



California AFL-CIO News

Published weekly by California Labor Federation, AFL-CIO, 995 Market Street, San Francisco, California 94103—Second Class Postage Paid at San Francisco, Calif.—Subscription: \$3.50 a year

THOS. L. PITTS
Executive Secretary-Treasurer

151
November 7, 1969
Vol. 11—No. 45

Henning Named To Key Calif Labor Fed. Post

John F. (Jack) Henning, former U. S. Ambassador to New Zealand and U. S. Under Secretary of Labor during the Kennedy-Johnson Administrations, has just been appointed to the post of Administrative Assistant to the Secretary-Treasurer of the California Labor Federation, AFL-CIO, and Director of Research.

In announcing the appointment, Thos. L. Pitts, the Federation's secretary-treasurer, said:

"The Federation is delighted to have a man of Jack Henning's stature rejoin the State AFL-CIO.

"As most California trade unionists know, Mr. Henning brings a wealth of experience and expertise to the job and has always been an outspoken champion of workers' rights."

Henning served as U. S. Under Secretary of Labor from 1962 to 1967 and as U. S. Ambassador to New Zealand from 1967 to 1969.

Before accepting appointment as State Director of the Department of Industrial Relations under Governor Edmund

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\$1 Per Member Drive Opens for G.E. Strikers

An initial nationwide campaign to raise \$1 from each AFL-CIO member to help support the 147,000 workers forced to strike the giant General Electric Corporation, the nation's fourth largest manufacturer, which rejected a union offer to submit the issues to binding arbitration, was announced this week by AFL-CIO President George Meany.

Meany said he would call on each of the 121 AFL-CIO national and international union presidents to join this cam-

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Only Sixth of PG&E Rate Bid is Justified, Fed Says

The State AFL-CIO today urged the State Public Utilities Commission to cut the Pacific Gas and Electric Company's demand for a \$23 million gas rate hike down to \$4 million, barely one-sixth of the sum sought by PG&E.

After an extensive study of the case, the State AFL-CIO concluded that this was the

maximum rate increase that could be reasonably justified.

In a 24-page brief prepared under the guidance of Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, the state labor organization took sharp exception to the giant public utility's

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Pitts Urges Opposition To Move to Cripple CRLA

California's congressional delegation was urged by the State AFL-CIO today to reject an amendment tacked on to the Office of Economic Opportunity Authorization bill by U. S. Senator George Murphy that would give state Governors an absolute veto power over OEO programs designed

to provide legal services to the poor such as the California Rural Legal Assistance program.

In a strongly worded letter to California's two U. S. Senators and 38 Congressmen, Thos. L. Pitts, secretary-treasurer of the California Labor Federation, AFL-CIO, vigorously commended CRLA efforts as an "incorruptible defense force (for the poor) that has already written significant social history." He urged the congressmen to kill the Murphy amendment, describing it as a "destructive measure."

The bill is now before the House Education and Labor Committee and as of Wednesday of this week had not yet

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Help Sought To Push Strike Against Her-Ex

A new appeal for funds to help embattled trade unionists launch a Christmas offensive against the strike-breaker-produced Los Angeles Herald-Examiner has just been issued by William R. Robertson, director of the Herald-Examiner Joint Strike-Lockout Council.

Pointing out that nearly 2 000 union members have been on strike or locked out since December 15, 1967 and now face

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Survey Documents Sweatshop Labor in SF Chinatown

The first effective public agency survey of the wages and working conditions faced by Chinese women working in San Francisco's Chinatown garment shops thoroughly corroborates

charges of appalling conditions made by labor organizations repeatedly over the years.

The survey, conducted by the San Francisco Human Rights Commission, involved personal

interviews in the Chinese language in the homes of 45 Chinese women garment workers. It found that:

- All worked six days a week and more than 50 percent worked 10 to 12 hours a day.
- Nearly half of them then take additional work home.
- All are paid on a piece-

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Top GOP Leaders Won't Back Judge Haynsworth

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own party in the Senate, Hugh Scott of Pennsylvania, has decided to vote against Haynsworth.

Scott's decision means that the three top Republican leaders in the Senate—Scott, Assistant Republican leader Robert Griffin of Michigan, and Senator Margaret Chase Smith of Maine who is chairman of the Republican Conference—are unable to support Nixon's choice for the nation's highest court.

