

# WEEKLY NEWS LETTER

FROM

## CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING

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SAN FRANCISCO,  
CALIFORNIA

July 20, 1949

### SECRETARY REPORTS TO EXECUTIVE COUNCIL

(CFLNL) SAN FRANCISCO.--The regular quarterly meeting of the Executive Council of the California State Federation of Labor was held at Arrowhead Springs, San Bernardino County, July 16.

Secretary Haggerty presented the report on the 1949 session of the legislature, explaining that, from labor's viewpoint, it was one of the most difficult in recent state history.

Despite reactionary power and opposition, certain definite gains were made, however, and not one bad bill was enacted.

Through increased benefits under the Unemployment and Insurance Act and the Workmen's Compensation Act, workers in California will realize some \$25,000,000 annually in new benefits.

The Secretary announced that the following bills, sponsored by the California State Federation of Labor, had been adopted:

#### A. Unemployment Insurance

AB 744 by George Collins, to include public housing employees under the Act.

AB 896 by Bernard Brady, providing for appeals procedures as far as regulations are concerned.

AB 898 by Bernard Brady, to eliminate the  $1\frac{1}{2}$  times rule which prevented a worker from receiving maximum benefits under both disability and unemployment insurance plans.

#### B. Unemployment Disability Insurance

AB 669 by Clifton Berry, providing for hospitalization benefits for 12 days at \$8.00 per day, and waiving waiting period where an individual is eligible to receive such hospitalization benefits.

AB 898 (explained above under Unemployment Insurance).

C. Workmen's Compensation

AB 123 by Thomas Maloney, repealing any credit provisions for temporary disability payments as far as permanent disability ratings are concerned.

AB 154 by William Rosenthal, providing for elimination of waiting period if the temporary disability is in excess of 49 days.

AB 155 by William Rosenthal, providing for elimination of gap between the termination of temporary disability payments and the commencement of permanent disability payments, and providing that permanent disability payments shall be payable immediately following the termination of temporary disability payments.

AB 164 by Edward Gaffney, providing that the employer or insurance carrier must pay for medical reports and x-rays required by an employee to prove the contested claim before the Commission.

AB 166 by Edward Gaffney, increasing the statute of limitations from 245 weeks to 5 years.

AB 169 by Charles Meyers, increasing the maximum amount payable for a serious and wilful misconduct action from \$2500 to \$3750.

AB 172 by Francis Dunn, providing that damage to eyeglasses and medical braces shall be covered by workmen's compensation, but damage to eyeglasses is only compensable if connected with an injury causing disability in excess of 7 days.

AB 185 by Julian Beck, providing for allowance of attorney's fees to the claimant where the employer or carrier makes a frivolous appeal.

AB 231 by Gordon Fleury, providing that for the purpose of computing permanent disability ratings for minors, it shall be assumed, in the absence of evidence to the contrary, that they are entitled to the maximum amount.

AB 258 by Thomas Caldecott, increasing the allowance for burial expenses from \$300 to \$400.

AB 424 by Robert McCarthy, eliminating any credit for temporary disability where death occurs as a result of the injury.

AB 847 by Edward Gaffney, providing that as far as the Subsequent Injuries Fund is concerned, benefits shall be paid under it unless it is affirmatively proved that the individual is receiving some other state or federal aid at the time.

AB 2890 by Charles Meyers, extending the maximum duration for permanent disability from 240 to 400 weeks.

D. Miscellaneous

AB 3106 by Thomas Maloney, removing sales and use taxes from shipbuilding and ship repair, thus aiding our Metal Trades Unions.

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#### AFL CONVENTION SET FOR ST. PAUL

(CFLNL)SAN FRANCISCO.--The sixty-eighth annual convention of the American Federation of Labor will be held in St. Paul, Minnesota, beginning at 10:00 o'clock Monday morning, October 3, 1949, and will continue in session from day to day until the business of the convention is completed.

In a letter to all affiliated unions, President William Green and Secretary-Treasurer George Meany have issued the annual call, and have urged full attendance, since "the importance of our movement, the duty of the hour and of the future, demand that every organization entitled to representation shall send its full quota to the convention."

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#### ILO SEEKS WORLD RECOGNITION FOR COLLECTIVE BARGAINING

(CFLNL)SAN FRANCISCO.--The International Labour Office is sending to member governments for possible ratification the text of a new world treaty guaranteeing the right of workers to organize and bargain collectively.

This instrument, which has been adopted in Geneva by the thirty-second session of the ILO, supplements the 1948 convention (World Labor Treaty) on freedom of association.

The session was also marked by adoption of a revised convention concerning fee-charging employment agencies operated for profit. Countries choosing to regulate such agencies now, may later accept the provisions calling for their abolition.

Other conventions provide for: (1) labor clauses in contracts with private contractors engaged on public works for government agencies to the end that prevailing wages will be maintained; (2) protection of migrant employees with respect to travel, health conditions, housing, wages, and social security. It would also bar discrimination based on sex, race, or religion.

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## THE INSURANCE LOBBY — II

(Editor's Note: This is the second in a series of articles treating the activities of the insurance lobby at Sacramento. This week's review concerns the effort to cripple disability insurance.)

The chief assaults of the insurance lobby during the recent '49er session of the state legislature, were directed at the California Unemployment Insurance Act.

This act provides for two interdependent systems of protection against wage loss for employees: (1) unemployment insurance for those unemployed but able to work and available for work; (2) unemployment compensation disability benefits for those unemployed because of non-industrial disability. The latter provision pertains to employment lost through non-industrial illness or non-industrial injuries, such as those suffered in the home.

Under the Unemployment Insurance Act, both employers and employees are required to make contributions on the basis of taxable payrolls on the one hand, and wages on the other.

Employers are liable for a maximum of 2.7 percent of taxable payrolls, but they may qualify for reduced rates after a three-year experience. Employer contributions are available only for unemployment insurance benefits.

Workers contribute 1 percent of their wages to the state, and their fund is available only for unemployment disability benefits.

Thus, employers contribute to the unemployment insurance section of the state fund, and workers contribute to the disability section of the fund. A rigid separation is maintained in accounting and use.

Through the medium of SB 377, authored by Senator Clarence Ward of Santa Barbara, the insurance-employer combine sought to wreck the disability system. Their two primary goals were:

(1) To prohibit worker access to any reserves in the disability fund except when the present fund is below \$50,000,000. The initial

reserve consists of more than \$108,000,000, made available upon passage of the Disability Act in 1946, and which is now intended for both disability and unemployment insurance payments. Additionally, there is a reserve of \$92,000,000 brought into being by worker contributions since 1946. This fund is accumulating an annual surplus of \$16,000,000.

(2) To take an approximate \$50,000,000 from the original reserve and credit it against individual employer accounts under the contribution plan, despite the fact this money was collected for worker benefits. And so the workers' contributions to that original reserve would be used to accomplish employer savings. This would result in an annual approximate decrease of \$16,000,000 in employers' contributions to unemployment insurance.

Thus, the insurance lobby endeavored to save the employers millions at the expense of the working people of the state, and, further, it endeavored to deny workers use of their own reserves by fighting all efforts which would liberalize disability payments.

This raid on the disability fund was finally crushed when Senator Ward abandoned the bill on the floor of the Senate. It had previously passed the Senate Social Welfare Committee. It was crushed only because of the militant opposition of the California State Federation of Labor.

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REMEMBER THE SCHOOL DATES: AUGUST 14 - 20.