

CHARLOTTE LABOR JOURNAL

VOL. XX; NO. 47

CHARLOTTE, N. C., THURSDAY, MARCH 29, 1951

Subscription Price \$2.00 Year

WASHINGTON WEEKLY COLUMN

Deadline: June 30

It's time to ask your Senators and Congressmen what they're going to do about the defense program between now and June 30.

That's the day price and wage controls, rent control and consumer and real estate credit controls die. All of these—except the rent ceiling law—are included in the Defense Production Act of 1950.

A good time to talk to your Representative and Senators is during the Congressional recess. Most Congressmen will be at home March 26 to April 1. And many Senators will be at home at least part of that time. Tell them the need for strong action against high prices and swollen war profits.

The messenger boys for Big Business on Capitol Hill are sharpening their knives. They are ready to cut to pieces any legislation that will place a fair share of the defense burden on the business and industrial giants and the landlords.

The oil lobby, the real estate lobby and the various "fronts" for Big Business will try every trick in the book to make sure that the little man will pay most of the taxes while, at the same time, his wages are controlled and his bills for food, clothing and shelter zoom to the skies.

What about your representatives in Congress? Are they willing to close the tax loopholes? Do they want a stiffer tax on war profits? Will they vote for a ceiling on rents?

Talk to them—and ask them to answer you in detail. Remember: June 30 is the deadline!

Home Owner's Holdup

Look at this: A man sells his home for a profit. He then has to pay as much for another house as his old one was sold for.

Is he just as well off? Not on your life.

He has to pay a "capital gains" tax of 25 per cent on the profit he made on his first home—even though he was forced to sell it because he had to move to another city, or for some other necessary reason. So he goes into debt to house his family in another home.

If he sells his house at a loss, he cannot deduct it as a "capital loss" from his income tax. That's because he did not buy the house as a business investment or speculation.

Now look at a real estate speculator:

If he sells a house, he pays the capital gains tax and keeps 75 per cent of the profit. He doesn't have to pay the higher income tax on his profit. And he doesn't have to worry about housing his family because the house wasn't his home.

If the speculator sells at a loss, he can claim a "capital loss" and take it off his income tax.

With hundreds of thousands of defense workers and their families moving about the country, it is necessary that Congress fix the tax laws so as not to penalize home owners who have to sell the houses they live in.

L. RHODES REGISTERS FOR LABOR INSTITUTE IN KNOXVILLE MAY 12

KNOXVILLE.—(Special)—J. L. Rhodes, southern director of organization of the American Federation of Labor, has registered for the one-day labor institute here May 12.

Ed Wells is chairman of the education committee of the Knoxville Central Labor Union, which committee is in charge of conducting the program. Mr. Rhodes will be invited to address the institute.

One great trouble with a past is that it's often an ever-present difficulty.

16 Million Trade Unionists To Fight For Equal Sacrifice In U. S. Defense Emergency

Organized Labor's Program for Action

Sixteen million trade unionists are united behind a six-point program to bring democracy to the defense program.

The six-point plan of action was adopted unanimously by 700 representatives of the AFL, CIO and Railroad Brotherhoods at a meeting March 1 in Washington called by the United Labor Policy Committee.

The program stresses the important fact that unorganized, as well as organized workers, housewives, farmers, small businessmen and pensioned old folks must work together to get a fair defense program.

The most important objective is Congressional passage of a workable Defense Production Act. The present law—cornerstone of the defense program—ends June 30.

The plan of action calls for the formation of local consumer committees, wide distribution of vot-

ing records of Congressmen on defense bills, visits to Senators and Representatives, meetings throughout the country and wide use of all methods of publicity.

Here is the six-point program:

1. Enlist co-operation in support of this anti-inflation program from all community organizations which support our democratic institutions and are devoted to the anti-totalitarian objectives of America's defense program.

2. Promote public meetings, radio and television programs, speeches before community groups and other appropriate means of alerting every citizen to the need for improved defense mobilization and anti-inflation policies.