Despite increasing pressure from the White House to rally votes for Haynsworth, late last week Griffin, the Republican whip, charged that Haynsworth by his own admission was in "obvious violation" of federal law requiring judges to disqualify themselves from cases in which they have a substantial financial interest.

In an 18-page statement filed with the Senate Judiciary Committee's report to the Senate on the nomination which expressed his individual opposition to Haynsworth, Griffin said that the South Carolina Judge "has not demonstrated an appropriate sensitivity to the high ethical standards expected of those who are to sit on the Supreme Court. In that

regard I believe he has indicated an unfortunate lack of judgment."

Griffin noted a number of instances of contradictions in Haynsworth's testimony involving the judge's participation in the affairs of Carolina Vendra-Matic, a firm in which the judge held a one-seventh interest while sitting in judgment on a case involving that firm.

Griffin cited quotes by Haynsworth to the effect that he had resigned as vice president of the company when records subsequently showed he had retained that position. He also called attention to other testimony by Haynsworth stating that he did not take an active part in the company's affairs when the records showed he did.

In another instance, Griffin quoted federal law which states that: "Any justice or judge of the U. S. shall disqualify himself in any case in which he has a substantial interest . . ." and then noted that Haynsworth had bought 1,000 shares of Brunswick stock while a case involving that corporation was still pending before him.

Press reports this week indicated 43 Senators are current-

ly committed against or are leaning against Haynsworth and 37 for him, with 20 undecided.

Consideration of a Haynsworth nomination may be taken up on the Senate floor next Wednesday or Thursday, Senate Democratic Leader Mike Mansfield announced Wednesday. Mansfield said the chances for Haynsworth's confirmation appear to be a toss up among the 100 Senators.

AFL-CIO President George Meany initiated the drive to block Haynsworth's nomination nearly three months ago when, on August 20, he issued a statement which asserted Haynsworth's record "is a record which does not merit reward and does not qualify Judge Haynsworth for the nation's highest court."

EARLY OPPOSITION

In fact, even before Nixon announced the nomination, Meany had urged the President, privately and without publicity, not to name him.

In testifying before the Senate Judiciary Committee later, Meany called the Committee's attention to the case involving the anti-union Deering-Milliken textile chain that closed its mill in Darlington, S.C., to punish workers for voting in favor of union representation.

Meany pointed out that Haynsworth had some \$3,000 invested in the Carolina Vendra-Matic firm which was doing business with Deering-Milliken mills and that the Judge cast the deciding vote in a 1963 decision of the Fourth Circuit Court of Appeals that upheld the textile chain's action, a decision later unanimously reversed by the U. S. Supreme Court.

ETHICS CHALLENGED

Pointing out that Haynsworth failed to either take himself out of the case or even inform the litigants of his interest despite the canon of ethics of the American Bar Association, Meany said:

"I say he was unethical to sit on a case where his own financial interests were involved in one of the litigants."

Haynsworth eventually sold his \$3,000 investment in Carolina Vendra-Matic for about \$450,000.

Henning Named To Key Calif Labor Fed. Post

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G. (Pat) Brown in 1959, Henning had served as Research Director of the California Federation of Labor from 1949 to 1959.

Henning is also a past president of the San Francisco Board of Permit Appeals and a past member of the San Francisco Public Welfare Commission and of the San Francisco Equal Employment Opportunities Commission.

He replaces Mike Peevey, who has taken a new position as Coordinator of Community Programs at the Institute of Industrial Relations at the University of California at Berkeley.

Pitts also announced that Greg Castillo has been appointed Librarian for the Federation, replacing Mrs. Madeline Alverson who resigned to move to Israel.

Help Sought To Push Strike Against Her-Ex

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their third Christmas without regular paychecks, Robertson said these stalwart trade unionists "are not short on fighting spirit" but that the unions involved "are desperately short of funds needed in the all-out fight against the rich Hearst empire."

He appealed to all unions and individual union members to send whatever contributions they can to:

Herald-Examiner Joint Strike-Lockout Council
225 West 11th Street
Los Angeles, Ca. 90015

Robertson expressed appreciation for the generosity with which unions and individual union members responded to an earlier fund appeal and said that the money was put to good use for TV and radio advertising that kept Los Angeles citizens well aware that the strike is still on.

