

WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING
151



SAN FRANCISCO,
CALIFORNIA

June 29, 1949

INSURANCE COMPANIES CONTINUE TO HIDE PROFITS ON VOLUNTARY PLANS

(CFLNL) SAN FRANCISCO.--Lobbyists for the insurance companies were successful before the Assembly Finance and Insurance Committee on June 27 in blocking an amendment to SB 644, which would have required insurance companies to make public and report to the state their receipts, expenditures and profits on the private so-called voluntary disability insurance plans.

By this maneuver the insurance companies have now guaranteed to themselves, for at least the coming two years, the right to soak workers for as large a profit as possible under the voluntary plans which can now be negotiated under the State Disability Insurance Law. While concealing their own profits, the insurance companies are free to scrutinize and protest over every penny collected, saved or distributed in benefits under the state plan.

It should also be noted that excess contributions to the state fund can ultimately be paid out to workers in the form of benefits, while the profits accruing to private insurance companies will never be paid out to workers. The continued high level of contributions to the state fund makes it possible for the insurance companies to demand an equally high contribution under the private plans, and at the same time there is no provision whatsoever for the ultimate payment in the form of benefits to workers of the excess contributions collected under the private plans. As a result of the rejection of the amendment, it will not even be possible to know what excess contributions (which constitute profits) are being obtained by the private insurance companies.

The Committee vote on this crucial amendment was as follows:

Good Votes : Beck, Brady, Dunn, Maloney, Meyers.

Bad Votes : Grunsky, Levering, Morris, Stanley.

Geddes, acting as chairman, refused to vote on the proposed amendment, and, also as chairman, refused to allow the amendment to be reprinted without a majority vote of all members of the Committee.

The employers' attempt to steal fifty million dollars from the disability insurance fund, as provided in SB 377, and reported on last week, was dropped by the Senate June 21. Employers had hoped to use money now in the disability fund as a credit to employer accounts under the Unemployment Insurance Law.

The Assembly Finance and Insurance Committee on June 27 also refused to vote out SB 1319, which would have extended coverage under the Unemployment Insurance Act to employes of non-profit organizations. The measure was strongly opposed by the Catholic Church, apparently on the grounds that religious employes should not be protected from the hazards of unemployment.

The Committee vote on SB 1319 was as follows:

Good Votes: Brady, Dunn, Maloney, Meyers, Stanley.

Bad Votes: Grunsky, Levering, Morris.

Absent : Doyle, Lipscomb, Dolwig, Beck.

The measure had passed the Senate by a 27 to 6 vote on June 21.

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LEGISLATURE ACTS FAVORABLY ON WORKMEN'S
COMPENSATION AND OTHER BILLS

(CFLNL) SAN FRANCISCO.--In this closing week of the legislative session the Senate made an attempt to show that it is really not anti-labor.

On June 27 it passed AB 1805, which amends the Workmen's

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Compensation Act to increase the pension of a surviving widow with one or more dependent children by 25 percent, and liberalizes death benefits.

AB 2890 passed the Senate the same day. It amends the Workmen's Compensation Act to increase disability payments for severely disabled persons by providing that compensation can continue up to a maximum of 400 weeks for a 100 percent disability case, and also increases permanent disability benefits.

AB 1190 passed the Senate on June 26. It prohibits firing a worker because he refuses to do a job which is dangerous and would have to be done in violation of state safety regulations.

On June 21, the Assembly passed AB 933 by a 42-13 vote. This bill provides for a minimum wage of 75¢ an hour.

The Assembly Elections Committee, on June 27, approved AB 3180 to provide for a special election on all constitutional amendments, including the repeal of the Old Age and Blind Pension Law.

On the same day, the Senate Finance and Insurance Committee acted favorably on a bill to continue child care centers for another year. Approximately six million dollars will be made available for the centers.

Considerable success was also achieved in motor vehicle legislation with the passage by both houses of AB 667, AB 668, and SB 1177, liberalizing traffic regulations, the financial responsibility law, and the law on suspension of chauffeurs' licenses.

