal fiction that the individual is performing services while he is unemployed.

The reasoning of the four Supreme Court Justices has disqualified union members who have private savings achieved through collective bargaining, but permits other workers to receive benefits without regard to their financial standing. Organized labor thinks that the District Court of Appeals and the three dissenting Justices correctly state the law, and the legislature should so indicate by appropriate legislation.



Israel's "Aggression"

("Nebelspalter", Zurich 28 November 1956)

SUB PLANS

Despol also stated that the State Council "will oppose any amendments to the UI Act which will deny an employed worker his eligibility for unemployment insurance benefits during the period of time for which he may be in receipt of supplemental unemployment insurance benefits from SUB plans incorporated in union contracts such as those now protecting Auto Workers, Steel Workers and Rubber Workers in California." (The Attorney General in 1956 ruled that the existing unemployment insurance law permits an unemployed worker to receive unemployment insurance compensation from the state system while receiving supplemental unemployment insurance benefits from union contracts containing SUB plans.)

"GET-OUT-THE-VOTE" STRESSED BY UAW . . .

Analysis of the '56 election returns and study of the latest techniques to organize "get-out-the-vote" drives were key subjects in UAW's political action conference held in Los Angeles on January 19.

With the important municipal elections coming up, the delegates were reminded that what happens in local elections foreshadows and sets the pace for the state and national elections.

Conference discussions centered around the local elections, voter registration drives, techniques to "get-out-the-vote" and how and why endorsements are made for candidates and on issues.

Those attending the one-day conclave were local union officers, chairmen and members of COPE committees, and UAW members who worked in the '56 campaign.

Spencer Wiley, UAW Education-COPE representative, was in charge of the conference; working directly with him was Walter P. McLogan, Jr. (UAW 809), president of the UAW Southern California Citizenship Council.

SUPPORT GIVEN TO BROAD AREA OF LEGISLATION...

Among the many legislative proposals coming in for all-out support by the California Industrial Union Council and its affiliates—in line with convention policy decisions—are the following:

1. Support of child care centers on a permanent basis (they are now on a two year basis) and to extend civil service job protection to employees of these centers.
2. Support the creation of a series of state study commissions including one on taxes, another on civil rights in addition to study commissions on health insurance and elections. Establishment of these respective commissions is being sponsored by the California IUD.

Another objective is passage of a $100 a month pension for those receiving state old age assistance benefits.

Coming in for attention is the proposed Full Employment Act designed to create a governor's full employment budget in order to program governmental and private programs and incentives to maintain full employment, to bring new industries into the state and to maintain maximum protection and development of California resources.

In the field of education, support will be given to an increase in the minimum salary for teachers and to extend provisions of the teachers tenure law to all school districts regardless of size; passage of those bills designed to head off the growing crisis in education in California, including measures to increase state financial aid to education.

UAW "EYE OPENER" NOW HALF-HOUR DAILY...

UAW's daily radio program has shifted both the time of broadcast and the length of the program in Southern California, it was recently announced by UAW Regional Director Charles E. Bioletti.

"Eye Opener" is now heard daily over L. A. radio station KFWB (980) from 6 a.m. to 6:30 a.m.

Previously, the "Eye Opener" program had been on the air twice daily with the same fifteen-minute programs, at 6:15 a.m. and 2:15 a.m.

UNION WINS LEGAL VICTORY ON LITERATURE DISTRIBUTION...

The United Steelworkers of America won an important legal victory when a United States Appeals Court upheld the right of organized labor to distribute literature on company property on the same terms as the employer during organizing campaigns.

A three-judge panel reversed the National Labor Relations Board in the case which involved the Steelworkers and Nutone, Inc., a Cincinnati manufacturer of door chimes. The NLRB had dismissed unfair labor practice charges filed by the union when the company refused to permit union organizers to distribute literature outside its plant on union property, although management itself distributed and posted anti-union materials.

The Steelworkers lost the ensuing election which resulted in the installation of an "independent" union in the plant. The court reversed this NLRB decision and sent the case back to the Board with instructions to find Nutone guilty of an unfair labor practice charge.

