

# AFL Council Says Trend Of Business Depends On Lifting Of Buying Power

St. Paul.—The AFL Executive Council declared that the future trend of economic activity "will depend primarily on steady increases in wages without turning prices upward again."

The lifting of consumer buying power is essential to sustain maximum production and employment, the council said in its report to the 68th AFL convention.

Reviewing economic developments during the past year, the report asserted that the recent business slump "has been a corrective process, not an industrial depression. The report said in part:

"During 1949, the American economy has been going through a period of readjustment accompanied by declines in prices, production and employment. This has been a difficult period for all concerned.

"For more than four million workers it has meant unemploy-

ment, and several hundred thousand of them have been out of work longer than the unemployment benefit period so that their benefits have been exhausted. Many of those employed have had their incomes cut by part-time work.

"For business, the recession has meant a 14 per cent reduction in total profits (after taxes) for the second quarter of 1949 compared to the peak 1948 levels, and an 80 per cent increase in business failures. Price declines reduced sales income, returning competition have brought difficulties for employers and made them resist granting wage increases.

"The recession, however, has been a corrective process, not an industrial depression. Various economic maladjustments had arisen during the postwar business boom.

"During the recession, important progress has been made in cor-

recting these maladjustments. The downturn in prices, which started with farm products about mid-1948, as the world food shortage was overcome, extended to industrial products late last year. Since then a general downward price adjustment has been under way throughout the economy.

"Beside the price decline, other important economic adjustments have taken place since midsummer of 1948. With the return of competition and the decline in prices and sale income, management is showing new interest in cutting costs and increasing productivity. Since the first half of 1948, productivity has been rising again at the rate of 2.3 per cent a year, a figure which is close to normal.

"The recession has also brought drastic cuts in inventories, so that over a large part of industry inventories are in much better balance. This will permit new low cost goods to flow through quickly to the market.

"Since the end of the general consumer price rise (August, 1948), wage increases are no longer offset by price rises and workers' real wage or buying power has been rising gradually, and reached \$1.35 per hour in June, 1949. Wage increases won by affiliated unions in 1949 have for the most part been between 5 cents and 15 cents per hour, but even if these increases have been smaller than in previous postwar years, they have brought more benefit to our members because they have been real and not cancelled by price rises.

"The federation recognizes that the corrective process now going on is essential to restore economic health, and that as it is completed economic activity will of itself return to normal relationships kept sound by competition."

### JANUARY RALLIES WILL START GOMPERS MEMORIAL CAMPAIGN

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gram, such as extended federal aid for hospital construction, school health and local health units. The AFL must continue to emphasize its long-standing position that the health problem of working people will not be adequately met except through a comprehensive and all-inclusive system of prepaid health insurance so that the economic barrier between patient and doctor is removed.

Taxation—Wartime excise taxes should be repealed. Federal, state and local tax systems should be integrated. Taxes on sales, pay rolls and amusements should be repealed and progressive tax programs adopted at all levels based on the ability-to-pay principle.