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RUSKIN SCHOLARSHIP AWARDED CALIFORNIA UNIONIST

(CFLNL) SAN FRANCISCO--The California labor movement has been honored in having an international labor scholarship bestowed upon George C. Allen, a member of the Watchmakers Union No. 101 of San Francisco. Brother Allen has been selected as one of the five members of organized labor in the United States to attend the famous workingmen's Ruskin college at Oxford, England. The scholarship amounts to 200 pounds in English money, which is equivalent to a

little more than \$800.00 in U. S. currency. Inasmuch as the scholarship does not provide for transportation between San Francisco and Oxford, England, the Executive Board of the Watchmakers Union is recommending that the local union grant an additional \$800.00 to help pay Brother Allen's transportation expenses.

Brother Allen, 24 years of age, has been attending San Francisco State College where he has taken an active part in student activities while at the same time winning five straight "A's" in his studies in the last semester. He has also been an organizer for his union, and has worked at the bench as a watchmaker. His father is George F. Allen, financial secretary-treasurer and business agent of Watchmakers No. 101.

At the present additional scholarships are being offered by the following organizations:

Harvard University, Trade Union Fellowship Program
James J. Healy, Ex. Director
Littauer Center
Cambridge 38, Massachusetts

American-Scandinavian Foundation
Richard H. Andrews, Ass't. Executive Director
116 East 64th Street
New York 21, N. Y.

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PRUDENTIAL INSURANCE ELECTION
July 8, 1949

(CFLNL) SAN FRANCISCO--The run-off election for 15,000 Prudential insurance agents between the AFL National Federation of Insurance Men's Council and the CIO United Office and Professional Workers will be conducted by the National Labor Relations Board on July 8, 1949.

The outcome of this election is extremely important, as it will have a bearing on the future of the AFofL in the insurance field and among white collar workers in other industries.

All AFL trade unions are urged to continue the support which they have been giving to the organizing campaign in order that the AFL may win this election and bring to these workers the honest and progressive type of organization which is best suited to their needs.

Contact your Prudential insurance agent and urge him to
vote AFL in the run-off election July 8, 1949.

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OUT-OF-COURT VICTORY ON
ANTI-LABOR ORDINANCES

(CFLNL) SAN FRANCISCO--For the last dozen years the California State Federation of Labor has been called upon to attack numerous anti-labor ordinances passed in various counties and cities of the state. Court proceedings brought against these ordinances have in every instance been successful.

Within the last six months anti-labor ordinances in the town of Sanger (Fresno County) and Santa Paula (Ventura County) have been the subject of negotiation between the city attorneys of the two towns and Clarence E. Todd, who has represented the Federation in all of these ordinance proceedings.

The town of Sanger attempted to require a license from a picket or other representative of a union, not having its principal office in Sanger, under an ordinance which required such a license from representatives of a "business" not located in Sanger.

After a number of interviews, the City Attorney agreed that the ordinance would not be enforced against union pickets.

In Santa Paula there were two ordinances, one passed in 1928 and the other in 1938; the earlier one prohibited the distribution of handbills, while the more recent one prohibited picketing. In an interview, the City Attorney admitted that the ordinances might be partially unconstitutional, but of course he passed the buck to the City Council. A letter to the Mayor and City Council, with citation of authority, was evidently referred to the City Attorney. In due course a letter was received from that official stating in definite terms that there would be no enforcement or attempted enforcement of either ordinance in violation of constitutional rights.

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*	What happened to that bill you wanted passed at	*
*	Sacramento, and what can you do about it?- -What	*
*	are "real" wages?- -Where will the cost of living	*
*	go next?- -Which is the oldest union in the country,	*
*	and which is the youngest, and why?	*

Bring your questions to the Summer Labor Institute at Asilomar, August 14 to 20. Board, room, tuition and recreation only \$38.50 to \$55.00 per person for the entire week.

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