

WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING
151



SAN FRANCISCO,
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FEDERATION BOYCOTT PLAN STEPS UP PACE AS CANNERY WORKERS TAKE ACTION

(CFLNL)SAN FRANCISCO.--The Fishery Worker, official publication of the Cannery Workers Union of the Pacific, last week urged all members to withdraw from participation in the various private disability insurance systems in accord with the unanimous boycott action of such plans adopted at the 1949 convention of the California State Federation of Labor.

More than 150,000 AFL workers have already requested boycott withdrawal forms from the State Federation office in San Francisco.

Department of Employment figures released this month revealed "long-haul" benefits of the state plan were superior to private systems through the fiscal year ending June 30, 1949.

The average number of weeks compensated per case under the state plan was 10.1 weeks, or 44 percent higher than the 5.7 weeks compensated under private plans.

Additionally, benefits paid per case under the state system averaged \$227.99, or 32 percent higher than the \$157.73 paid by private carriers.

The boycott action was taken in response to the conduct of the insurance lobby at Sacramento which opposed every attempt made by the California State Federation of Labor to liberalize worker insurance benefits during the 1949 session of the California legislature.

Boycott withdrawal forms may be obtained by writing C. J. Haggerty, Secretary, California State Federation of Labor, 402 Flood Building, San Francisco 2, California.

TOBIN ACTS TO RAISE PUBLIC CONTRACTS ACT
MINIMUM WAGE

(CFLNL) SAN FRANCISCO.--Secretary of Labor Maurice J. Tobin this week announced his intention to amend all prevailing minimum wage determinations under the Walsh-Healey Public Contracts Act to require a minimum wage of not less than the 75-cents-an-hour minimum, a rate which becomes effective on January 25, 1950, under the amended Fair Labor Standards Act--the Federal Wage and Hour Law.

Formal notifications of Secretary Tobin's proposed amendments appeared in the Federal Register on December 22. Interested persons may present data, views or arguments on the proposals on or before January 5, 1950.

Affected by the proposed action are 36 of the 42 industries covered by the prevailing minimum wage determinations issued since the Public Contracts Act, applying to government manufacture or supply contracts for more than \$10,000, was adopted in 1936.

In 34 of the 36 industries affected by Secretary Tobin's proposal, the minimum rates now provided range from 40 to 70 cents an hour and have been in effect since before the war or early in the war years.

The practical effect of the proposed action is to recognize that rates of less than 75 cents an hour under the Public Contracts Act would be virtually meaningless, since, with few exceptions, the employees on government contracts are covered by the Wage-Hour Law minimum wage.

The action would not affect employment of learners at under 75 cents an hour. The amendments would provide that learners could be employed at rates less than 75 cents an hour under the same terms and conditions prescribed for the employment of learners under regulations issued by the Department of Labor's Wage and Hour and Public Contracts Divisions.

Unaffected are the following 4 industries, because prevailing minimum wage determinations now in effect do not provide any rates under 75 cents an hour: iron and steel, \$1.08½ to \$1.23; textile, 87 cents; pressed and blown glass and glassware, 83½ cents; woolen and worsted, \$1.05.

The two industries for which independent redetermination action now is under way in proceedings under the act are: soap, 40 cents, and aircraft manufacturing, 50 cents.

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BANKING JOURNAL ADMITS VALUE OF HIGH PURCHASING POWER

(CFLNL)SAN FRANCISCO.--The National City Bank of New York this month listed stable purchasing power as a major factor in preserving economic prosperity despite the brief business nose-dive of last Spring.

In its December monthly letter on Economic Conditions and Government Finance," the Bank declared the feared "downward spiral did not develop, and the rebound has been strong."

Conditions which prevented a repetition of prior depressions were listed as: (1) "...the financial strength and liquidity of people, corporations, and financial institutions"; (2) "...the cautious policies followed by so many businessmen during the boom acted as a brake on excessive speculation, borrowing, and inventory accumulation"; (3) "...the level of income and consumption was supported by various influences, including government spending, the foreign aid programs, price supports, unemployment compensation, and above all the savings of business and people and their access to credit, which enabled them to go on buying. During the period of curtailment goods were taken off the market faster than they were being produced."

The New York bank has made a significant concession of fact in acknowledging the saving role of consumer purchasing power, and in

conceding the importance of welfare benefits in increasing that power.

UTILITY PROFITS--AND RATES--JUMP TO ALL-TIME HIGH

(CFLNL)SAN FRANCISCO.--The Wall Street Journal last week reported that the nation's electric utilities will enjoy the highest profits in history when the 1949 record is compiled.

"This year's earnings....will be 16 percent above the \$670 million earned in 1948," according to the Journal survey.

The financial sheet revealed: "The nation's electric utilities will report total earnings for 1949 in the neighborhood of \$778 million, the largest single year's profits in the industry's history.

"The reason for the jump in utility earnings this year is the highest sales on record, plus a substantial drop in the cost of producing electricity due to the greater efficiency of new equipment and to lower fuel costs.

"Earnings for the industry have been rising faster than sales. Biggest single factor in the industry's earnings picture this year has been the sharp drop in fuel cost.

"Rate increases in 1949 added approximately \$40 to \$45 million to gross revenues, or roughly the same total as in 1948."

MEDICAL POLITICIANS SHOW NEED FOR STRONG LLPE

(CFLNL)SAN FRANCISCO.--The need for increased and intensified political action by organized labor was unknowingly dramatized in a recent review of the American Medical Association by Charles T. Lucey, conservative columnist of the Scripps-Howard newspaper chain.

Writing in his nationally syndicated column, Lucey predicted the "enlistment of organized medicine in the 1950 national election to help block Administration plans for compulsory health insurance."

Anent the recent vigor of medical politicians, Lucey wrote: "In the recent New York senatorial election, the doctors organized for political action as never before, and although their candidate, Republican Senator John Foster Dulles, was defeated by Governor Herbert H. Lehman, they were counted one of the strongest forces on the GOP side."

Lucey failed to report that the medical lobby has a rather long history in Washington and in various state capitols.

The California medical lobby, for example, did a rather efficient job in the 1949 session of the state legislature when it joined with insurance powers in fighting labor attempts to liberalize the Unemployment Insurance Act.

U. S. FARM BUREAU COMES TO LIFE--URGES BAN
ON IMPORTED LABOR

(CFLNL)SAN FRANCISCO.--The Federal Advisory Council of the U.S. Employment Security Bureau, meeting in Washington last week, voted to discontinue all programs for importing foreign agricultural labor in the year 1950. The resolution, which was the subject of considerable discussion, was proposed by James Brownlow, Secretary, Metal Trades Department, American Federation of Labor.

Another resolution offered by Clarence Mitchell, Washington representative of the National Association for Advancement of Colored People, called upon the U.S. Employment Service to utilize the services of the National Farm Labor Union, AFL, and other bona fide farm labor organizations in recruiting and placing domestic agricultural workers, was also adopted.

H. L. Mitchell, President of the National Farm Labor Union, AFL, said if these two resolutions are put into effect by the Secretary of Labor, some of the most pressing problems of the nation's farm workers will be on the road to solution.

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