Labor's Challenge in 70's Topic of Meany Foundation Show Nov. 16

"The Challenge of the '70's to Labor," this year's George Meany Foundation production on the Eternal Light TV program, will be telecast over a number of NBC-TV outlets in California on Sunday, November 16.

The program involves a discussion between David Cole, a lawyer, author and labor mediator of Patterson, New Jersey, and the Right Reverend Monsignor George G. Higgins, Director of the Division of Urban Life in the Department of Social Development of the U.S. Catholic Conference. It will be moderated by Rabbi Bernard Mandelbaum, President of the Jewish Theological Seminary of America in New York.

California NBC-TV outlets scheduled to carry the program between 9:30 and 10:00 a.m. November 16 include:

Fresno	KMJ-TV	Channel 24
Los Angeles	KNBC-TV	Channel 4
Palm Springs	KMIR-TV	Channel 36
San Francisco	KRON-TV	Channel 4

In addition, KOGO-TV in San Diego (Ch. 10) will carry the program seven days later at 9:00 a.m. on Sunday, November 23.

The program, which should be of considerable interest to trade union members and other friends of labor, will also be carried from 9:30 to 10:00 a.m. on November 16 by the following out-of-state NBC-TV stations: KIVA, Yuma, Ariz.; KORK, Las Vegas, and KMED, Ore.

\$1 Per Member Drive Opens for G.E. Strikers

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paign and that other fund raising devices will be used as the strike goes on.

"If it takes more, we'll raise it," he said.

"This is a struggle against a company which, as the 2nd U. S. Court of Appeals declared last week, is determined to destroy not only the union but the whole process of collective bargaining.

"Therefore, this is not just a fight for justice by the G. E. workers; it is a fight for survival by the American trade union movement. And the American trade union movement intends to survive," he declared.

Meany's statement came after a meeting with a special committee of the Federation's Executive Council, which was named last week to mobilize union funds for the strike. The Committee includes I. W. Able, president of the United Steelworkers of America; Thomas W. Gleason, president of the International Longshoremen's Association; and Joseph D. Keenan, secretary of the International Brotherhood of Electrical Workers.

Meany also said he had instructed William L. Kircher, AFL-CIO Director of Organization, to place his nationwide network of regional offices at the disposal of the G. E. strikers.

Pitts Urges Opposition To Move to Cripple CRLA

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been scheduled for a hearing. It is, however, expected to be taken up before the Christmas recess.

The text of Pitts' letter follows:

"At a point in history when the tragedies of America's rural poor have become a matter of international discussion, it is proposed that the scandal be worsened by congressional action.

"The Senator Murphy amendment to the Office of Economic Opportunity Authorization bill directs the power of the American government against the interests of the American poor.

"The amendment provides that Governors may kill OEO legal aid programs.

"Here in California Senator Murphy's amendment would deprive thousands of farm workers and their families of the services of the California Rural Legal Assistance (CRLA), the incorruptible defense force that has already written significant social history. The CRLA has gone to the courts on such farm area issues as family welfare rights, school lunch programs, medical services, pesticides, unemployment insurance, and the exploitation of domestic and foreign field workers.

"The violence of Senator Murphy's amendment would not be confined to California.

Over one million poor people in America are now provided free legal aid through OEO programs.

"The Murphy amendment would give state Governors the power to approve or disapprove 'in whole or in part' legal service projects in their respective states. We have no illusions as to what this amendment would mean in states where Governors sustain poverty in the name of commercial profit.

"The shocking character of the Murphy amendment has earned it the opposition of the American Bar Association and the U. S. Judicial Conference. Neither organization is primarily identified with the social causes of American life but both believe the public good here requires that the OEO director retain the power to override a Governor's veto of OEO-sponsored legal service programs.

"Divisive forces would today thrust Americans against one another on many fronts. The Murphy amendment would place the poor and the government against each other in shameful confrontation. Please vote against this destructive measure."

Pitts also urged Federation affiliates and concerned trade unionists to write their congressmen to urge them to oppose the Murphy amendment.

California congressmen who

200 in Fresno For Conference On Tax Reform

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ator Alan Cranston at a dinner session last night and incisive presentations of the need for tax reform at the federal level by Nat Goldfinger, Director of the AFL-CIO Department of Research, and of the need for reform of the state and local tax structure by Michael Peevey, Coordinator of Community Programs at the Institute of Industrial Relations at the University of California at Berkeley.

