

WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

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SAN FRANCISCO,
CALIFORNIA

March 6, 1946

- DISABILITY BILL SIGNED BY GOVERNOR WARREN -

(CFLNL)SAN FRANCISCO.--The Disability Bill, introduced by Senator Jack Shelley and sponsored by the California State Federation of Labor, was signed by Governor Warren on March 5. The Governor stated that it was a very happy occasion for him because he believed this Act was going to bring a great deal of comfort into the homes of hundreds of thousands of working people, homes that otherwise would be destitute when stricken by the illness of the family bread winner.

Since 1941, Senator Jack Shelley and the California State Federation of Labor have been advocating legislation similar to SB 40. Senator Shelley said, "I am very, very happy that it has finally been enacted. This result was brought about by a great deal of cooperation. Senator Dillinger and Senator Mayo were especially helpful."

Secretary Haggerty expressed pleasure and gratification with the signing of SB 40 and said that it has been long overdue, adding, "Its enactment at this special session was the result of the outstanding work of Senator Shelley and the cooperation of the Governor, as well as those mentioned by Senator Shelley."

Valuable assistance in getting this measure adopted was rendered by Assemblymen Lyons and Maloney, T. H. Mugford of the Department of Employment, and Charles Scully, attorney for the State Federation of Labor.

The Governor posed for pictures with Senator Shelley, C. J. Haggerty, Secretary of the Federation, and James G. Bryant and T. H. Mugford of the State Employment Stabilization Commission.

Senator Mayo said, "I am happy to have had a part in the passage of this law. It is an outstanding piece of social legislation, one of the most outstanding in many years."

Senator Dillinger said, "Senator Shelley is entitled to special mention for his good work on this legislation. His work, the great amount of study he gave to this complex subject, and his ability as a legislative strategist, were invaluable. Support of Governor Warren was a very considerable factor in obtaining passage of the bill."

James G. Bryant, chairman of the Employment Stabilization Commission, expressed pleasure that California is again taking the lead in this kind of social legislation.

The only other state which has such a law is Rhode Island. Because it is so much smaller than California, however, this state's experience will not furnish a great deal of guidance in meeting the problems with which California will be confronted.

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- NEW WAGE-PRICE POLICY INFLATIONARY -

(CFLNL)SAN FRANCISCO.--In an effort to implement the inflationary Wage-Price Policy, which ties wage increases to price increases, the OPA has announced new principles for granting price relief.

Price relief may be granted if it is determined that prior approved wage increases necessitate price increases. Approval must be given to all wage increases by appropriate governmental agencies, and must be for the purpose of compensating for the increased cost of living, removal of gross inequities or correction of substandards. Also, approvable wage increases are those made in conformity with the general pattern of wage or salary adjustment which has been established in the industry or local labor market area between August 18, 1945 and February 14, 1946.

As a result of this uncalled for linking of wages and prices, the OPA has brought forth a new policy for granting price relief which employers claim to be necessary as the result of approved wage increases. As authorized by Executive Order 9697, OPA will grant price relief sufficient to maintain the industry's average rate of profit

during the next 12 months at a rate of return on the net worth before income taxes approximately equal to that in a normal peacetime base period. The OPA is supposed to take into account whether the industry is operating at a temporary low volume, as well as the prospects of improvements in earnings during the next 12-month period as a result of growing volume of production and resulting cost reduction.

Although the OPA, in its new statement of principles, recognizes that the entire wage increase does not necessarily have to be passed on in the form of a price increase because wages form only one of the elements entering into price, the whole emphasis of this policy is to link wage increases to prices. Obviously, employers will not be willing to grant wage increases unless they are certain that they will be able to recoup the entire wage increase in the form of price relief.

In its announcement, the OPA reported that, as far as possible, it would attempt to consider price ceiling reviews on an industry basis rather than on an individual firm basis, and that it will attempt to work with industry committees in carrying out the mandate of the Executive Order. Here, too, labor must watch the administration of the order very carefully. In many industries and trades, collective bargaining is done on an individual firm basis, and wages arrived at through collective bargaining are determined by the strength of the union at the individual plant. The new emphasis on industry patterns will make many collective bargaining procedures a mere futility.

The labor movement may take comfort in only a few portions of the Executive Order and the new OPA principles. Employers who feel that the wage increase will not necessitate price relief can grant wage increases without approval and without any penalty except to be debarred from using such wage increases as a basis for price relief. This solace must, however, be taken with a grain of salt, for few employers will be willing to grant wage increases under such conditions.

