

WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

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SAN FRANCISCO,
CALIFORNIA

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\$8.00 A DAY HOSPITAL BENEFITS WON IN CLOSING DAYS OF LEGISLATURE

(CFLNL)SAN FRANCISCO.--In spite of the unrelenting opposition of the combined lobby of the employers and insurance companies, the Federation, in a skillful and well-planned move in the closing days of the '49er legislative session, was able to obtain legislation providing for the payment of an \$8.00 a day benefit for a maximum of 12 days, commencing January 1, 1950. The benefit is payable immediately upon entry to the hospital and no waiting period will be required for those covered by the Unemployment Insurance Act. This bill undoubtedly is the most important bill of the legislative session, and it is certainly the most important in terms of labor legislation.

These benefits were obtained by amending on the floor of the Senate a Federation-sponsored assembly bill, AB 669 (Berry), which then passed the Senate 25-9 on June 30, and on July 1 was concurred in by the Assembly with a vote of 66-1. AB 669, prior to amendment, provided that, for the purposes of the Unemployment Insurance Act, wages due an individual but unpaid shall be deemed wages paid, thereby increasing the individual's wage credits. This provision is continued, in addition to the amendments providing for hospital benefits.

Final passage of AB 669 in its amended form is due to the efforts of the following individuals: Governor Earl Warren, Senator Jesse Mayo (Calaveras, Mariposa and Tuolumne), Senator Hugh Burns (Fresno) and Harold J. Powers, Speaker pro tem. Senators Burns and Mayo jointly introduced the Federation-sponsored hospitalization amendment, which was ably presented by Senator Burns.

It is estimated, on a preliminary basis, that the average annual benefits paid out to all workers under this new bill will amount to

approximately \$10,000,000 annually, or more. The Federation has thus been successful in achieving one of its major purposes at the 1949 legislative session -- it has obtained to a very significant extent the disbursement to the workers of the surplus in the State Disability Insurance Fund. At the present time, the State Disability Fund is accumulating a surplus at the rate of about \$16,000,000 annually. The new hospital benefit plan will provide for the expenditure of about three-quarters of this currently accumulating surplus.

The new hospital benefit bill, which is sure to be signed by the Governor, represents a tremendous victory over the insurance companies, who have been trying desperately to restrict any liberalization of the Disability Insurance Law, in order to protect their profits under the voluntary plans. The blind, avaricious greed of the insurance company carriers of voluntary plans is nowhere more clearly shown than immediately following the Senate passage of AB 669 as amended. At that time the carriers attempted, and were almost successful in obtaining a combined and united front of all insurance carriers and all the major employer groups against further action on the bill. Their efforts were unavailing, and in the Assembly only Silliman (Monterey and San Luis Obispo) voted in opposition.

All unions should now realize that voluntary plans must provide at least for a hospital benefit of \$8.00 a day and should proceed immediately with the renegotiation of any voluntary plans now in existence.

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LABOR WINS OTHER BENEFITS IN LEGISLATURE

(CFLNL)SAN FRANCISCO.--The closing action of the legislature also resulted in favorable action on several other bills sponsored by the Federation. At the present time it is not possible to make a complete and detailed summary of the Federation's success, but it seems clear that, on the whole, labor has been far more successful in this

session of the legislature than had been anticipated. No bad labor bills passed the legislature, and most of the bad bills were either killed in committee or killed on the floor, so that, as a result, it is likely that the Federation will not have to request the veto of any bad bills. It is important to remember that even the "hot cargo" bill was killed by the Assembly Committee on Industrial Relations and did not reach the Governor's desk.

On the other hand, several extremely significant good bills were passed in the field of workmen's compensation and unemployment and disability insurance. Further details will reach all affiliated unions as soon as possible.

Other legislation which received final approval in the last week of the legislature includes AB 3106, which exempts ships and shipbuilding supplies from the sales tax. This Federation bill will equalize costs between Eastern and Western shipyards, and should be of substantial assistance in promoting additional employment in our shipyards and metal working plants.

