

Haynsworth's Dual Role in Case Is Cited

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Judge Clement F. Haynsworth Jr. took part in a 1963 case involving a major textile firm while he held an interest in a South Carolina vending machine company that did substantial business at three plants owned by the textile concern.

Haynsworth, chief judge of the U.S. Court of Appeals for the Fourth Circuit, apparently is President Nixon's choice to fill the Supreme Court vacancy created by the resignation of Abe Fortas.

In the 1963 case involving Deering Milliken, Inc. and its subsidiary, Darlington Manufacturing Co., Haynsworth heard arguments in the spring of that year while he was first vice president of Carolina Vend-A-Matic Co. The vending firm apparently did about \$100,000 worth of business a year from machines placed in Deering Milliken mills in South Carolina.

Quit Before Decision

Before the decision was announced, however, on Nov. 15, 1963, Haynsworth had resigned his post in the vending firm. He quit then because of a U.S. Judicial Conference ban on judges holding corporate offices or employment, another Court of Appeals judge said.

Haynsworth voted with the majority in a 3-to-2 decision that upheld Deering Milliken's arguments against enforcement of a National Labor Relations Board order dealing with the firm's alleged unfair labor practices.

It is not known how much stock, if any, Haynsworth held in the vending firm. Carolina Vend-A-Matic merged with Automatic Retailers of America, now known as ARA, in April, 1964, in exchange for 100,000 shares of ARA stock worth an estimated \$3.5 million.

Haynsworth was not available for comment on his relationship to the vending machine company. Andrew B. Marion, who is associated with the judge's old law firm in Greenville, S.C., said Carolina Vend-A-Matic was established

by Haynsworth and several others and they "did very well off of it."

The Darlington firm shut its doors in 1956 rather than bargain with the Textile Workers Union of America (AFL-CIO), which had won an election at the Darlington plant.

Long Litigation

This started years of litigation, climaxed recently by a Supreme Court decision that Deering Milliken, Inc. had to pay back wages to the Darlington workers until they obtained comparable jobs in other plants of the chain.

Documents provided by labor sources disclosed the following:

Late in 1963, the textile union charged that Haynsworth had been first vice president of Carolina Vend-A-Matic and apparently held stock in the firm, headed then by W. Francis Marion, a former law partner to the judge.

The union requested an investigation by Simon E. Sobeloff, then chief judge of the Fourth Circuit, to see if there was any impropriety in Haynsworth's conduct.

Attorneys for the textile firm reported to Sobeloff early in 1964 that Carolina Vend-A-Matic provided food service at three Deering Milliken mills. Two of the contracts dated to 1958 but the third agreement, involving average sales of \$1,000 a week, was concluded in August, 1963. This applied to the Magnolia Finishing Plant at Blacksburg, S.C.

Counsel for Deering Milliken said the contract was awarded on the basis of competitive bidding among eight vending firms. Carolina Vend-A-Matic failed to get contracts at two other plants after similar competition, the attorneys added.

Sobeloff said Haynsworth resigned as an officer of the vending firm as a result of a resolution approved Sept. 18, 1963, by the U.S. Judicial Conference ruling that no federal judge should be an officer-director of employee of a business corporation.