



# The Charlotte Labor Journal

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## WAGE PRICE POLICY IS A BLOW TO WORKERS

### GREEN OPPOSES WAGE FORMULA

Washington, D. C.—AFL President William Green warned President Truman at a White House conference against the dangers of imposing a rigid wage formula upon American workers during peacetime.

Mr. Green visited the President after reading newspaper reports indicating that Administration leaders are seeking to evolve a wage-price formula as a solution to current CIO strikes in mass production industries.

"I told the President," Mr. Green informed newsmen in the White House lobby, "that the American Federation of Labor will gladly co-operate with him to develop maximum production and full employment. After all, that's the most effective way of preventing inflation.

"Meanwhile, price controls must be retained in order to protect our economy and consumers.

"But it would be unwise and im-

practical to attempt to re-establish any rigid wage formula similar to the Little Steel formula which prevailed during the war. Wages should be adjusted through collective bargaining."

Asked whether the President had given any clue to his plans for future wage-price collective bargaining said:

"What he wants to do is to straighten out and stabilize the whole situation and develop the highest production of the many things the nation urgently needs."

Meanwhile, rumors were rife in Washington of a shakeup of the President's official family dealing with economic problems. According to these reports, Chester Bowles is due to become Economic Stabilization Director and Paul Porter is slated to succeed Bowles as Price Administrator. Further reports indicate the possibility of the resignation of Secretary of Labor Schwelb in the near future.

### New Order On Wages

Washington, D. C.—That portion of the President's executive order dealing with the new wage regulations follows:

3. (a) The National Wage Stabilization Board or other wage or salary stabilization agency having jurisdiction with respect to the wages or salaries involved shall approve any wage or salary increase, or part thereof, which it finds is consistent with the general pattern of wage or salary adjustments, which has been established in the industry or local labor market area, between August 18, 1945, and the effective date of this order, or where there is no such general pattern, which it finds necessary to eliminate gross inequities as between related industries, plants or job classifications, to correct standards of living, or to correct disparities between the increase in wage or salary rates in the appropriate unit since Jan. 1941, and the increase in the cost of living between January, 1941, and September, 1945. The board or other designated agency shall have authority, with the approval of the Stabilization Administrator, to establish special standards for approval of wage or salary increases, differing from the foregoing general standards, to be applied in particular industries or classes of cases if it finds that such action is necessary to effectuate the purposes of this order.

(b) The Stabilization Administrator may, by regulation, specify classes of wage or salary increases which will in his judgment, have no unstabilizing consequences and which may be deemed approved within the meaning of this order without prior consideration by the wage or salary stabilization agencies. Such regulations may make special provisions for cases, among others, in which (1) the increase is to be of limited amount, or (2) a small number of employees will be involved, or (3) there will be in all probability no substantial effect upon price or rent ceilings or costs to the United States.

(c) Except as the Stabilization Administrator may by regulation otherwise provide, the making, after effective date of this order, of any wage or salary increase pursuant to Part IV, section 1, of Executive Order 9599, without the prior approval of the National Wage Stabilization Board or other designated wage or salary stabilization agency having jurisdiction with respect to the wages or salaries involved, shall constitute a

waiver of any right of the employer to use such increase, at any time during the continuation of the stabilization laws, as a basis for seeking an increase in price or rent ceilings or, in the case of products or services being furnished under contract with a federal procurement agency, as a basis for increasing costs to the United States. The Stabilization Administrator shall have authority to provide by regulation that wage or salary increases of a particular class shall be unlawful unless made with the prior approval of the board or other designated agency, if in his judgment such action is necessary to prevent wage or salary increases inconsistent with the purposes of the stabilization laws.

(d) In accordance with and subject to the provisions of Section 2 of this order, any wage or salary increase heretofore lawfully made, or made in accordance with a governmental recommendation in a wage controversy announced prior to the effective date of this order, shall be deemed to have been approved within the meaning of this order, and may be taken into account as a basis for increasing price or rent ceilings or, in the case of products or services being furnished under contract with a federal procurement agency, as a basis for increasing costs to the United States.

