

# WEEKLY NEWS LETTER

## FROM

### CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING  
151



SAN FRANCISCO,  
CALIFORNIA

May 18, 1949

#### ASSEMBLY PASSES PREGNANCY BENEFITS BILL, BALKS ON OTHER DISABILITY GAINS

(CFLNL)SAN FRANCISCO.--The major achievement in the Assembly during the last week was the passage on May 12, of AB 1594 (Condon) providing for benefits under the Disability Insurance Act during pregnancy. This long needed measure was aided throughout its entire progress in the lower house by Assemblyman Geddes (Pomona), Finance and Insurance Committee Chairman. The bill, if passed by the Senate, will be of great assistance in stabilizing family income during and after pregnancy and will reduce somewhat the economic problems of parenthood.

Final vote on the bill was 51 to 3, with the recalcitrant trio consisting of:

Burke

Butters

Levering

Intensive lobbying by opponents of this legislation is rapidly increasing among the forty members of the State Senate, upon whose action the ultimate fate of AB 1594 depends.

Other efforts to improve unemployment and disability insurance appear to be gaining little or no headway, while Assemblymen Brady and Morris are leading a move in the Assembly Finance and Insurance Committee to approve a series of bad bills which have already received Senate approval. The first step in this program occurred May 16, when the Assembly Finance and Insurance Committee voted out, 7 to 4, SB 389 (Desmond) which compels non-consenting individuals to be covered by voluntary instead of state plan so long as 75 percent of the unit consents. The bill is an attempt by the private insurance companies to increase the scope of the "voluntary" plans under the disability law,

and thereby limit the amount of reserves which can be accumulated in the state fund for ultimate distribution to contributing workers. There is no provision for the distribution of surplus contributions to workers under the voluntary plans; any surpluses go to the insurance companies in the form of profits.

As stated above, Brady and Morris held the arguments for the passage of this first in a series of vicious bills; they appear to have given up any attempt to vote and deal fairly with labor. Committee members voting against labor were:

Levering	Grunsky	Geddes	Morris
Lipscomb	Stanley	Brady	

Those committee members steadfastly opposing a weakening of the unemployment disability insurance laws were:

Doyle	Dunn	Maloney	Meyers
-------	------	---------	--------

Assemblymen Dolwig and Beck avoided a recorded vote by being absent.

\*  
\*  
-----

#### OTHER LEGISLATIVE ACTION

(CFLNL) SAN FRANCISCO.--Assembly action on May 12 resulted in relatively minor advances in workmen's compensation benefits. Measures passed were:

Federation bill AB 154 (Rosenthal and Bennett), providing that disability payments shall be made from the day immediately following the injury, if the disability lasts more than 49 days. Previously, no payments were received for the first 7 days of injury.

Federation bill AB 166 (Gaffney and Collins), permitting an injured employee to institute proceedings for the collection of compensation within five years (260 weeks); the present limit is 245 weeks.

In the Senate, on May 10, under the leadership of Senator Regan, the Senate voted unanimously to approve SB 1038, providing for increased benefits under workmen's compensation to the widows of firemen.

The rights of state employees were seriously affected when the Senate, on May 13, passed (22-2) AB 2040 (Stewart), revamping and expanding the discretionary powers of the State Personnel Board with regard to reclassification of employees. Those who supported AB 2040 against the wishes of many organized state employees were:

Abshire	Collier	Donnelly	Johnson	Rich
Breed	Desmond	Dorsey	Keating	Salsman
Brown	Dillinger	Drobish	Kraft	Sutton
Hugh Burns	Dilworth	Jespersen	Powers	Tenney
	Watson	Williams		

Opposed: Miller O' Gara

An attempt by Assemblyman Stewart to secure reconsideration of AB 191, previously passed by the Assembly, was defeated by a vote of 32 to 39, on May 11. This bill increases the salary of the medical director and assistants of the Industrial Accident Commission so as to aid in securing a larger panel of fulltime employees.

The conscientious efforts of George D. Collins to move AB 3027 to the Assembly floor for full debate on the establishment of a Fair Employment Practices Commission was beaten down in the Governmental Efficiency and Economy Committee of the Assembly on May 11, by a vote of 8-11.

\*  
\*  
\*  
\*

#### LABOR COSTS AMOUNT TO ONLY ONE-THIRD OF HOUSE CONSTRUCTION COSTS

(CFLNL)SAN FRANCISCO.--Payroll costs at the site accounted for about one-third of total house construction costs in 1946-1947, according to a survey recently concluded by the U. S. Bureau of Labor Statistics. The proportion of costs chargeable to site labor was reported to be about the same as in 1931-1932.