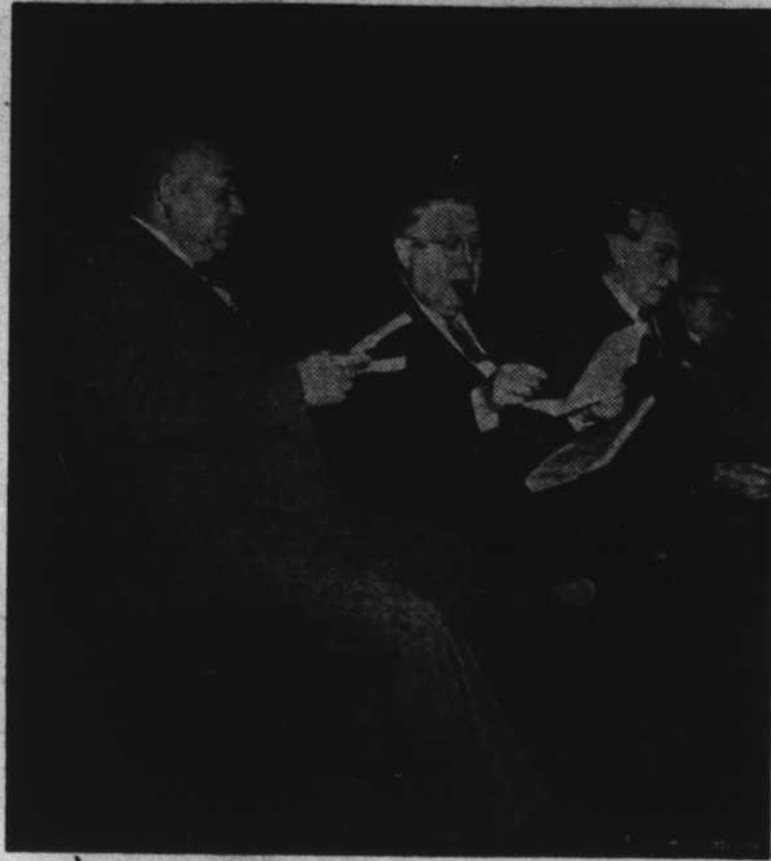
Radio and press public relations—All members are urged to tell neighbors, friends and associates and the labor press to publicize the AFL's 5 nights a week radio broadcast to begin January 1, 1950, over 147 stations of the Mutual Broadcasting System.

Labor unity—Issues which formerly divided the labor movement have largely disappeared and what- ever of conflict may remain is overshadowed by far the more fundamental and serious problem confronting labor not only here at home but in other lands as well. The road is considerably smoother and should lead to the ultimate unionism and merging of all organized labor under the banner of the AFL. The AFL should continue its efforts toward achieving this goal.

Israel—The State of Israel was greeted upon its arrival among the family of nations, and its people and Histadrut trade union movement praised for the tremendous obstacles overcome in the past year. The American people can be proud of its contributions to the world's youngest democracy.

World Federation of Trade Unions—Not the slightest excuse exists for any self-respecting trade union organization to remain affiliated with the discredited Communist-controlled World Federation of Trade Unions. An appeal is made, particularly to the free democratic trade unions of France, Italy and Israel to lose no time in severing themselves from the WFTU. AFL pledges moral and material support to a new democratic federation of trade unions to make it a powerful instrument for lasting peace.

### Council Members at St. Paul Convention



Four members of the executive council study proposal before 68th AFL convention in their places on platform 1. From left: AFL Vice-President Herman Winter, president Bakery and Confectionery Workers; W. C. Birthright, president Barber and Hairdressers; Dan W. Tracy, president Brotherhood of Electrical Workers, and Matthew Wolf of the Engravers Union.

### Meany Tells Tobin of AFL Actions



AFL Secretary-Treasurer George Meany, left, brings Secretary of Labor Maurice J. Tobin up to date on AFL actions during cabinet-member's visit on second day of 68th convention in St. Paul.

### DUBINSKY GREETES CHICAGO GROUP



David Dubinsky (second from left), president of the International Ladies Garment Workers Union and AFL vice president, chats at St. Paul convention with (l. to r.) Joseph Keenan, director of Labor's League for Political Education; William Lee, Chicago Federation of Labor, and Morris Bialis, ILGWU vice president, all of Chicago.

### Hungarian Leader Calls Communists Worse Than Czars

St. Paul.—Charles Peyer, Hungarian trade union leader and former cabinet member now in exile, told the 68th AFL convention that "Bolshevik communism is a far more vicious imperialism than the czars of Russia ever dreamed of."

He said that Moscow has taken over his native Hungary and installed a system which has a spy to every 10 workers. He said the living standard is constantly falling and the system speeds up the workers and creates class differences much greater than under the old capitalist system in Hungary. The bureaucracy, he said far exceeds the old one and commits so many horrors against the workers that it is impossible to relate them in detail.

