Before turning from the subject of relief, it would be well to consider the costs thereof. During the first five months of 1939 a total of $31,319,100 was expended by the three principal Governmental agencies administering relief in Los Angeles County. At this rate, the total for the year, even if there is no increase in the monthly average between May and the end of the year which is hardly likely in view of the recent trend, would be $75,135,200, representing an increase of 12.7% over 1938, and 21.6% over the low point of 1937. The seriousness of this situation can be readily seen when it is pointed out that the total cost of the three types of Governmental relief per Los Angeles family in 1938 was equivalent to $85.80. The responsibility for this increase rests solely and entirely on the fact that the old age pension costs have increased so sharply. At the present time, the California pension (approximately $35.00 per month) is the highest among all states in the country, and there is little likelihood of any amelioration in this serious condition in the near future. On the contrary, if the present trend continues it may be anticipated that in a few more years the taxes levied by the County and State for the support of the pension and other relief cases will become an unbearable burden upon all forms of economic livelihood. (Note: A complete analysis of relief costs will be found in Table 67, page 70 of the Appendix).

I. THE LABOR SITUATION

1. Labor Organization

By and large, the same factors which have created the large pool of surplus workers in the Los Angeles labor market have at the same time prevented any intensive organization of employed workers. These factors were the continued ingress of unskilled workers from other sections of the country, and the presence in the area of large numbers of semi-retired persons willing to take full-time work for less than subsistence wages in order to supplement their fixed incomes. To these factors must be added a third important impediment to unionization efforts - the almost fanatical determination on the part of the business and industrial groups, ably abetted by the two leading local newspapers and by the leading civic groups, to maintain Los Angeles as an open shop city. This determination is natural since open shop conditions and freedom from serious labor disturbances has deflected to the Los Angeles area in recent years many business enterprises and factory branches which would have sought, under normal conditions, to locate in San Francisco or other Pacific Coast cities more centrally located with respect to the Western market.

However, there is no doubt that unionization is increasing in Los Angeles. Whereas, prior to the split in organized labor which led to the formation of the C.I.O., the American Federation of Labor pursued only half-hearted organization policies at best, competition from the C.I.O. has injected vigor into the entire organization campaign, and both unions are now expanding at a fairly rapid pace.

In general the C.I.O. may be considered stronger in the San Pedro-Wilmington harbor area and the industrial belt, while the A. F. of L. is the stronger among hotel, restaurant and other service employees, the motion picture studios and the building trades. Up to the present time, there has been no interfacational strife apparent, this absence of friction being due, in all likelihood, to the fact that neither organization is strong enough to buck the other and the employer groups too. Strikes have been few and none of real seriousness.

The future trend of organized labor in this area is difficult to discern because of the diverse factors upon which extensive organization in the area is contingent. In order to attain any substantial degree of success in the face of the strong opposition encountered, it is felt that the demand for workers and the supply available must be more nearly equal than is the case at present. On the other hand, if the C.I.O., in negotiating with industries having branches scattered about the country, is able to close contracts covering all branches (doubtful in view of present attitude of National Labor Relations Board), the effects here would be immediately manifest, as Los Angeles is a city of branch industry. By the same token, if the C.I.O. and the A. F. of L. can heal the breach between them, the cause of organized labor would be materially aided in the Los Angeles area as well as along the entire Pacific Coast.

To sum up briefly, it is felt that labor eventually will be organized strongly, but it is impossible to determine with any degree of accuracy when this will be.

2. Building Labor.

Building labor is generally well organized under A. F. of L. leadership, but there is no closed shop on construction work. This is due largely to the shortage of skilled labor, referred to earlier.