

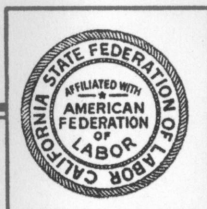
WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING

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SAN FRANCISCO,
CALIFORNIA

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HOUSES MORE URGENTLY NEEDED BUT HOMEBUILDING DECLINES

(CFLNL) SAN FRANCISCO.--The folly of the 80th Congress in failing to pass adequate housing legislation to provide shelter for the masses of the people is now clearly revealed in the statistics on housing "starts." The number of new non-farm dwelling units started throughout the United States reached an all-time high of 99,400 in May of this year but has been declining ever since. The latest figure for October is 72,000, which is 22,000 below the figure for October of 1947. During the entire five months, June through October 1948, inclusive, housing starts were below the number started in the same period in 1947, according to the U. S. Bureau of Labor Statistics. Construction during the first five months of 1948 was sufficiently high, however, so that the total number of dwellings started during the first 10 months of 1948 numbers 803,000 compared with 710,500 during the same period in 1947.

The decline since June indicates clearly that additional financial assistance is needed to maintain housing production which will benefit low income families. The Federal Reserve Bank of San Francisco indicated in its October bulletin that builders were pricing themselves out of the market, and that due to the increase in the cost of living many people could no longer afford many of the homes at present prices. Another important factor has been the tightening of credit terms. Most working families have long since drawn heavily on such wartime savings as they were able to acquire and can no longer make the heavier down payments now required.

The old cry that free enterprise can do the job alone has an important qualification. The consumer must pay the price. Today consumers cannot pay the price.

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NONAGRICULTURAL EMPLOYMENT REACHES A NEW PEAK
OF 46 MILLION IN COTOBER

(CFLNL)SAN FRANCISCO.--A small seasonal gain of about 60,000 raised nonagricultural employment to the record level of nearly 46 million in mid-October, the Bureau of Labor Statistics of the U. S. Department of Labor reports. While this was much less than the September-October increase last year, non-farm employment was 1.2 million above the year-ago figure.

Although the total employment picture continues strong, there are disturbing indications that readjustments are under way in several consumer goods industries where backlogs have been filled and some consumer resistance to high prices is being encountered.

Downward adjustments were noted last year in some of the entertainment and luxury goods lines. Similar developments have appeared during the last two months in such industries as cotton, woolen and worsted textiles, shoe manufacture and possibly men's clothing. In all of these industries there is evidence of a falling off of orders and an accumulation of inventories, which are being reflected in employment declines and a shortened work week at a time when some seasonal expansion of activity would normally be expected.

Insofar as increases are concerned, the most substantial took place in wholesale and retail trade establishments, which added 170,000 workers in an anticipated record pre-Christmas season.

In the textile-apparel-leather industries, a contraseasonal decline was reported of about 22,000 in October in contrast to the gain of 66,000 during the same period of 1947. While employment in the

apparel group is currently at an all-time record, the seasonal upswing has been of minor proportions. While the group as a whole showed a slight increase in October, the two major component industries (men's and women's outerwear) reported contraseasonal declines during the month.

A seasonal drop in the food industries, chiefly fruit and vegetable canning, dairy products, and beverages, was largely responsible for the decline of 100,000 in manufacturing employment. While gains in most of the other industry groups reduced the size of the net decline somewhat, they were not large enough, as in previous years, to counterbalance it.

The California picture, according to the Department of Industrial Relations, Division of Labor Statistics and Research, reveals that despite work stoppages and material shortages in October, total employment in manufacturing industries was at the highest peacetime October level on record and exceeded the October 1947 total by 4 per cent.

It is still difficult to ascertain how the national trend will reflect itself in California industry. The trends of readjustments to lower levels which have become noticeable can occur unexpectedly, since a number of factors are not too clearly discernible at this time.

The peak employment which was registered in October in California included four industry groups, apparel, paper, printing and publishing, and stone, clay and glass. In addition, the iron and steel and electrical machinery industries set new peacetime records.

It would be highly advisable to watch closely what is happening in the consumer goods industries, as the trends are undoubtedly felt there first and will affect other branches of industry.

PG&E AND PT&T ASK FOR RATE INCREASES AS PROFITS
REACH RECORD HEIGHTS

(CFLNL)SAN FRANCISCO.--Requests for rate increases which would add \$40,000,000 to gas and telephone service costs of California consumers have been made by the Pacific Gas and Electric Company and the Pacific Telephone and Telegraph Company, and are now pending with the State Public Utilities Commission. During recent months both companies have announced that profits after taxes for most of 1948 are at record highs and substantially above the figures for the preceding year.

The PG&E's demand is for an increase in gas rates amounting to 12.8 percent for residential users and 6.7 percent for industrial users throughout northern and central California. In typical PG&E style, the company socks the little guy hardest. The rate increases are expected to net the company about \$6.2 million additional revenue which, it claims, will cover its increased cost of national gas.

PG&E operating expenses increased more than revenue during the 12 months ending September 30, 1948, but nonetheless, the company's profits during this period increased 6.0 percent to a record high of \$26,318,451. PG&E profits in 1929 were only \$15.7 million, and during the war period ranged from \$25.7 million in 1939 to a low of \$22 million in 1945. Current profits appear adequate to absorb additional costs.

In any case, the increase in costs in 1948 was due in part to the extensive advertising campaign which PG&E has been conducting to publicize its own power development program and to contain and restrict the power and water program of the U. S. Bureau of Reclamation in the Central Valley. As a result of this program in present and past years, water power development has been limited and the company has had to obtain power from more expensive steam plants.

The PG&E should not be allowed to profit from its past and present selfishness.

In the case of the Pacific Telephone and Telegraph Company, the company is asking for an increase in rates on telephone calls within the state which will yield an estimated \$33,655,000 in revenue, or an increase of about 10 percent in annual operating revenues. As a matter of fact, actual proposed increases on monthly phone bills for local service would range from 18 percent to 23 percent.

The PT&T received rate increases during the second half of 1947 amounting to \$27.6 million annually. Operating revenues have increased more than operating expenses during the past year ending August 31, 1948, and profits, after taxes, amounted to \$22.8 million -- the highest on record for the company -- and an increase of 74.0 percent over profits for the same period in 1947. PT&T, effective October 1, 1948, reduced its payments to American Telephone and Telegraph by 30 percent, or \$1.2 million, and this reduction in expense will be apparent next year.

In these circumstances, it is obvious that any increased costs which may occur during the coming year definitely can be met out of profits.

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SISTER KENNY CAMPAIGN AGAINST INFANTILE PARALYSIS UNDER WAY

(CFLNL)SAN FRANCISCO.--The Sister Kenny campaign to combat the dreaded disease of infantile paralysis is once more under way. Funds are now being raised to provide local Sister Kenny facilities -- free hospitalization, training of doctors and technicians, scientific and medical equipment, essential research, organizational and educational work, and free treatment for polio sufferers to restore them to normal, healthy, happy lives.

A life-saving anoxia photometer and other scientific equipment and an operator were rushed to San Francisco at the request of doctors. The equipment proved most helpful, according to members of the medical profession.

The Federation endorses this campaign and urges the unions to cooperate as much as they possibly can.

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