Another important bill passed during the final week was SB 928 (Senator Kraft). In final form, this bill provides that the Appeals Board, under the Unemployment Insurance Act, shall no longer exercise any administrative or rule-making functions and shall act purely as a judicial body, to hear appeals from the rulings of referees and to judge the reasonableness of administrative rules and regulations made by the chiefs of the Divisions of Public Employment Offices and Benefit Payments and the Division of Accounts and Tax Collections. The bill further recommends what will amount to a salary increase for referees, and increases the salaries of the two division chiefs from \$10,000 to \$12,000 per year. A similar increase is given to the members of the Appeals Board.

Senate Bill 389, which would have provided for compulsory coverage under voluntary disability insurance plans in any group where 85 percent of the employees voted in favor of the plan, died in the

Assembly in the closing days of the session as the insurance lobbies gave up their attempt to further cripple the disability insurance law.

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FEDERAL LEGISLATION SUMMARIZED

(CFLNL)SAN FRANCISCO.--The passage of the low-rent public housing measure by the House of Representatives June 29 represented the first important victory for labor and for President Truman's fair deal program. The Senate has already passed a similar measure. A summary of federal legislation of interest to California labor has been prepared by the California State Federation of Labor and covers civil rights, foreign affairs, education, health insurance, housing and rent control, shipbuilding, social security, wage-hour act and water and power.

Unions interested in further details may obtain them by writing to the Federation for its report on "Federal Legislation of Interest to California Labor." Developments up to mid-June are covered.

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ASILOMAR SUMMER LABOR INSTITUTE ENROLLMENT GROWING

(CFLNL)SAN FRANCISCO.--AFL unions throughout the state of California are taking an active interest in the Summer Labor Institute at Asilomar, sponsored jointly by the California State Federation of Labor and the University of California at Los Angeles. Current reports indicate that as soon as the union membership has concluded its consideration of the program the enrollment will exceed the capacity of the Institute. As room for only 131 persons is available, all unions are urged to send in their reservations as soon as possible in order to assure themselves of space.

The Summer Labor Institute offers interested members of organized labor a remarkable opportunity to increase their knowledge of collective bargaining procedures and techniques and of the methods of

political education and action. Unionists will have a chance to get the "dope" first-hand from Federation officers who have been working with the state legislature in Sacramento, and from experienced University and government officials. Many members of the labor movement are already well informed on these subjects, but labor's enemies are constantly learning new tricks and labor must continue to keep abreast of the latest developments so that it can put over its program effectively.

The rates at Asilomar are extremely low, ranging from \$38.50 to \$55.00 per week per person for tuition, room, board and recreation. Reservations should be made direct to University Extension, University of California, Los Angeles 24, California. Additional information on the program can be obtained from your central labor council or from the Federation office.

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LABOR UNION EMPLOYEES COVERED BY UNEMPLOYMENT INSURANCE

(CFLNL) SAN FRANCISCO.--Information has been received that some labor unions may not be affording their employees protection under the California Unemployment Insurance Act. It appears that because most labor unions are exempt from payment of federal income tax they believe that they are also exempt from the payment of unemployment insurance taxes. Unions were exempt at one time from unemployment insurance, but that provision of the Act was repealed and coverage for union employees became effective September 15, 1945.

Further amendments to the Act, which became effective January 1, 1946, extend coverage to all employing units having one or more workers and paying wages of \$100 or more during a calendar quarter.

Any labor union which qualifies as a subject employer should promptly register with the Department of Employment and request the necessary reporting forms and information for filing. If there is some doubt concerning the status of your union, clarification should be requested in writing to the Department of Employment, 1025 P Street, Sacramento. Because the law provides penalties for noncompliance, it will pay you to notify the Department immediately if you have not already registered.

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CONTRIBUTE TO CALIFORNIA LABOR LEAGUE FOR POLITICAL EDUCATION !!

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