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BRIGHT PROSPECTS FOR U. S. ECONOMY SEEN IN REPORT ON NATION'S NEEDS, RESOURCES

Judge Holds Federal Rent Law Invalid; Housing Officials Will Appeal Decision

By DAN SMYTH,
Chicago Correspondent for
AFL News Service

Chicago.—The 1949 act of Congress extending federal rent control was ruled unconstitutional by Judge Elwyn R. Shaw in U. S. District Court in a test case. If upheld by the U. S. Supreme Court, the ruling will mean the finish of federal rent control.

Otto Kerner, Jr., U. S. attorney at Chicago, and Tighe Woods, U. S. housing expediter, said an appeal would be taken immediately to the Supreme Court. Meanwhile, the administration of rent control will continue.

Judge Shaw acted in the case of a co-operative apartment house building in Chicago, Shoreline Apartments, in which owners tried to evict tenants who refused to join the co-operative. The housing expediter sued for an injunction to stop the eviction.

The housing expediter argued the co-operative owners could not evict the non-co-operative tenants because the owners' group did not own 65 per cent of the property. Regulations of the expediter's office provide a building must be at least 65 per cent owned by a co-operative if the co-operative is to obtain eviction notices against the remainder.

Judge Shaw didn't go into the merits of the arguments. He said the act of Congress was an unlawful delegation to the states of the powers of Congress, and therefore, unconstitutional. His court, therefore, had no jurisdiction to stop the evictions, he said.

What made the new rent control act unconstitutional, he held, was the local option clause, under which it was provided that states could withdraw individually from rent control.

"I can see no difference between this situation," he ruled, "and one in which Congress should pass a selective service law with the provision that any state which doesn't care to send soldiers may pass a law and say they did not choose to be involved; or an intrastate commerce act with the provision that any state that chose not to be governed hereby could declare itself out."

"I can see no reasonable reason to believe that an act of Congress under its war powers can contain any such provisions as might make it inoperative at the option of any and all of the various states, by their arbitrary action and without guides, standards or specifications of facts."

Judge Shaw pointed out that some states already have declared themselves out of rent control. Federal control over rent is legal under the war powers of the federal government, he said, so the decontrolled states have "repealed the war efforts" as far as they are concerned.

"If the other states should see fit to do likewise," he said, "the act of Congress would be utterly repealed or completely emasculated without any further act of its own, and without regard to any power to make or maintain war."

Judge Shaw's ruling was not the first to find rent control unconstitutional. A Cleveland federal judge held the old rent law invalid in 1948, on ground Congress no longer had authority to exercise war powers. The U. S.

(Continued On Page 4)

SENATE UNIT APPROVES BILL TO CONTINUE FEDERAL UNEMPLOYMENT AID FOR VETS

Washington. — Federal aid to unemployed veterans would be continued under terms of a measure approved by the Senate Labor and Public Welfare Committee.

The committee acted to extend, with some modifications, the present "52-20" program under which benefit payments have been averaging more than \$10,000,000 a week.

President Truman asked that the program be continued, but the House version of the extension bill is given a small chance.

Under the program, unemployed veterans may collect up to \$20 a week for 52 weeks.

President Truman had proposed a modification, saying: "Such benefits should not be available to those eligible for unemployment compensation under state laws except where necessary to bring state payments up to the federal level, or when state benefits are used up."

The Senate committee accordingly adopted an amendment to require veterans to file claims under state programs or any other benefit program available before they could qualify for federal aid. Then if the veteran received \$15 a week for example, under a state program, the veterans' program would make up the \$5 difference.

Senator Claude Pepper, Democrat of Florida, estimated that amendment would have the federal government about \$200,000,000 a year.

The committee provided, however, that if the bill becomes law before September 30, veterans would continue to be eligible for full federal benefits up to that time.

The committee voted to drop the section covering self-employed veterans. The provision gave veterans in that group \$100 a month, less any sum they earned.

Another committee change would make the state law on waiting periods applicable to the veterans' programs. Thus, if a state law required a veteran to wait two weeks after becoming unemployed before becoming eligible for benefits, he would have to wait that long for federal aid.

PERUVIAN DIPLOMAT NAMED TO HIGH-LEVEL ILO POST

Geneva.—Director-General David Morse announced the appointment of Luis Alvarado, Peruvian diplomat and educator, as Assistant Director-General of the ILO.

Dr. Alvarado served as minister counsellor of the Peruvian Embassy in Ottawa before being appointed Ambassador to the Dominican Republic. He has represented Peru on the ILO's governing body since 1944 and served as its chairman in 1948. He will be the first Latin American to serve as assistant director general of the ILO.

Dr. Alvarado was born in Lima in 1907. In Peru he occupied professional posts at the Universidad Nacional Mayor de San Marcos, the Arts and Crafts National School, and the Universidad Catolica.

He has represented his country at numerous international conferences, including the 1945 charter session of the United Nations in San Francisco. He was also a delegate to the first and third sessions of the UN General Assembly.