Among the panelists scheduled to participate in the conference were: State Senator Nicholas Petris (D-Alameda); Harold Somers, Dean of the Department of Economics at UCLA; Don Collin, Consultant to the Assembly Committee on Revenue and Taxation; and Gerhard Rostvold, Consulting Economist of Claremont, California.

A complete report on the conference will be carried in the *California AFL-CIO News* next week.

are members of the House Education and Labor Committee are: Reps. Alphonzo Bell (R-Santa Monica); Phillip Burton (D-San Francisco); and Augustus Hawkins (D-Los Angeles). Letters should be sent to them at the House Office Building, Washington, D. C., 20515.

Public Agency Survey Documents Sweatshop Labor in S.F. Chinatown

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- In the "high" production season of March, April and May, their average weekly salaries are about \$60 but this drops to an average of about \$39 when production dips in November, December and January.
- Only five percent of the women earn more than \$100 a week during the "high" season. Only two percent can earn more than \$65 a week during the "low" season.
- None reported receiving any overtime or sick leave pay.

- 76 percent had no annual vacation.
- 88 percent of the women workers were not covered by medical insurance.
- Of the 24 percent who were off during the usual one to two week close-down of the shops, none received compensation.

One of the more unexpected disclosures of the survey was that 45 per cent of those interviewed had been in the United States more than five years and virtually all of them had been with same employer for two years or more.

In its conclusion, the HRC report said that the survey

provides "ample proof that (the women interviewed) are the most faithful and dedicated workers in any industry. Truly, they have been the 'forgotten heroines' of Chinatown. Now that some of their voices have been heard, help from the outside as well as from within is obviously needed."

Two years ago, delegates to the National AFL-CIO took note of the plight of these workers when they adopted a resolution urging state and federal agencies charged with administering applicable wage and hour laws to increase their

administrative efforts within the Chinatown area and called on enlightened employers in Chinatown to cooperate with the labor movement in improving the situation.

Since that time a concerted effort has been made by a number of San Francisco labor unions and the San Francisco Labor Council to organize these exploited workers but it has encountered stiff resistance from some Chinese employers.

Efforts are still being pressed, however, to require some of the Chinatown garment sweatshops to move out of the Chinatown enclave through changes in zoning ordinances.

Only 1/6th of PG&E Rate Hike Demand Justified--Fed

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demand for a 7.5 percent rate of return for its gas department, and attacked a proposed rate spread that would require PG&E's general service customers (homeowners and the like) to shoulder more than 90 percent of the rate hike while big businesses shoulder less than 10 percent.

The State AFL-CIO brief also voiced opposition to PG&E and PUC Staff recommendations that would permit PG&E to shove its 10 percent federal surtax along to its ratepayers and declared that "PG&E's stockholders, not its ratepayers," should bear the cost of much of the company's sales, advertising, and promotion expenses.

It also urged the PUC to order PG&E to return to its customers the full amount of the \$1.2 million refund due from the El Paso Natural Gas Company.

On the rate of return issue, the State AFL-CIO recommended a rate of 6.85 percent, pointing out that such a rate would provide PG&E "with earnings on average common equity of about 10.7 percent."

Such a rate, the Federation said, "will maintain PG&E's financial integrity; its high bond rating; and will continue to allow it to obtain capital for future expansion at reasonable costs."

In contrast, the PUC Staff has recommended a rate of return ranging between 6.95 and 7.25 percent. The midpoint of the PUC Staff's recommended rate is 7.1 percent, just four-tenths of a percentage point below that demanded by PG&E.

In justifying the lower 6.85 percent rate, the State AFL-CIO pointed out that the company had conceded that it "has no knowledge of its gas department capital needs" and that exhibits presented by PG&E itself showed that PG&E's rate of return earned on average invested capital was already equal to or better than 26 of the nation's 50 largest utilities.

Noting that PG&E's dividend has been increased in six of the last seven years, the State AFL-CIO said:

"The point is: PG&E cannot argue convincingly, after just raising its dividend rate, that a 20 percent increase in its gas department rate of return is justified and that without such rate relief its financial health will be impaired. To do so, and succeed, is to have its cake and eat it too."