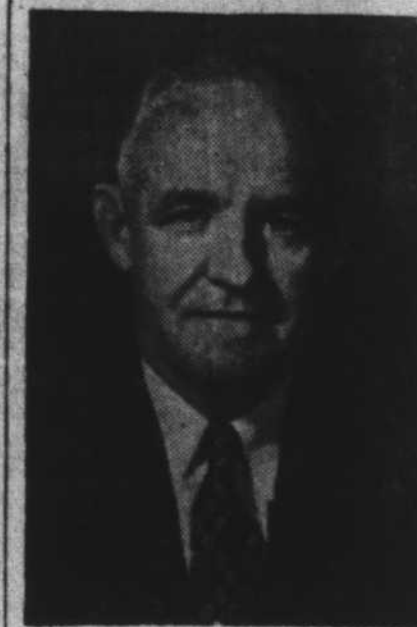
3. Forward letters, telegrams, petitions and memorials to President Truman and Members of Congress in support of the principle of equal sacrifice and fair play in the mobilization program. Our first objective is the improve-

ment of the Defense Production Act.

4. Help establish local consumer committees through which the people may be fully advised of the developments in Washington, violations of price regulations may be publicized, and to cooperate with public-spirited merchants for local anti-inflation programs.

5. Encourage authorized delegations from labor and other groups to seek appointments with Senators and Congressmen during the forthcoming Easter recess to set forth the problems of the consumer.

6. Secure the widest publicity through the labor press and, if necessary, through the purchase of local radio time and newspaper space, for the voting record of Senators and Congressmen on major bills affecting the fight against inflation and for a better defense mobilization program.



DR. FRANK GRAHAM

DR. FRANK GRAHAM SWORN IN BEFORE TOP-LEVEL OFFICIALS

WASHINGTON, D. C. —

Dr. Frank P. Graham was sworn in March 21 as Administrator of the Defense Manpower Administration of the U. S. Labor Department. Attending the ceremony were top-level officials of the U. S. and foreign governments, and representatives of labor, management, and other groups.

Graham is to direct, supervise, and co-ordinate all of the defense manpower activities of the Labor Department, reporting directly to Secretary of Labor Maurice J. Tobin in the performance of these functions.

The new Administrator is former president of the University of North Carolina. He was a member of the National Defense Mediation Board in 1941-42 and a public member of the National War Board from 1942 to 1945. He served as U. S. Senator from North Carolina from 1949 to 1950.

Graham will have as his chief deputy Robert C. Goodwin, who will retain his position as Executive Director of the Defense Manpower Administration.

Among those present in Secretary Tobin's office when Dr. Graham took oath of office were U. S. Senators Olin D. Johnston (S. C.), Herbert H. Lehman (N. Y.), Hubert H. Humphrey (Minn.), Clyde R. Hoey (N. C.), George D. Aiken (Vt.), Harley M. Kilgore (W. Va.), Theodore F. Green (R. I.), and Representative Thurmond Chatham (N. C.).

Others include Dr. Ali Sastroamidjojo, Ambassador Plenipotentiary from the Republic of the United States of Indonesia; Arthur S. Flemming, Chairman, Manpower Policy Committee, Office of Defense Mobilization; Anna Rosenberg, Assistant Secretary of Defense for Manpower; Robert Ramspeck, Chairman, Civil Service Commission; and Frances Perkins, member of the Civil Service Commission and former Secretary of Labor.

Labor representatives included George Harrison, president of the Brotherhood of Railway Clerks, AFL; Jacob Potofsky, president of the Amalgamated Clothing Workers, CIO; and George Weaver, on leave as director of the CIO's Anti-Discrimination Committee and now special assistant to the chairman of the National Security Resources Board.

Labor Department officials present were: Secretary Tobin, Under Secretary Michael J. Galvin, Assistant Secretaries Ralph Wright and Philip M. Kaiser, the heads of various bureaus of the Department, and Mary T. Norton, woman power consultant to the Secretary of Labor.

The New Jersey State Federation of Labor has gained 111 new union affiliates in five months. Thirty-nine different crafts are represented.

McCarthy, McCormick Boss Butler Now As They Did In Maryland Election Campaign

Sen. John M. Butler (R., Md.) is being called the Charlie McCarthy of the Senate. Part of the time Butler sits on the knee of Sen. Joseph McCarthy (R., Wis.). The rest of the time he is on the knee of Col. Robert McCormick, publisher of the Chicago Tribune. If neither McCarthy nor McCormick is around, Butler says nothing.

The Washington Post pointed out March 15 the voters of Maryland "were hoodwinked into purging Millard Tydings — and they got in his place a Charlie McCarthy."