(e) All arbitration awards, and all recommendations of publicly appointed fact-finding panels, with respect to wage or salary issues shall conform with the standards of this order and the regulations and directives issued thereunder. No wage or salary increases shall be put into effect in accordance with any such awards or recommendations, hereafter announced, unless and until approved by the appropriate wage or salary stabilization agency or unless such awards or recommendations are voluntarily accepted by the parties on the basis stated in the first sentence or subsection (c) of this section.

4. The Stabilization Administrator, in the Office of War Mobilization and Reconversion, shall have full authority to issue such orders and directives as may be necessary, in his judgment, to carry out the purpose of this order.

5. Any provision of any prior Executive Order in conflict herewith is hereby superseded to the extent of such conflict.

6. This order shall become effective February 14, 1946.

### THE WAY TO LOOK AT IT



Courtesy Associated America, Inc.

### Disability Insurance Asked For New York and California

Washington, D. C.—Labor organizations in the two most populous states—New York and California—are taking the lead in a battle to put over legislation calling for payments to workers while sick or disabled.

In the Empire State bills along that line have been introduced in both chambers of the legislature, at the request of the New York State Federation of Labor.

Under the federation's program sick and disabled workers would receive a minimum of \$15 a week if their normal earnings are \$31 or less. Benefits would rise in proportion to earnings, up to maximum of \$21 for those whose wages exceed \$41.

Another important section would provide similar benefits for unemployed persons who become ill while idle. At present, their job-

less compensation ceases if because of sickness they are not available for employment. An additional section would set up maternity benefits, as well.

Payments under the bill would start after one week's waiting period and continue for as much as 26 weeks for any single continuous illness or disability. The program would be financed by a one-half of one per cent tax on employers' pay rolls with the State contributing a like amount out of general taxation.

Somewhat similar legislation was introduced in California legislature several weeks ago, with the indorsement of Governor Earl Warren and the backing of organized labor. Warren sponsored an identical bill at a previous session, but it was killed, in large part as a result of opposition by a medical lobby.

### TRIBUTE TO SERVICE WOMEN



Official Army Photo WAC MEDAL WINNER. In Buying Victory Bonds you are a fellow shareholder in the Nation with T/3 Eloise Robertson, Oak Park, Ill., who was given a Bronze Star by Maj. Gen. J. L. Frink for her work in Manila.

U. S. Treasury Department

### AFL Accorded Recognition To Represent N. Y. City Workers

New York City.—William J. Powell, Commissioner of the Department of Sanitation, issued a special order informing department employees that units of the American Federation of Labor would be recognized as official unions for them.

The order was taken as a slap at the Congress of Industrial Organizations, which has been active among the 9,000 employees of the Sanitation Department.

Mr. Powell said that 80 to 90 percent of the personnel in the Sanitation Department had been affiliated with AFL units. He remarked that the order was in keeping with the policy of the department for the last 5 years.

The labor policy of the Sanitation Department differs somewhat from that of the Board of Trans-

portation. In the latter department, the commissioners have dealt with as many as 16 spokesmen from various labor units who are employed by the rapid transit lines. This was the result of the unification of the city's subway, elevated, bus and street car lines.

It was explained at Mr. Powell's office that while his assistants would have a chance to listen also to assertions of CIO members, their complaints about wages and hours must come through AFL channels. Mr. Powell said the AFL had been in control of the working force in the Sanitation Department for a number of years.

There was no comment about the order from Mayor O'Dwyer's office.

The order follows: "The organizations making up

joint board of institution locals of the American Federation of State, County and Municipal Employees (affiliated with the AFL) are as follows:

"Local 43, Borough of Queens, Michael Morro, president; Local 111, Boroughs of Manhattan and Richmond, Elias Shapiro, president; Local 238, Borough of Brooklyn, Anthony Grego, president; Local 308, Borough of Bronx, John DeLury, president; Local 750, all boroughs, James Dugan, president.

"This department will recognize only the heads of the above mentioned organizations as the duly authorized representatives of the men and will confer with them on problems relating to their working conditions."

### NEW POLICY MAY CAUSE INFLATION

Washington, D. C.—AFL President William Green expressed strong opposition to the government's new wage-price policy announced by President Truman.

He charged it would cause a dangerous bulge in the line against inflation and militate against free collective bargaining by restoring wage-fixing by the government.