The order requires Nutone to withdraw recognition of the "independent" union, leaving the way open to a new election. The original election took place in 1953 and the "independent" has held a contract with the company since that time.

The court order also requires the firm to offer employment to certain workers who had been laid off because of union activity. This also represented a substantial victory for the union.

The court, however, refused reinstatement of one worker on the grounds that she had used "vile and obscene language" outside plant gates during the organizing drive. The three judge panel ruled that there are limits upon "permissible verbal assault," and that the NLRB "is justified in believing that there is language which, when applied directly to fellow workers, is disruptive of peace and tends to preclude the settlement of disputes."

The Appeals Court decision, while a victory, is not necessarily final since the NLRB now has the right to take the case to the Supreme Court.

Price Increases

Roger M. Blough, chairman of the Board of U. S. Steel, has called upon the newspapers to use their editorial columns to halt "inflation," which he attributed to "unearned wage increases."

Mr. Blough defined these as increases greater than the increase in productivity. He could not, of course, have been talking about his own industry, since a recent Department of Labor study showed that productivity per worker had increased phenomenally in the steel industry under conditions of full production —a rise in 1955 of 31.8 percent over 1954, with an increase of but 10.6 percent in the number of workers employed.

The record shows that steel wages as a share of the sales dollar fell in the years between 1939 and 1955 and there is no reason to believe that this year's story will reverse that process. Profits of steel companies have been rising steadily and now are higher than ever before.

Profits, of course, are never inflationary or "unearned" to the Mr. Bloughs of this world. For that matter, neither are tax concessions. In the same breath that he called upon the newspapers to fight inflation, Mr. Blough also called for more tax concessions to industry in the form of more generous depreciation provisions in tax laws.

The steel industry has already asked for $1.2 billion more in fast tax write-offs, permitting it to write off this amount of construction in five years instead of twenty. So far, this has not been granted, although it has been reported that the demand is a matter of Cabinet concern at this time. Newspaper editorials on the inflationary implications of such a demand have been conspicuous only because of their absence.

Now, it appears that Suez will spark an increase in gasoline prices, and possibly in that of heating oil. Yet, there has been no increase to the oil companies in production costs. And only a short time ago, the independent oil producers were complaining of U. S. imports because of large oil reserves already on hand.

The Executive Board of the United Auto Workers pointed out recently that the profits of "Ford and General Motors, the price leaders in the industry," would permit these firms to absorb wage and materials cost increases "even if the latter were not more than offset by productivity advances." Yet, only recently, one of these firms *raised* its overall prices so that they would be in line with the prices of the other.

Such is "competition" in these days of administered prices. Unfortunately, there are some who are still kidded. The real situation appears to be the usual big business grab for everything possible while the grabbing is good.

GOVERNOR KNIGHT TO OPEN STATE SAFETY CONFERENCE...

Governor Goodwin J. Knight will deliver the keynote address at the 7th annual statewide meeting of the Governor's Industrial Safety Conference, to be held at the Biltmore Hotel, Los Angeles, on February 7 and 8, 1957.

Some 1200 leaders of management and labor in this state, and other individuals and organizations which are vitally interested in on-the-job safety in California, will attend the two-day session.

The nine major-industry group section committees, which have met regularly during the past twelve months, will present progress reports and recommendations at the February meeting of the conference, and map out plans for reducing work injuries in 1957.

INDUSTRIAL WELFARE COMMISSION VOTES DOWN WAGE-HOUR PROTECTION FOR WOMEN AND MINORS IN AGRICULTURE; HAGGERTY RAPS SECRECY PACT...

(Reprinted from California State Federation of Labor *Weekly News Letter,* Jan. 18, 1957)

(CFLNL) SAN FRANCISCO.—Labor's long struggle to extend coverage of minimum wage and maximum hour protection to women and minors in California agriculture suffered a reversal last week when the state Industrial Welfare Commission meeting in San Francisco voted down a coverage proposal on a 3-2 count.

The majority action was based on a verbal opinion given at the commission meeting by Richard H. Perry, deputy to Attorney General Edmund G. Brown.