According to the survey, site payroll costs for one-family houses constituted 40.7 percent of total costs for units averaging under \$5,000, compared with 32.5 percent in the cost class between \$5,000 and \$10,000, and 30.7 percent of houses costing \$10,000 and over.

As would be expected, the number of man-hours required to build the average house increased with the size and cost of the structure. Single-family houses costing less than \$5,000, with an average of 755 square feet in floor area, required 1,150 man-hours per unit for construction. For dwellings costing over \$10,000, the average floor area was 1,165 square feet and man-hours average 2,190 per house.

The fact that the labor cost ratio was lower while average man-hour requirements were higher on the more expensive houses is ascribed mainly to two factors: utilization of better quality materials and equipment, and employment of a relatively greater number of lower paid unskilled workers for jobs such as site preparation and landscaping.

The survey upon which the article was based was conducted under the Bureau's Area Housing Program, and covered 1,760 dwelling units started during 1946-1947 in 18 industrial areas. Two-thirds of the units consisted of single-family houses; the remaining third were in multifamily structures.

The results of this survey show clearly that wages are not responsible for the high cost of housing.

It is also likely that labor costs have declined still further since the survey was made by BLS, for another survey conducted by "Engineering News Record" indicated that contractors in the 16 cities surveyed felt that labor productivity for common labor had increased by about 26 percent between 1946 and September 1948. In skilled labor, an increase of about 14 percent occurred in the same period. Such increases in productivity will result in a further decrease in total labor costs.

\*  
\*  
—————

#### FIRST QUARTER PROFITS BETTER THAN A YEAR AGO

(CFLNL) SAN FRANCISCO.--A tabulation of reports from 500 major manufacturing and nonmanufacturing companies shows profits 6 percent greater after taxes in March of 1949 than for the same companies in March of 1948. These findings are reported by the National City Bank of New York in its regular publication for May.

The Bank points out that profits show a better total than had been anticipated, and it seems clear that much of the business pessimism of recent months is completely unfounded.

In the steel industry, physical output in the first quarter was 9 percent above last year and profits increased by 66 percent. In the automobile industry, the output of cars and trucks was 7 percent above last year and profits were up 42 percent. The following tabulation lists the industries and the extent to which their profits for the first quarter of 1949 exceeded the first quarter of 1948.

<u>Industry Groups</u>	<u>% Increase from</u> <u>First Qr. 1948</u>	:	<u>Industry Groups</u>	<u>% Increase from</u> <u>First Qr. 1948</u>
Chemicals, drugs, etc.	12.6	:	Autos and trucks	41.9
Cement, glass, and stone	12.1	:	Railway equipment	27.9
Iron and steel	66.0	:	Service industries	10.8
Machinery	23.4	:		
		*		
		*		

UNIONS URGED TO COOPERATE IN  
"ORGANIZED LABOR QUESTIONNAIRE"

(CFLNL)SAN FRANCISCO.--All local unions throughout the state are urged to cooperate with the State Department of Industrial Relations' Division of Labor Statistics and Research by filling out and returning immediately the "Organized Labor Questionnaire for 1949." This questionnaire, which has been sent out each year since 1896, is the basis for the official statement showing the strength and growth of organized labor in California. Individual reports are, of course, kept completely confidential and only summaries and totals are published. One hundred percent cooperation by all unions in the state will make this year's survey a true census of labor. The Division of Labor Statistics and Research has been of great assistance to unions and its continued ability to help depends on the extent to which unions make available information to it.

M. I. Gershenson, Chief of the Division, reports that in the past year locals have been cooperating more fully than ever before in sending in their collective bargaining contracts, and that, as a result, it has been possible to shorten this year's questionnaire very considerably by asking for little more than the name, address, jurisdiction, membership and number of agreements of each union. The Division is now depending upon local unions to send in their agreements as they are made or renewed. This progress in cooperation between the Division and the labor movement is extremely gratifying and will make for better and more complete reports on matters of vital interest to labor.

Twelve out of 23 California congressmen voted wrong in the recent House of Representatives voting on the Taft-Hartley Act.

Let's give the 11 good congressmen our support.  
Send in your contributions to the California Labor  
League for Political Education. It's only 3 cents  
per member per month.

OEIU-3-AFL(31)