

WEEKLY NEWS LETTER

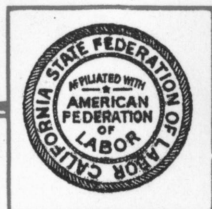
FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING



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SAN FRANCISCO,
CALIFORNIA

August 3, 1949

AFL WINS PRUDENTIAL ELECTION, DRUBS CIO IN NATIONAL POLLING

(CFLNL)SAN FRANCISCO.--California white-collar organization work received a terrific stimulus July 29 when the National Labor Relations Board announced that the American Federation of Labor had won the Prudential Life Insurance bargaining election, whipping the CIO by an almost 2 to 1 majority.

The 15,000 agents in the giant insurance firm voted to affiliate with the National Federation of Insurance Agents Council, AFL, in a nationwide, secret ballot. The AFL polled 7,405 votes, the CIO, 4,789.

The crucial election was a run-off, the first test being held in March of this year when the AFL ran ahead of the CIO, an independent union, and a "no-union" choice. While the AFL won a plurality in March, it was just short of the majority vote required by law.

Prior to the NLRB elections, ordered this year, the Prudential agents had been affiliated with the CIO, and so the results marked another in a series of losses and splits experienced by the Congress of Industrial Organizations within the past 12 months.

Daniel V. Flanagan, western states director of the AFL, announced that a representative committee of Prudential agents, together with national officers of the union, would meet immediately with the company to open contract negotiations for long needed pay boosts, higher commissions, and improved conditions.

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CULINARY PICKETS WIN TWO-YEAR STRUGGLE

(CFLNL)SAN FRANCISCO.--One of the longest strikes in recent northern California history came to a successful conclusion last Friday when the Poppy Lunch of Burlingame signed a standard contract with the Bartenders and Culinary Workers Union, Local 340, of San Mateo.

A picket line was placed in front of the Poppy Lunch on May 3, 1947, upon refusal of owner Ted Prineas to accept union conditions. The present agreement, signed by Prineas, runs until September 1, 1950. Representing the union in the contract signature were brothers O. E. Fackrell and Tony Schurba.

REALTY POWERS SMASH TENANTS

(CFLNL)SAN FRANCISCO.--Powerful real estate interests have opened a campaign to decontrol rents throughout Southern California, thus threatening thousands of families in that section with economic ruin.

Decontrol action is in motion in Bell, Bakersfield, Corona, Fresno, Huntington Park, Laguna, San Bernardino, San Diego, Santa Ana, Santa Monica, Sierra Madre, and South Gate.

C. J. Haggerty, Secretary of the State Federation, this week recommended that all local unions follow local control hearings closely, and that rental protests be directed to Governor Warren in Sacramento, since final decontrol action rests with the chief executive of each state.

L A S T C A L L F O R A S I L O M A R !

DON'T FORGET THE SUMMER LABOR INSTITUTE, AUGUST 14-26
PLACE: PACIFIC GROVE * * * SPONSORS: UNIVERSITY OF CALIFORNIA and
CALIFORNIA STATE FEDERATION OF LABOR

MAKE RESERVATIONS WITH UNIVERSITY EXTENSION, UNIVERSITY
OF CALIFORNIA, LOS ANGELES, 24

THE INSURANCE LOBBY — IV

(Editor's Note: This is the fourth in a series of articles treating the activities of the insurance lobby at Sacramento. Previous articles have explained insurance attacks on the disability fund. This week's review concerns the effort to frustrate the unemployment insurance plan.)

(CFLNL)SAN FRANCISCO.--The insurance lobby attack on the Unemployment Insurance Act embraced drives on: (1) the disability fund; (2) the basic unemployment fund. Both provide for protection against wage loss by employees.

Under the unemployment insurance section of the law, covered workers may receive benefit payments if unemployed but able to work and available for work. This fundamental law was enacted in 1935, and benefits under it were first payable in 1938.