Perhaps some satisfaction may be felt by organized labor in the OPA announcement that it will not make any advance commitments

about price increases contingent on the prospective grant of a particular wage increase. Nevertheless, labor's approval of this principle must be mitigated by the realization that employers will attempt to reverse this principle and make wage increases contingent upon receiving approval for price increases.

When Executive Order 9697 was issued, the general consensus of opinion of the entire labor movement was that it had all the potentialities which could lead to inflation. The setting forth of these principles by the OPA confirms labor's fears. It has been the sound economic position of organized labor that wages could be raised with little or no change in price ceilings. The basic fact is that wages form only one of a number of factors which enter into price.

Although the principles issued by OPA give lip service to this axiom, under the terms of the Executive Order the OPA must give price relief almost every time that an employer raises wages. This means that wage increases are bound to be passed on to the consumer in the form of higher prices. Most important for labor, it means that wage increases will not help the worker improve his standard of living, for while his pay envelope may be larger, rising prices will decrease his purchasing power, and he may well receive an actual cut in his real wages. This is inflation, pure and simple.

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- SAN DIEGO UNIONS BATTLE COMPANY INJUNCTION AND DAMAGE SUIT -

(CFLNL)SAN FRANCISCO.--Nine San Diego labor unions, including the San Diego Central Labor Council and Building Trades Council, were made defendants in a suit by the Union Ice Company to restrain the unions from picketing, as well as a suit for damages which grew out of the effort made by the unions involved to negotiate an agreement with the company, which adamantly refused to do so.

The case, to be heard on March 5 in San Diego by Judge Torrentine, will have Attorneys Clarence E. Todd of San Francisco and John T. Holt of San Diego representing all of the defendants.

A temporary restraining order restraining the defendants from mass picketing and untruthful picketing, any violence or intimidation, was granted on February 23, but the judge refused the company's request to include in the order any restraint on a secondary boycott.

To further harass the organization campaign of the unions, the company requested damages, which will also be argued at the hearings as scheduled above.

The unions involved are the following: Sales Drivers-Helpers and Dairy Employees Union; International Longshoremen's and Warehousemen's Union; Cooks, Waitresses, Helpers Union; Waiters and Bartenders Butchers; Operating Engineers; Teamsters, Chauffeurs, Warehousemen and Helpers; San Diego Building and Construction Trades Council; and the Central Labor Council. In addition to these unions, 31 people and also a number of John Does were cited.

Recognizing the serious import of this offensive against labor's rights to negotiate an agreement with an employer, the Federation will do everything possible to aid these unions in their fight.

The various craft organizations all sought to negotiate agreements with the company, whose only reply was to proceed immediately to disrupt this procedure through the legal action which it has taken.

Further developments on this case will be reported as they occur.

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- AFL SCREEN EXTRAS GUILD UNION WINS NLRB ELECTION -

(CFLNL)SAN FRANCISCO.--The AFL Screen Extras Guild Union has been designated as the bargaining agency by the screen extras over the Screen Players' Union, independent, by a vote of 1287 to 821. This followed a campaign which was supported by the California State Federation of Labor, to win back the extras in Hollywood to the AFL fold. Gratitude of the ~~president~~ president of the union and the entire membership for the splendid support furnished by the Federation was wired to C. J. Haggerty, Secretary.

Since all of the unions in the motion picture industry are affiliated, the extras will now be in a position to have the full and unstinted support of these organizations in improving their bargaining status with the producers. This decisive victory places the Screen Extras Guild in a position to demonstrate its ability to bargain for its membership, and completely consolidates the AFL position within the industry.

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- JACK LEONARD, WELL-KNOWN LABOR OFFICIAL, DIES -

(CFLNL)SAN FRANCISCO.--Jack Leonard, for many years a representative of the International Laborers' Union, and well known throughout the labor movement of California, died on February 21, and was buried on February 23, interment at the Holy Cross Cemetery.

Jack, who was responsible for much of the improvements in the conditions of members of his craft, as well as increases in their pay, and who was one of the most popular labor officials in California, is survived by his widow, Mrs. Stella Leonard. Many telegrams and messages of condolences to the widow, as well as to his organization, were received from unions throughout the state, who deeply appreciate this serious loss to the labor movement.

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- MINIMUM WAGE HEARING FOR MANUFACTURING INDUSTRIES ANNOUNCED -

The Industrial Welfare Commission has announced that it will hold a hearing on the Wage Order affecting women and minors in manufacturing industries on April 5, 1946 in Los Angeles. Unions in manufacturing industries employing women and minors should be sure to make their requests for revisions known to the Commission. Further information is available from the Federation.

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