

WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING

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SAN FRANCISCO,
CALIFORNIA

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NLRB TREND AWAY FROM ASSUMING JURISDICTION OVER RETAIL STORES

(CFLNL)SAN FRANCISCO.--In a precedent-making decision, the National Labor Relations Board has refused to assert jurisdiction over the Hom-Ond Food Stores, Inc., a Texas corporation operating a chain of 13 retail grocery stores in San Antonio, Texas. Although it questioned the correctness of the employer's contention that its operations do not affect commerce within the meaning of the Act, the Board nevertheless decided that it would not effectuate the statute's policies to assert jurisdiction. The Board stated further that, unlike the Liddon White Truck Company, Inc., case, in which a majority of the Board thought it wise to exercise jurisdiction, in this case none of the goods purchased by the employer come to it directly across state lines and none of its sales are made to out-of-state consumers. The petition was accordingly dismissed.

The Board found that the company had no stores in other states, that during 1947 the employer purchased goods for these stores valued at approximately \$3,000,000, all of which were purchased from wholesalers and distributors located within the State of Texas. The only goods not products of Texas were so-called "name-brands" which originate initially outside of the state; approximately 25 percent of the purchases were of this class. The \$4,000,000 worth of merchandise sold by the employer during 1947 was sold and delivered within the state.

This decision is of great significance as it indicates a trend by the Board not to assume jurisdiction over retail clerks' operations

even though, in the Board's own words, these operations may affect commerce within the meaning of the Act.

The case involved the Hom-Ond Food Stores, Inc., employer, and Amalgamated Meat Cutters and Butcher Workmen of North America, AFL; Case Nos. 16-R-2427 and 16-RC-68.

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NLRB RULES NO UNION SHOP ELECTIONS TO BE HELD
IN 19 STATES FORBIDDING THE UNION SHOP

(CFLNL)SAN FRANCISCO.--The National Labor Relations Board has ruled that it cannot hold union shop elections in 19 states which have banned or in other manner restricted or regulated the application of union shop provisions in collective bargaining.

The issuing of the administrative order which made this ruling was the result of a majority opinion of three of the Board's five members. Chairman Paul M. Herzog and John M. Houston dissented, contending that the Board has the legal right to hold the election, although as an administrative question they would be inclined to agree with the majority.

The Board stated that the Taft-Hartley Act "in effect removes all federal restrictions upon existing and future state legislation prohibiting compulsory unionism ... even where such legislation may affect employees engaged in interstate commerce."

Under this ruling, plans to hold union shop elections involving the building trades, even though no adequate procedure has as yet been worked out for such elections, will now be forbidden in the following states: Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Iowa, Kansas, Maine, Massachusetts, Nebraska, New Hampshire, North Carolina, North Dakota, South Dakota, Tennessee, Texas, Virginia and Wisconsin.

The decision of the Board resulted from a case involving the Giant Food Shopping Center, Inc., and Local 1501 of the Retail Clerks' International Association, AFL, which ran into the Virginia state

regulations on union shop elections. The Clerks' Union requested a union shop election in the Giant Food, a chain of food stores, for the District of Columbia and Virginia stores. The Baltimore regional director of the NLRB refused to hold an election on grounds that it would conflict with Virginia law. His position was upheld by NLRB members James J. Reynolds, Jr., Abe Murdock and J. Copjeland Gray.

This ruling has thus codified the practice, which the Act itself provides, of giving precedence to state laws banning the closed and union shop, and similar practices. The Board places its seal of approval on this policy by stating that federally conducted elections in states banning the union shop "would lead only to the circumvention and frustration of state law."

In denying union shop elections in states which ban union security contracts, the NLRB has encountered a peculiar problem, and what it has come up with is far from satisfactory. Let us assume that a union bargains for a unit of employees which crosses a state line, and that some of the unit is in an anti-closed shop state, while the rest is in a state where union security is limited only by the Taft-Hartley Act. The NLRB says that the unit for collective bargaining and the unit for union security are not always the same. If part of a bargaining unit is in an anti-closed shop state, that sub-unit cannot have a union shop election. On the other hand, the part that is in a Taft-Hartley state can be a sub-unit where an election can be held.

How this rule will work out is clear: it will deprive workers in the same unit of union shop security while permitting it for other workers in other states. This is another indication of how inequitably the Act works and how it actually weakens and tends to destroy collective bargaining.

"REAL" TAKE-HOME PAY

(CFLNL)SAN FRANCISCO.--Unions planning negotiations for wage increases can frequently find strong factual support for their demands by presenting the changes in real take-home wages from 1940 or 1945 to the present.

The term "real take-home wages" means what is left after taxes and the increased cost of living have taken their cut. In one typical example shown below for a married man with two children, the gross money wage rate rose from \$1.25 per hour in 1940 (average for year) to \$2.00 in March 1948, yet after taxes and inflation, his "real take-home pay rate" in terms of 1940 purchasing power had fallen from \$1.25 per hour in 1940 to \$1.09 in March 1948.

| | Married man with wife and 2 children | |
|---|--------------------------------------|-------------|
| | 1940 average | March 1948 |
| Gross hourly rate | \$1.25 | \$2.00 |
| Gross weekly rate | \$50.00 | \$80.00 |
| Gross annual rate | \$2600.00 | \$41.60 |
| Less: | | |
| Social Security taxes | | |
| Federal Old Age, 1% | \$26.00 (1) | \$30.00 (1) |
| State Unemp. Insurance, 1% | \$26.00 (1) | \$30.00 (1) |
| Income taxes | | |
| Federal (2) | none | 225.00 |
| State (2) | none | none |
| Take home annual amount | \$2548.00 | \$3875.00 |
| Cost of living index | | |
| 1935-39 = 100 (3) | 100.5 | 171.4 |
| Cost of living index | | |
| 1940 =100 (4) | 100.0 | 170.5 |
| "Real" take-home rate, annual (Obtained by dividing take-home amount by the cost of living index on 1940 base) | \$2548.00 | \$2272.73 |
| "Real" take-home rate, weekly | \$49.00 | \$43.71 |
| "Real" take-home rate, hourly | \$1.23 | \$1.09 |

Footnotes are on next page

- (1) Social security taxes are 1 percent of the first \$3,000 only.
- (2) Computed from federal and state tax forms.
- (3) U. S. Bureau of Labor Statistics, San Francisco index.
- (4) Obtained by dividing the March 1948 figure by the 1940 figure as given in the line above.

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COST OF LIVING REACHES NEW PEAK

(CFLNL)SAN FRANCISCO.--Reversing the downward movement of the past two months, the cost of living, as measured by the Bureau of Labor Statistics' Consumers' Price Index, climbed sharply during April to reach a new all-time high. The overall index now stands at 169.3 (1935-39 equals 100), 1.4 percent higher than the level prevailing in mid-March, and 0.3 percent above the mid-January record of 168.8. Total increases since the removal of price controls now add up to 27 percent.

Retail food prices registered the largest single gain, 2.8 percent, raising the food index to 207.9. This increase largely wiped out the February and March declines. All other groups of goods and services showed smaller gains, with the exception of house furnishings which dropped 0.1 percent.

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MOLDERS SETTLE STRIKE WITH CALIFORNIA METAL TRADES ASSOCIATION

(CFLNL)SAN FRANCISCO.--The strike of the Molders and Foundry Workers Union, Local No. 164, which started April 17 against the California Metal Trades Association, has been adjusted satisfactorily, the settlement having been ratified by the members on May 27.

The Molders Union has sent letters of appreciation and thanks for the support they received from the other AFL unions in the San Francisco Bay area.

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