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Labor

Paul G. Delaney

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to make additional equity capital and long term credit available to small business concerns. The program is administered by the Small Business Administration (SBA). In 1960, Congress passed an amendment to the SBIA relating to the purchases of Small Business Investment Company (SBIC) shares by banks that are subsidiaries of a bank holding company.¹⁹ According to the Board of Governors of the Federal Reserve System, the amendment did not affect the limitation on the amount that may be invested in an SBIC by a bank holding company and its subsidiaries. The Board interpreted the amendment as indicating no intention of changing the maximum of one per cent of capital and surplus which a bank holding company may invest directly or indirectly in an SBIC. Shares owned or controlled by a subsidiary are considered to be indirectly owned by the holding company.²⁰

Recently the SBA proposed a change for criteria-qualification as a small business concern under the SBIA of 1958. The proposed change is the categorization of any concern as a "small business" if it, together with its affiliates, does not have assets exceeding \$5,000,000, does not have net worth in excess of \$2,500,000, and does not have an average net income, after federal income taxes, for the preceding two years in excess of \$250,000 (computed without benefit of any carry-over loss), or if it qualifies as a small business concern under existing Reg. § 121.3-10.

Finally, the business loan policy of the SBA has been reshaped according to the latest publications of the SBA office. The key features of the business and disaster loans available are as follows: There are 8 basic types of loan plans—regular business loans, limited loan participation, pool, small business investment company, state development company, general disaster (storms, floods, etc.), and drought and excessive rainfall disaster. With respect to each type of loan, SBA publications show in concise form who is eligible, authorized loan purposes, maximum amount of SBA funds available, interest rates, maximum period of loans, and type of collateral which is accepted.

DAVID H. KRAVETZ

LABOR

On the national scene, Congress has occupied itself initially with the social side of labor legislation. The administration's program includes a minimum wage boost, a temporary increase in unemployment compensation duration, aid to depressed areas, and social security improvements.

The question seems to be one of quantity rather than of principle. Proposed aid to depressed areas involves \$390 million while opposition bills would halve that amount. The Douglas bill¹ asks a loan bank of \$200

¹⁹ "Small Business Investment Act Amendments of 1960," 74 Stat. 196 (1960), 15 U.S.C. §§ 631-47 (1960).

²⁰ See, H.R. Rep. No. 1608, 86th Cong., 2d Sess. (1960), U.S. Code Cong. & Ad. News, Pamphlet No. 10 (July 5, 1960).

¹ S. 1, 87th Cong., 1st Sess. (1961).

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million for private projects, \$175 million in loans and grants for public works necessary for industrial development, and \$14 million for technical assistance and education. This aid is designed for those areas where conventional financing is unavailable.

Rival minimum wage proposals differ chiefly in dollars and coverage extension. The Senate administration bill would raise the present hourly minimum to \$1.25 within three years.² Inclusion of retail workers is a major liberal proposal. The conservatives ask that the hourly increase be limited to 10 cents and that only large retail outlets be affected by the amendment.³

Less politically charged suggestions include Senator Goldwater's investigative committee to examine the impact of labor-management disputes on the national economy,⁴ Senator Holland's bill to permit states to forbid strikes in public utilities,⁵ and several bills to outlaw age discrimination by government contractors.⁶

The state scene has been quiet, with most legislatures in recess. However Massachusetts' late session enacted a new answer to the problem of strikebreakers and labor replacements.⁷ The law now requires any employer involved in a strike or lockout who arranges for the importation of out-of-state replacements or strikebreakers to submit as a matter of public record: (1) the name and address of the person with whom he has so arranged and of each person to be imported; (2) the date of actual importation and the date of the making of the arrangement; (3) total compensation and expenses paid to those importing and those imported. Similar information is required from "any person not an employer of employees involved in a labor dispute" who arranges for the importation of out-of-state personnel to work in establishments where a labor dispute exists.

The other industrial states which have legislated on the matter have found their solutions in outright prohibition or in various forms of curtailment. New Jersey this winter adopted the most severe stand, not only forbidding out-of-state recruitment entirely, but also prohibiting local employment agencies in New Jersey from referring any applicant whatsoever, regardless of domicile, to a New Jersey establishment which is experiencing a strike or lockout.⁸ On the other hand such important states as Michigan and Minnesota have not addressed themselves to the problem legislatively, while Missouri,⁹ New York¹⁰ and Wisconsin¹¹ statutes have dealt only with armed peace officers and strikebreakers, leaving the question of labor replacement without legislation.

² H.R. 3935, 87th Cong., 1st Sess. (1961).

³ S. 256, 87th Cong., 1st Sess. (1961).

⁴ S. Res. 18, 87th Cong., 1st Sess. (1961).

⁵ S. 87, 87th Cong., 1st Sess. (1961).

⁶ S. 60, 243, 87th Cong., 1st Sess. (1961).

⁷ Mass. Gen. Laws Ann. ch. 150D §§ 1-6 (Supp. 1960).

⁸ Assembly Bill, No. 548 approved and made effective December 19, 1960.

⁹ Mo. Rev. Stat. § 562.190 (1949).

¹⁰ N.Y. Gen. Bus. Law § 84.

¹¹ Wis. Stat. § 348.472 (1957).

A middle ground has found favor in Connecticut,¹² Illinois¹³ and California.¹⁴ These states require that employment advertisements describe, and applicants be told of, any labor dispute. These statutes are finely detailed as to the sufficiency of such notice. Akin to this solution is that enacted by the legislatures of Ohio,¹⁵ Pennsylvania¹⁶ and Indiana¹⁷: requiring that notice be given to the employee but not necessarily to the public.

It is apparent that no plan has been completely satisfactory. With its registration law Massachusetts will try the unique.

PAUL G. DELANEY

TRADE REGULATION

LEGISLATION

There has been relatively little in the way of actual legislation during this period, but publication of the Landis Report¹ in December, 1960, is deserving of some comment. A major portion of the report was devoted to problems common among all the regulatory agencies.² It also dealt with specific agencies, and recommended certain changes aimed at their more efficient operation. These recommendations should be of particular interest in view of the fact that, in most instances, their adoption would require legislative action. Concerning the internal operation of the FTC, the report calls for an increase in the powers of the chairman;³ consolidation of its investigation and litigation activities; and elimination of the "project attorneys."⁴ In false and deceptive practice cases, the report recommends adoption of a more flexible procedure, together with more effective sanctions, particularly the use of an interlocutory cease and desist order.⁵ With the full realization that ultimate relief must be had from the Congress, the FTC is called upon to formulate some decipherable pattern in its administrative interpretation of the Robinson-Patman Act.⁶ In order to eliminate areas of overlapping jurisdiction, it is recommended that the antitrust activities of the FTC (exclusive of its Robinson-Patman Act jurisdiction) be transferred to the Department of Justice.⁷ The latter has unquestionably proven more effective in this field than the FTC because of the Department's broader

¹² Conn. Gen. Stat. Rev. § 31-121 (1958).

¹³ Ill. Rev. Stat. ch. 48, § 2c (1959).

¹⁴ Cal. Lab. Code §§ 973-74.

¹⁵ Ohio Rev. Code Ann. § 4143.12 (Baldwin 1953).

¹⁶ Pa. Stat. tit. 43, § 557 (1936).

¹⁷ Ind. Ann. Stat. § 40-712 (1956).

¹ Landis, Report on Regulatory Agencies To The President-Elect (1960).

² Id. at 1-35 and 65-87.

³ Id. at 48.

⁴ Id. at 49.

⁵ Id. at 50.

⁶ Id. at 51.

⁷ Id. at 51-52.