North Carolina Vet Wins Home



Ray S. Douth, of Stanley, North Carolina, and Frances, his bride of eight months, are welcomed by Tom Finacans, Commander of Schenley Post No. 1190, American Legion, as Ray carries Mrs. Douth over threshold of five-room Luxiron house in Washington exactly like that to be erected free for them back home. Ray's name was drawn by lot from those of more than 1,000,000 Legionnaires as part of Schenley Post's program at national convention in Miami. Both 22, the lucky couple now live with bride's mother. Ray served on a Navy minesweeper.

1949 Convention Call

To All Affiliated Unions Greetings:

You are hereby notified that, in pursuance of the Constitution of the American Federation of Labor, the 68th Convention of the American Federation of Labor, will be held in the Civic Auditorium, St. Paul, Minn., beginning at 10 o'clock Monday morning, October 3, 1949, and will continue in session from day to day until the business of the Convention shall have been completed.

Once again we convene in annual convention—four years after the termination of World War II—moved by feelings of uncertainty and increasing disappointment. Workers everywhere are asking why, following such a long period of time, no substantial progress has been made in the negotiation of an international agreement providing for international peace and security. The facts seem to make it clear that failure to arrive at an international agreement is due to the negative, antagonistic and selfish policy of Soviet Russia. Apparently the Russian government seeks to extend and expand Communist control over certain nations of Europe, Asia and elsewhere throughout the world. The fight, therefore, for international peace and security is supplemented by a fight against the aggression of Russia and its Communist philosophy.

We want world peace, but we want it to be based upon the principles of freedom, democracy and liberty. This issue must be faced courageously and in a spirit of determination that the free people of no nation shall be forced to accept communism and Communist control against their will.

As we meet in this historic convention, labor throughout the nation is conscious of the fact that our enemies are seeking to destroy, weaken, and if possible wipe out our trade union movement through the enactment of vicious, reprehensible anti-labor legislation. As a result, the fighting spirit of the workers has been aroused as never before. That fact was reflected in the election which was held last November. The record shows that unity of thought and action was developed to a high degree among working men and women and their friends everywhere. This fight against anti-labor legislation is still on. For that reason those in attendance at this convention will formulate policies designed to win victories for labor both on the political and economic field. Social security and health insurance legislation, federal aid for education, minimum wage legislation and other social justice and security legislation will and must command the attention of the officers and delegates in attendance at this convention.

Our purpose is to bring about the realization of the hopes and aspirations of labor, to seek to establish a standard of living commensurate with the requirements of American citizenship. We cherish the principles of freedom, liberty, democracy and justice as a common heritage to be preserved at any cost and transmitted to future generations. In conformity with the record made by previous conventions, those in attendance at this 68th Annual Convention of the American Federation of Labor will make a genuine contribution toward the realization of this great objective.

WILLIAM GREEN,
President.

GEORGE MEANY,
Secretary-Treasurer

Russian Law Code Exposes Soviet Reliance On Slaves

Geneva.—Concrete proof of the existence of the vicious forced labor system in Soviet Russia is contained in the translation of a Russian document released here by the British government.

The document, containing 147 subsections, is a carefully drafted, cold-blooded, unequivocal set of rules for operation of the slave labor camps operated by the Communists for a double-barreled purpose; to reeducate Soviet citizens who do not toe the line laid down by the Kremlin and to get vast public projects built with a minimum of expense.

Corley Smith, British delegate to the United Nations Economic and Social Council, distributed copies of the document in both Russian and English texts, to members of the council. It will form the basis for his attacks against Russian forced labor policies when the issue is debated by the council.

The coming discussion is another step in the AFL's long drive for an international investigation of the forced labor system. Last January, the United States delegate to the council supported AFL charges that millions of Russian citizens are held in bondage by the Soviet state, and urged action be taken by the United Nations.

Highlights from the Soviet document, which will make it impossible for the Russian representatives on the council to brush aside charges against the slave labor system, include the following:

There are three major divisions of the law, applying respectively to "corrective labor without deprivation of freedom," "deprivation of freedom" and "exile combined with corrective labor." Roughly speaking, these run from the milder to the most severe punishments.

Person may be sentenced to forced labor by decision of a court or by "decree of an administrative organ." The latter term apparently applies to any branch of Soviet bureaucracy.

Individuals picked for corrective labor not involving deprivation of freedom are to report for work not less than 10 and not more than 30 days from the time of sentence. "Persons who do not report for registration or work at the time fixed may be enrolled by force," the code adds.

The severest punishment, solitary confinement, is reserved for persons who had been convicted of no crime but were merely under investigation. "Solitary confinement in cells is intended solely for persons under investigation or trial," the codes states. After that they become subject to one of various procedures, ranging from temporary forced labor to exile.

LIVING COSTS RISE SLIGHTLY DUE TO HIGHER FOOD PRICES

Washington.—The cost of living for moderate-income families in the nation's large cities ended up slightly during the May 15-June 15 period. The Bureau of Labor Statistics reported that its consumers' price index rose .2 percent, due chiefly to higher food costs.