Perry claimed sufficient studies had not been made to permit creation of wage boards for setting standards in agriculture.

Perry's action was hit as "unwarranted and erroneous" by C. J. Haggerty, secretary-treasurer of the California State Federation of Labor.

Haggerty filed a formal complaint on Perry's conduct with Brown, charging that the deputy Attorney General had refused to answer questions at the commission meeting as to whether he had raised the "study compliance" test before the creation of 12 other wage boards.

When questioned at the session on the compliance issue by John F. Henning, State Federation Research Director, Perry said he would not answer the question.

When reminded that he was a state employee participating in a hearing on procedures of a public commission, Perry said he regarded procedures as a private matter between himself and Daniel Koshland, IWC chairman.

Perry referred to Koshland as a "private client," and repeated that the issue was a confidential one "between an attorney and his client."

In his complaint to Brown, Haggerty wrote that Perry had absolutely no right to act in secrecy with Koshland.

Haggerty also charged that the Welfare Commission "could not have its cake and eat it too." He said acceptance of Perry's informal opinion on the need for data showed the Commission guilty of "terrible negligence" since the labor code provides that it is the "continuing duty" of the Commission to assemble such data on the employment of women and minors in all industries.

He added that "in reality" the IWC had the same general type of findings at hand in agriculture as it had in other areas of employment where it had already established boards.

The meeting opened with unanimous approval of a motion by Commissioner John Quimby to reverse a coverage-tabling action of last November. Quimby is secretary of the San Diego Labor Council. The Quimby motion was seconded by Commissioner Mae Stoneman, secretary, Waitresses Union, Local 639, Los Angeles.

Quimby then moved to extend coverage to agricultural employment. Before a seconding motion could be made, Perry gave his informal opinion.

Perry also made a legal objection to coverage at the April, 1956, meeting. At that time, he held coverage of women and minors in agriculture would be in conflict with other sections of the labor code regulating hours of employment.

The State Federation later filed a legal brief with the Commission arguing against the Perry position. Last November, Attorney General Brown over-ruled Perry by issuing a formal opinion declaring the IWC had the legal right to exercise coverage of agricultural workers.

At last week's meeting, Mae Stoneman was the lone commissioner voting with Quimby for coverage.

Voting against were Koshland, Miss Virginia Allee, and Mrs. Eleanor Hewlett. Koshland is president of the Levi-Strauss Company of San Francisco.

The coverage question was formally brought to the IWC's attention last week by the State Federation's filing of a new brief listing supplementary data on agricultural employment. An earlier brief had been filed at the April, 1956, meeting.

In a windup to last week's session, the Commission voted to request the State Division of Statistics and Research to ascertain what statistics would be needed for a study of agricultural labor. Maurice Gershenson, statistics division chief, was instructed to report to the IWC on the matter at its April meeting in Los Angeles.

HOLIDAYS MADE A LITTLE BRIGHTER FOR HOSPITALIZED VETERANS

Colonel Robert A. Bringham, Manager, Veterans Administration Hospital, Brentwood, shakes hands with Joe Ramsey, Greater Los Angeles CIO Council Veterans Representative, as he accepts holiday gifts costing $4,000.00 presented for distribution among 6,500 hospitalized veterans. Gifts included 20,000 packs of cigarettes, five television sets, a combination high fidelity-public address system, 1,000 packs of razor blades, and toilet articles for women patients. Left to right: Jack Stewart, Labor Representative, Screen Actors Guild; Ward Kelley, Business Representative, Operating Engineers; Colonel Bringham; Ramsey; Dr. Robert Ziegler, AFL Veterans Service; Douglas Dashiel, Hospital Social Service Officer.

OIL INTERESTS SPEND $5 MILLION ON PROPOSITION 4 BATTLE...

While liberal candidates found the going financially rough during the 1956 general election campaign, and while liberal-labor groups were hard pressed to contribute adequately to candidates supported by them, the oil interests of this state were blessed with an abundance of political dollars in their coffers.