The Federation's brief also pointed out that PG&E has had earnings on average common equity ranging from 10.69 percent to 12.38 percent during the past six years and that during the 1963-68 period its earnings rose nearly 13 percent while the trend in earnings for 17 other utilities used for comparison purposes was downward during the same period.

It also noted that PG&E's net operating income from gas operations climbed nearly 54 percent compared to a less than 38 percent increase for nine comparable gas utilities.

"Such indicators belie the company's contention that its financial condition is threatened," the State AFL-CIO declared.

In protesting the PG&E's \$4 million advertising budget which is cloaked under such terms as "Sales Service Activities" and "Special Services," the State AFL-CIO declared:

"There is no conceivable reason why PG&E should spend ratepayers' money on many of these items. The ratepayer does not benefit from PG&E displays at county fairs although the company claims they alert the customers to the latest gas equipment. Even if they did, this is the proper function of gas appliance manufacturers, not a utility."

It also attacked the company's institutional advertising effort. Specifically, it cited a PG&E institutional ad titled, "We're spending \$340 million keeping up with the Joneses." The ad, which appeared in the March-April, 1969 issue of the California State Chamber of Commerce publication, "Pacific," stated:

"New PG&E facilities pay additional local taxes which share the costs of your local schools and government."

In taking issue with this

claim, the State AFL-CIO said:

"The implication is that customers benefit from this because their own local taxes are lower. Obviously, this is not the case; they simply pay, through their monthly billings, PG&E's local taxes.

"Why ratepayers should pay for such an inaccurate advertisement is inexplicable," the State AFL-CIO declared.

Instead of the \$4 million sought by the company for sales services and promotion, or the \$3.3 million recommended by the PUC Staff, the Federation recommended just \$2.1 million.

It pointed out that such a sum would be equal to \$1 per customer per year, an amount about equal to the sales expense per customer allowed San Diego Gas and Electric Co., the firm most comparable to PG&E in California.

If the San Diego utility's sales expense per customer can average \$1 a year for a five year period, there's no reason why PG&E, the nation's largest utility, should be permitted to spend more, the Federation said.

In attacking recommendations that would permit PG&E to pass its federal surtax along to ratepayers, the State AFL-CIO demonstrated that the intent of the President and the Congress in enacting the surtax was that it be borne by both individuals and businesses. It cited the 1968 "Economic Report of the President" which said:

"The increase in taxes is intended to moderate the growth of demand and to allocate a portion of the nation's extraordinary defense costs broadly and equitably among individuals and business."

The State AFL-CIO also pointed out that little more than a year ago, on July 11, 1968, the South Carolina Public Service Commission ruled that the Carolina Power and Light Company could not pass the 10 percent federal surtax on to its customers.

On the rate spread issue, the Labor Federation maintained that neither PG&E's nor the PUC Staff's recommendations are "fair and reasonable."

Both, it said, "penalize gen-

eral service customers and overlook the need for major industrial users to bear a fair burden of whatever increase may be granted."

Both apparently "believe in soaking the ordinary ratepayer," the Federation's brief said.

After citing specific testimony by company officials that conceded that the PG&E does not know what the maximum price that the so-called "interruptible class" (largely big businesses) can pay for gas before being pushed into seeking some other fuel, the State AFL-CIO recommended that since "convincing economic evidence is woefully lacking, whatever rate increase this Commission grants (should) be spread equally among all customer groups."

"To do otherwise would be discriminatory," it declared.

The State AFL-CIO is participating in the case as an "interested party" in an effort to protect trade unionists and other middle and lower-income families from excessive and unfair rate increases.

Hearings on the case, which got underway early this year, ran to a total of 38 days and were concluded on October 16.

In contrast to PG&E's demand for \$23 million, the PUC Staff has recommended a boost of about \$12.5 million.

Four of the five commissioners on the State PUC are now Reagan appointees. A decision on the case is expected within the next few months.

Reagan Names Legislative Aide

George R. Steffes, an aide to Governor Reagan since early 1967, has been appointed to a newly created post in the Governor's office — that of legislative secretary to the Senate and Assembly.

Steffes, 34, a public relations man for the Tidewater Oil Company before joining the Reagan administration, has served as the Governor's legislative secretary to the Assembly for the past two years. Liaison between the Governor and the Senate had been headed by former state Senator Vernon L. Sturgeon who was recently appointed to the California Public Utilities Commission by Reagan.