Obviously, the main purpose of the new policy was to break the bottleneck to speedy reconversion caused by CIO strikes in mass production of industries.

After weeks of pulling and hauling and sending up trial balloon, President's advisers came up with a scheme which, on the one hand, guarantees profits to industry at the prosperous 1936-1939 rate and, on the other, pushes labor back to the wartime status of requiring approval by the National Wage Stabilization Board before a wage increase can go into effect.

The pattern for reconversion wage rate increases set up under

the new policy will apparently be the 18 cents an hour boost granted the steel workers, unless a different standard already has been established for a particular industry.

Although it was formulated for the avowed objective of heading off inflation, the new wage-price policy may have the effect of hastening inflation. Even OPA Administrator Chester Bowles, kicked upstairs to the empty — in more ways than one — post of economic stabilization director, warned of an inflation "explosion."

Mr. Green, who had warned President Truman in advance not to re-impose wage controls, declared:

"The government's new wage-price policy is unsatisfactory to the American Federation of Labor and unacceptable.

"It constitutes a backward step — a return to wartime economic

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### Truman Explains Plan

Washington, D. C.—Partial text of statement by President Truman explaining his new wage-price policy follows:

I am modifying our wage-price policy to permit wage increases within certain limits and to permit any industry placed in a hardship position by an approved increase to seek adjustments without waiting until the end of a six months' test period, as previously required.

If the general level of prices is to remain in the next few critical months, the immediate price relief in such cases must be conservatively appraised. It must, however, be sufficient to assure profitable operation in the test period to an industry not producing a low volume.

If the expected improvement in earnings should fail to materialize in any industry, OPA will move promptly to review its action. Appropriate relief in line with the modified policy may be accorded, where practicable, to individual firms.

I am authorizing the National Wage Stabilization Board to approve any wage or salary increase or part thereof, which is found to be consistent with the general pattern of wage or salary adjustments established in the industry or local labor market area since August 18, 1945. Where there is no such general pattern, provision is made for the approval of increases found necessary to eliminate gross inequities as between related industries, plants or job classifications, or to correct standards of living or to correct disparities between the increase in wage or salary rates since January, 1941, and the increase in the cost of living between that date and September, 1945.

This wage program, therefore, takes into account the thousands of wage agreements reached before and after VJ Day. While many groups of wage and salary earners may qualify for increases under this policy, in order to bring their pay into line with the increased cost of living, or with the existing wage levels of the industry or area, the program is not to be interpreted as permitting indiscriminate wage increases.

The executive order provides that the stabilization administrator shall determine those classes of cases in which a wage increase may be put into effect without requiring prior Wage Stabilization Board approval and without any

waiver of rights to ask for price relief.

These cases will include all those in which the increase will clearly not have an unstabilizing effect. It is contemplated that many of those increases coming within the present pattern of wage increases will not have to have individual approval. I hope that free collective bargaining will be used to the fullest possible extent.

Increases outside and beyond this general policy cannot be approved without subjecting the workers and the public to the danger of inflation. It is to the best advantage of the American worker, above all other groups, that the price line be held.

The change now being made in our wage and pricing standards can succeed only with the support of business, labor, Congress, all the agencies of the administration, and the rank and file of the American people.

I am directing that all administrative agencies use their full legal powers, including emergency powers delegated to them under the Second War Powers Act, to assist the Office of Price Administration in meeting the government's responsibility for retaining control over the forces of inflation.

Priorities and allocations powers will be used vigorously wherever necessary to prevent increases in prices. There will be a strict enforcement of inventory controls. The resources of the Treasury and Justice Departments will be called upon when necessary to assist in enforcing these controls.

I trust that the Congress will: (1) extend the stabilization statutes without amendment and will do so with all possible speed so that there may be no question in one's mind concerning the determination of the Congress to see the fight against inflation through to the finish; (2) extend the subsidy program for another full year; (3) enact promptly the Patman bill to establish price controls over housing (present speculation in the real estate market is one of the most dangerous aspects of the present situation and one which works particular hardship on our millions of returning veterans and their families); (4) extend promptly the Second War Powers Act, so that the emergency powers we found necessary during the war may continue to be exercised where

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