This change put the index at 169.6 per cent of the 1935-39 average; but it was 1.2 per cent lower than a year ago, and 27.2 per cent higher than in June, 1946, when price "ceilings" were removed. The current figure, too,

(Continued On Page 4)

NLRB THROWS OUT BOYCOTT INJUNCTION AFTER COMPLETION OF PROJECT AT ISSUE

Washington.—The viciousness of the injunction provisions of the Taft-Hartley law was emphasized by a recent decision of the National Labor Relations Board which, ironically enough, favored the union position.

The board threw out secondary boycott charges brought against a group of building trades unions 10 months ago which were used to obtain a temporary injunction forcing the unions to continue work on the building project.

Here's the rub. As might be expected, the project itself was completed within the 10-month period required for the NLRB to act. So, the union victory before the board was indeed a hollow triumph.

The case also served to highlight the feud between the NLRB and its general counsel, Robert N. Denham, over the agency's jurisdiction in local labor disputes. The board contends that it should keep hands off. Denham argues that the agency should take jurisdiction over every case, large or small, "affecting commerce."

Mr. Denham is in charge of issuing unfair labor practice complaints. He issued one last September against seven local unions, and the Pittsburgh Building and Construction Trades Council in connection with the building of an \$80,000 drive-in theater at Bridgeville, Pa. Mr. Denham also obtained an injunction, as required by the Taft-Hartley law, against the unions pending the NLRB's action in the case.

The charges were based on an attempt by a business agent for Local 5 of the AFL Electrical Workers to persuade members of the electrical union. Some of the sub-contractors' employees, at least, were members of a non-AFL union.

The board found that the contractor and all the subcontractors but one bought all their materials from suppliers within the state and performed all their work within the state. That one did only \$800 worth of work on the theater.

The board decided, therefore, that the impact of the dispute on interstate commerce was not great enough to take up the board's time.

The board has been trying to stay out of local disputes, but

(Continued On Page 4)

NOTICE

The reason this issue of The Journal is late is due to an extensive job of remodeling which has been going on in our plant since the first of May which put our facilities out of order until it was completed.

The back wall on our building was ready to topple over and the landlord was compelled to rebuild the wall at once. The need was so urgent that only little notice could be given us. While this work was underway we asked the landlord to make other improvements and from now on we will have The Journal to you on time each week.

For this delay we are deeply apologetic and thank our subscribers and advertisers for their patience. All back issues of The Journal will be coming to you in short order.

THE PUBLISHER.

New York.—A rosy picture of the economic future of the United States was painted here by the Twentieth Century Fund in a report based on an exhaustive study of the nation's needs and resources.

Decrying gloomy implications that our economic system was "running down," the report said the nation faced the future with the greatest assets ever possessed by a nation and with "enormous" opportunities for both public and private investment and business growth.

By stepping up our output only 8 per cent above normal expectations, based on the actual past performance of the American economic system, this country could produce enough by 1960 to provide adequate standards of food, housing, education and medical care for every American, the report said.

The fund's appraisal was contained in an illustrated booklet, "U. S. A.—Measures of a Nation," written by Thomas R. Carskadon and Rudolf Modley. The volume draws upon the findings of a nation-wide survey made by J. Frederic Dewhurst and Associates.

"By 1960," the report said, "we shall have an opportunity to put \$45,000,000,000 a year into needed capital goods. On the basis of our best sustained record in the past, during the 1920s, we would be likely to put in about \$39,000,000,000.

"The extra \$6,000,000,000 is a measured margin of our great ability to absorb huge additional investment funds, the frontier on which our system can grow and expand indefinitely."

Discussing the present business recession, the report said:

"For the long pull, we can see that both boom and bust are passing phases in the steady record of our long-term advance. Wherever we may stand at any given moment—in boom or depression—or at any point in between—we should remember our tremendous underlying strength. We can expand."

The report made this observation on the basis of an examination of every phase of the country's economic system:

"From it we get one overriding impression—our immense power to produce. We now have the highest standard of living ever attained by man. The average American earns more money, eats better food, has a better house, better clothes, schools, theaters, more conveniences, than the average citizen of any other country anywhere, any time."

By 1960, the report declared, the country's expected population of more than 155,000,000 "will offer a probable market of at least \$159,000,000,000 in money spent by consumers."

"This would be a market spending three-quarters more than the \$90,000,000,000 we spent in our big 'boom' year of 1929," the report added.

The Twentieth Century Fund was founded in 1919 and endowed by the late Edward A. Filene. The fund's income, administered as a public trust by a board of trustees, is devoted entirely to its own activities.

AFL ELECTRICAL WORKERS WIN 26-CENT WAGE BOOST

Albany, N. Y.—The wage scale for union electricians in the Albany area has been increased 20 cents an hour. Under a 1-year contract signed by Local 724, International Brotherhood of Electrical Workers, AFL, and the Electrical Contractors Association of Albany, the new rate, retroactive to July 1, is \$2.50 an hour. About 225 electricians are affected.