Since passage of the disability law in 1946, the unemployment insurance fund has been financed by employer contributions, as the workers then assumed complete financing of the disability fund.

In their unemployment insurance contributions, 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. Thus, if an individual employer account shows little drain through unemployment, the state may allow a reduced rate of contribution. In fact, employer payments may be eliminated entirely under the merit plan.

The insurance lobby's legislative fight on this unemployment benefit structure hammered on three major objectives: (1) to reduce the percentage of employer contribution to the fund; (2) to impose stricter eligibility requirements on workers unemployed and seeking benefits; (3) to block all attempts to liberalize present benefits, and to prevent more workers from participating in the plan.

Regarding the first technique, we have previously reviewed the futile scheme to take an approximate \$50,000,000 from the disability-unemployment reserves and credit against individual employer accounts under the contribution plan, despite the fact that this money was collected solely for worker benefits, and was set aside in 1946 to provide

a surplus for both the disability and unemployment insurance payments.

Other efforts were made to reduce the employer rate of contribution, in spite of the insurance-employer cry that any increased benefits for the workers would jeopardize the solvency of the fund.

The demands for tighter eligibility requirements were made in the face of growing unemployment in California, and in apparent indifference to the money now in the unemployment insurance fund. As of June 30, 1949, the balance was \$633,000,000.

This review of the insurance-employer approach to the unemployment insurance function cannot be considered apart from the cold, studied opposition to the disability insurance function and the workmen's compensation function.

This master plan of insurance-employer action exposes a decadent, tired philosophy; the philosophy of men who hold that profit rights have a high priority over human rights, that capital rights have a high priority over labor rights.

The American Federation of Labor holds to a different philosophy. It holds that needy men and women have a natural lien on the wealth of the nation. It holds that flesh and blood come before the dollars and cents of corporation gain.

AFL OFFERS WEEKLY RADIO BROADCASTS
EVERY THURSDAY NIGHT

(CFLNL)SAN FRANCISCO.--Starting July 5, the American Federation of Labor began a nationwide radio program over the American Broadcasting Company network.

The program is entitled "As We See It," and consists of a news commentary by James Crowley and interviews with labor leaders and public officials on topics of vital interest.

The program will be broadcast every Thursday night for the rest of the year between 9:30 and 9:45 o'clock, Pacific Standard Time.

BIG....BIGGER....BIGGEST

(CFLNL)SAN FRANCISCO.--The traditional big business claim that government has stifled business growth in the last decade and a half does not balance with the monetary survey issued recently by the National City Bank of New York.

The following bank chart compares assets of major corporations with those enjoyed in 1930:

<u>Corporation</u>	<u>1930</u>	<u>1949</u>
Standard Oil Co. (N.J.).....	\$1,767,000,000	\$3,526,000,000
General Motors Co.	1,325,000,000	2,958,000,000
United States Steel Corp.	2,286,000,000	2,535,000,000
E. I. DuPont de Nemours Co.	542,000,000	1,585,000,000
Standard Oil Co. (Ind.).....	697,000,000	1,500,000,000
Texas Co.	610,000,000	1,277,000,000
Gulf Oil Corp.	687,000,000	1,191,000,000
General Electric Co.	516,000,000	1,177,000,000
Bethlehem Steel Corp.	802,000,000	1,029,000,000

GREEN TO AFL: CLOSE RANKS!

(CFLNL)SAN FRANCISCO.--With the national elections of 1950 in mind, AFL President William Green last week issued a request for all local unions chartered by national and international organizations, and federal labor unions of the American Federation of Labor in the different states, to become affiliated with state federations of labor and city central bodies.

The appeal was embodied in a letter to all state federations, urging that such affiliations are necessary if labor is to realize its full political potential in the election challenge of 1950.

LABOR'S CAMPAIGN FOR BETTER GOVERNMENT
MUST NEVER CEASE ! !

Join the
AFL'S LABOR LEAGUE FOR POLITICAL EDUCATION

Contribute now! Organize now!