Peyer impressed the delegates with a simple recital of how he had been exiled by the old Hungarian capitalist system for his trade union relationship, how he was thrown into a Nazi concentration camp, and has since been forced to flee the persecution of the communists. He compared himself to Laszlo Rajk, who served the communist regime as minister of the interior.

"Going over things," Peyer said, "I find that today I am in a better position than Laszlo Rajk himself, who never opposed the regime but was their minister of interior, one of the pillars of their system, and who has now been sentenced to death and will be hanged. I at least am still alive."

Peyer said the communist system hates liberty and democracy.

"That is why every honest person must combat it," he said. He is a leader of the Trade Union Movement in Exile headquarters in Paris. This movement is composed of trade union leaders exiled from the communist controlled countries behind the iron curtain and other countries where these leaders are unwanted.

Peyer described some of the factory conditions in Communist Hungary.

"There is a spy to every 10 workers who is forced to report in the most detailed manner on all that happens or is said in the workshop," he related. "If somebody makes a remark about the higher-ups, or is too slow in finishing his work, or rushes away after his work is done, he gets a summons from the political police. He can call himself lucky if he gets away after a thorough beating or if he is not tried before the so-called people's court. All is known to the workers and that is why they distrust each other and live in terror."

He said that in present-day Hungary people can be kept in jail for years without being tried and sentenced.

Peyer said the working day is officially 8 hours but the workers are required "voluntarily" to put in extra hours for the sake of communist causes, to study Russian and attend political seminars "so that workers can only rarely get home to their families before 8 or 9 o'clock in the evening."

Peyer told how the Russians took over his country and warned others to be alert.

"Those who think that their countries cannot be invaded are all wrong," he said. "We once thought that we could resist it. There were people who thought that they could strike a bargain with this system. The results show that they were mistaken. Under peace propaganda slo-

### Leaders Pay Honor To John Dewey, 90

By ARNOLD BEICHMAN  
New York Correspondent for  
AFL News Service

New York.—On the night of Oct. 20, several thousand of the most distinguished leaders in public life, outstanding trade unionists and noted intellectuals, will rise to their feet at a dinner here to pay tribute to a great American philosopher whose thinking and writing has had a profound influence in shaping our contemporary world.

The philosopher is John Dewey, whose 80th birthday will become an occasion at which labor leaders, knowing what this renowned liberal has done to aid the free

gans the communists invaded China and are now engaged in turning their armies and tanks against Yugoslavia. Not even Hitler himself tried as many propaganda tricks as the communist regimes employ in order to dupe the workers."

trade movement here and abroad, will pay him homage.

President William Green in a statement of greetings has declared:

"No one can adequately appraise the value of the service Professor Dewey has rendered in an educational, scientific and thought-provoking field. He has stimulated sound thinking, a more clear understanding of social, economic and scientific problems."

Describing Professor Dewey as "one of the noblest spirits of our time," David Dubinsky, ILGWU president, declared:

"John Dewey is a foremost educator and a revered teacher. To us in the labor movement, he is also a shining symbol of liberal democracy whose idealism and goals are blended inseparably with the aspirations and strivings of the organized working masses."

The ILGWU will also contribute \$10,000 toward a John Dewey Fund to be presented to him to give to

liberal causes. Other labor groups will contribute.

Among outstanding AFL leaders who are sponsoring the dinner are Mark Starr, John P. Burke, John D. Connor, Israel Feinberg, Patrick E. Gorman, George M. Harrison, Marx Lewis, A. Philip Randolph, Rebecca Simonson, Irving R. Kuenzli, Matthew Wolf and Max Zaritsky.

Still vigorous and alert, Professor Dewey takes an active interest in politics and allied issues.

It was he who pressed the American teacher to join forces with the labor movement, who fought for the strengthening of civil liberties, who sought in every way to improve education in America.

### SENATE GROUP INCREASES AID FOR DISABLED VETS

Washington.—The Senate Finance Committee approved a bill which would increase payments to disabled war veterans, and to widows and children of veterans.

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