The truth of this statement can be found in the official figures coming from the office of the secretary of state. Reports submitted to that office show that more than $5 million was thrown into the Proposition 4 campaign!

Both the opponents and proponents of the initiative measure, which provided for unitization and restricted drilling of state oil fields, spent lavishly and heavily.

Proponents of Proposition 4 spent $3,450,211, with six major oil companies spending $584,698 of this figure. The remaining amount was expended by the high-powered San Francisco public relations firm of Whitaker and Baxter (this is the PR firm that was hired to promote opposition to former President Truman's national prepaid health insurance proposal and was responsible for creating public opposition to it by the repetitious use of such slogans as "socialized medicine" and "political medicine." The defeat of Proposition 4 found Whitaker and Baxter in an unusual position—on the losing side after so many years of being on the winning side on issues and candidates who used the firm for campaigning.)

E. G. Starr who signed his name to the report submitted by the opponents of Proposition 4 recorded an expenditure of $1,424,323. The committee listed its largest contributor as Union Oil Co. with $210,068.

TESTIMONY GIVEN ON STATE OIL REVENUE...

In December of '56 Nathan Keller of the Legislative Auditor's office told the Senate Committee on Impounded Funds from Tide & Submerged Lands that in some South Amercian countries oil revenues are shared on a 50-50 basis with the government. He suggested that all state-owned tidelands be leased on a straight royalty basis, with the highest bidder obtaining the lease. Previously, the State Lands Commission was told that the state return should be increased. The state's rate at present is 12½% maximum on unproven lands and 16⅔% on proven oil fields.

STATE COUNCIL URGES ELECTION REFORMS...

The State Council is sponsoring a series of election reform bills designed to do the following:

1. Eliminate traditional gerrymander practices in establishing assembly and congressional districts by prohibiting such legislative districts to vary from each other in population by more than 10%.
2. Provide each registered voter in California with a Voter's Handbook in which each candidate, for a nominal fee, may set forth his qualifications within the limit of one page; this would reduce the cost of election campaigning for the candidate.
3. Provide for public financing of each candidate's campaign for partisan public office by legally authorizing the earmarking of 20c per year per voter to each candidate who is registered with the voter's political party and who is on his election ballot, and to authorize lawfully the earmarking of 20c per year per registered voter for party campaign purposes to the county and state central committees of the party to which he is affiliated.
4. Provide for partisan party nominations for public office in city and county government with judgeships and school boards exempt from these provisions.

ARE YOU A RISK?...

You may not think so, but if you're an active union member, some security officers may well decide that you are. Take James Schuetz' story as he told it to the Senate Subcommittee on Constitutional Rights.

Jim had worked at Bell Aircraft since 1940. He was chairman of the stewards' council and the local's education committee. He had held a Government security clearance since 1946.

One day, late in 1950, Jim was called into the Army Air Force office at Bell and handed a letter withdrawing his security clearance. When he returned to his department, a company representative was waiting to tell him that as a "security risk" he could no longer be employed at Bell.

Through his union, the United Auto Workers, Jim filed an appeal. Two months later, in an interview before the Hearing Board in Washington, Jim learned for the first time that his clearance had been withdrawn because of "picket line offenses" in the Bell Aircraft strike a year and a half earlier, which the Hearing Board said, had shown "poor discretion" and "lack of responsibility." Jim was not disloyal or subversive, they said; ***but they implied that perhaps he was too good a union man!***

When the Hearing Board failed to restore Jim's clearance, top UAW officers took the case to the Secretary of Defense in Washington. Five months after he was fired, Jim was reinstated on his job. Thanks to the backing, influence and hard work of his union and the Workers' Defense League, he was cleared of the "security risk" tag. Nevertheless, it took him almost a year to get his back pay.

Jim's story is one of many cases cited in a hard-hitting AFL-CIO pamphlet, SECURITY, CIVIL LIBERTIES AND UNIONS, with a foreword by Secretary-Treasurer William F. Schnitzler. The illustrated 56-page pamphlet describes the various security programs affecting union members, and discusses some of the injustices that have taken place. It also sets forth union criticisms of the security set-up and shows how different unions have helped members unfairly tagged as "security risks" to obtain clearance.

The pamphlet has also been published under the imprints of the United Steelworkers of America, the Rubber Workers, the Communications Workers, the International Union of Electrical, Radio and Machine Workers and the National Labor Service. Single copies are available from these unions or from NLS, 386 Fourth Avenue, New York 16, N. Y., at 25 cents per copy.

SACRAMENTO PUZZLE: SENATE RULES COMMITTEE SWINGS TO ULTRA-RIGHT...

(Editor's Note: The California State Federation of Labor has the following comments to make on the Senate Rules and Labor Committees and new rules of procedure. These comments appeared in its official publication, *Weekly News Letter,* Jan. 18, 1957.)

(CFLNL) SAN FRANCISCO.—Labor hopes for the 1957 state legislative session were tossed into a temporary tailspin this week when the Senate Rules Committee announced (1) membership of the upper house labor committee; (2) new rules of procedure for handling key labor measures in the Senate.

The *San Francisco Call Bulletin* said the Labor Committee appointments "left liberal Democrats gasping and some Republicans giggling like school girls."

Makeup of the powerful committee took on new significance when the Rules Committee revealed the seven-member labor body would hear all measures affecting workmen's compensation, unemployment insurance, and unemployment disability insurance laws.

Previously all such compensation measures were heard by the Senate Social Welfare Committee.

The Labor Committee, comprised of two Democrats and five Republicans, is substantially tbe same committee which killed every piece of progressive legislation that came its way during the 1955 general session.

Committee chairman of the labor unit is Robert I. Montgomery (D. Kings), with John F. McCarthy (R. Marin) serving as vice chairman.

Other members are F. Presley Abshire (R. Sonoma), Harold T. Johnson (D. Nevada-Sierra-Placer), John A. Murdy (R. Orange), Louis G. Sutton (R. Tehama-Glenn-Colusa) and J. Howard Williams (R. Tulare).

Under the new bill reference system announced by the Rules Committee, the heart of the state AFL program will be placed before the Labor Committee for life or death action.

In legal language, the rules group said that "all bills amending the Labor Code, or the Unemployment Insurance Code, all bills relating to the unemployed, and uncodified legislation relating to the same subject" would be the property of the Labor Committee.

The Democratic-controlled Rules Committee is comprised of chairman Hugh Burns (D. Fresno), Charles Brown (D. Inyo-Mono), George Miller, Jr. (D. Contra Costa), James E. Cunningham (R. San Bernardino) and John F. McCarthy.

Democrats won control of the policy-making Rules Committee when Burns was elected president pro tempore of the Senate...

Action of the Rules Committee immediately became a major topic in the capitol, since labor proposals to liberalize the state's social system form the core of its 1957 program.

Return Address
CALIFORNIA INDUSTRIAL UNION COUNCIL
117 West Ninth Street
Los Angeles 15, California

Write Your Legislators!

FORM 3547 IS REQUESTED

REPUBLICAN MONOPOLY BROKEN IN STATE SENATE...

It took 68 years but the Democrats finally broke the hold of the Republican Party in the upper house of the California legislature when Democratic Senator Hugh Burns of Fresno captured the post of president pro tem on a 22-18 vote—21 votes were needed for a majority. The victory came when 20 Democrats were joined by two Republicans—Louis Sutton of Maxwell and Randolph Collier of Yreka—in the vote line-up. The Senate is split 20-20 between the two parties.

For the first time since 1889 Democrats control the top spot in the Senate and hold a 3-2 edge on the Rules Committee which parcels out key committee assignments. The president pro tem indirectly influences committee assignments of personnel and bills since he appoints the Rules Committee.

Notwithstanding this shift in power, the Senate Republicans still hold well over a majority of the committee chairmanships—13 as compared to 8 for the Democrats because the State Senate evidently follows seniority practices in committee appointments.

STATE COUNCIL JOINS COMMUNITY GROUPS IN BACKING FEPC, MENTAL HEALTH PROGRAM...

Organized labor in the state has joined with civil rights and other community groups to make up the California Committee for Fair Employment Practices which has been on a permanent basis since 1955. This committee is sponsoring a Fair Employment Practices Commission bill which has been presented to the 1957 state legislative session.

In 1955 a similar legislative proposal was defeated in the Senate Labor Committee after having passed the Assembly by 48-27.

As a result of the development of this permanent statewide civil rights committee, all individuals and groups interested in and concerned about FEPC will back the one major bill rather than have several different versions of FEPC introduced.

Community Mental Health Services Act

Another community group in which the State CIO Council has played a part since its inception in 1956 is the organization of individuals and groups interested in a much needed program of local communities in the field of mental health.

The organization, the California Committee for a Community Mental Health Services Act, is pushing for enactment of a Community Mental Health Services Act which would permit local communities to provide any or all of the following servicecs—a) preventive measures against mental illness or mental retardation; b) informational and educational services to the general public; c) consultation services to public and private agencies; d) treatment by out-patient mental hygiene clinics or out-patient hospital departments; e) in-patient hospital treatment for the mentally ill who can be treated effectively in 90 days. This Act would not permit such treatment services to those able to pay for private care where such care is available.

Join the UNION LABEL Crusade!

NOW that the excitement of the election is over, let's stop and think for a minute. During the campaign each party claimed credit for the increased prosperity enjoyed by Americans.

The hard, basic fact is that neither party created this boasted prosperity. It is the wages and working conditions which were established by labor unions which have brought about the present peak purchasing power in this country.

America's prosperity always has, and always will, depend on the purchasing power of the individual workers—and union labor is the one great force which has pushed wages to the present level.

Of course, some people will point to wage increases in certain industries which are still unorganized; but in almost every wage increase granted by unorganized employers, investigation will clearly show that the higher pay was granted to prevent the workers from joining a union.

"We are giving you wages which compare favorably with union pay," they will say, "so why do you want a union?"

What does this statement mean? It means that because of the increases in compensation brought about by union workers, the employers endeavor to meet the union wage—and thus prevent their workers from organizing unions in their plants.

In other words, practically every wage increase in non-union industries has been granted because the unions in organized plants have secured increased remuneration.

To sum it all up: Organized labor has been responsible for practically every increase in pay in the United States—both in the industries which recognize unions, and in those which do not. The latter have increased income of workers because they want to head off unionization of their employes.

The history of the United States presents unassailable evidence that if it had not been for the efforts of organized labor, workers today would still be receiving the same pay as that doled out to their fathers and grandfathers—$1 per day for a work-week of 84 hours.

So neither of our political parties can claim credit for good times. Prosperity is not brought about through political action, but solely through collective bargaining!

To maintain our present high labor standards there is another weapon organized labor must employ. We must purchase only the products and services which result from union labor.

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The candidates we support every day in the year are—Union-made goods—Union Services.

"If we don't purchase the things we make
We can't keep our union-wage cake."

So now that the tumult and the shouting of the national election campaign have died out for another four years, let us not forget another campaign which continues day in and day out, year after year.

This is the campaign called the "Union Label Crusade." This is a crusade which requires more than one vote every four years, but a vote every day in the year. The votes are cast by our purchases of union-made products, and our patronage of union services.

Insist on the Union Label when you purchase anything; and patronize only those services which display the Union Shop Card and Service Button.

Joseph Lewis
Secretary-Treasurer
AFL-CIO Union Label and Service Trades Dept.

YA GOTTA HAVE HEART!

A modern air-cooled house was waiting for Miss Florence Harper, blind and poor, when she returned from a Bakersfield, Calif., hospital. It had been built by union workmen, working on their own time, who had first volunteered to repair her old dilapidated home but decided to surprise her with a new one.

QUOTE OF 1956!

Maybe Asa Carter, head of the North Alabama White Citizen's Councils, didn't know what he was saying, but he sure gave himself away in the year 1956. Denied the use of a suburban park in Knoxsville, Tennessee, for an anti-Negro rally, he complained to reporters:

"They're taking away our free speech and treating us like Negroes."