Testimony before a Senate Elections subcommittee investigating the 1950 Maryland Senatorial campaign shows how McCarthy and McCormick put words into Butler's mouth:

1. The Butler campaign newspaper with a fake picture showing Former Sen. Millard Tydings (D.) and Communist leader Earl Browder talking in a friendly way was McCarthy's idea. Most of the material in the paper came from McCarthy.

The paper was written, edited and printed by McCormick in the plant of the Washington Times-Herald, which he owns.

2. McCormick imported from Chicago to Maryland a manager for Butler's campaign. The manager, Jon Jonkel, a Chicago press agent, told the subcommittee how he spoon-fed Butler:

"We would have to dictate part of his releases and part of his statements over the telephone to him. He followed that day in and day out across the State."

GETS UGLIER

"The deeper the Monroey subcommittee goes into the Maryland senatorial campaign the uglier it all gets." — St. Louis Post Dispatch, March 1.

3. Butler's campaign manager worked closely with McCarthy. McCarthy's henchmen were in and out of the Butler campaign office all the time. McCarthy gave his office staff orders to do everything they possibly could for Butler.

4. McCarthy's office was a clearing house for funds for the Butler campaign. McCarthy begged the duPonts, wealthy Texas and Oklahoma oil men and other big businessmen for money for Butler's campaign.

Several thousand dollars in Butler campaign contributions were rounded up by McCarthy and funneled through his office to the Butler headquarters in Baltimore.

5. McCarthy got \$5,000 from Alvin Bentley, wealthy Michigan industrialist, to pay for mailing Butler post cards throughout Maryland. The actual mailing was supervised by McCarthy.

Now McCarthy is trying to save Butler's neck in the present investigation:

Two men who work for McCarthy and another who used to, have admitted talking over their testimony before the subcommittee in advance with McCarthy. Part of the testimony of a former employee was written in McCarthy's office.

LABOR SHOULD GET RIGHTFUL PLACE IN EMERGENCY SETUP

The International Ladies' Garment Workers' Union strongly urges a voice for Labor in the Mobilization program.

"Among the great sectors of our population, Organized Labor, as spokesman for the millions of wage earners and their families, obviously should take its rightful place in the Defense Mobilization Policy-making and Policy-Execution Agencies," the Executive Board of the ILGWU said in a recent statement.

"Simple and understandable as this is, the emerging mobilization apparatus presents a picture of practically business monopoly as if executive talent is the gift solely of our bankers and industrialists."

"In the light of the fumbling and wholly ineffective initial price-control regulation promulgated after weeks of procrastination, weeks that were utilized by most business interests to jack up prices mercilessly, the Wage Earners of America have a right to believe that with Labor Representatives in the Policy-Making Agencies such farcical price control without any rollbacks of any kind would not have been possible."

DEFENSE AIDED BY CONGRESSWOMAN

Former Rep. Mary T. Norton (D., N. J.) is advising the Labor Dept. on the role of women in the defense program.

Appointment of Mrs. Norton as "womanpower" consultant to Secretary of Labor Maurice Tobin was announced March 20. Mrs. Norton also will be chairman of the department's Women's Advisory Committee on Defense Manpower.

Last year Mrs. Norton decided to retire from the House, where she had served with distinction for 25 years. One of the best friends the working man and women of America have ever had in Congress, Mrs. Norton was chairman of the House Education and Labor Committee for several years.

She was one of the leaders in the fight for the Wagner Act and the Wage-Hour Act. She is a vigorous opponent of the Taft-Hartley Act.

Social Security Program Should Be Extended To Give Fuller Coverage

The nation's social security program looks pretty good. But it still not enough. The social security amendments of 1950 strengthened the program and brought 10 million more persons under its coverage.

There still are 15 million farmers, farm workers and other self-employed people in miscellaneous industries who are not covered.

"So long as there remain large groups and major economic risks which are not covered, the program falls short of fulfilling its purpose," the Social Security Ad-

ministration says in its 1950 report.

The Social Security Administration makes these recommendations:

1. A national system of contributory social insurance. A national system of social insurance administered on a decentralized basis is the most economical way of getting benefits to those who need them.

2. Complete coverage of all workers. Coverage should be extended so more families could provide for themselves.

3. Protection against loss of (Continued On Page 4)

WASHINGTON — Representatives of 16 million trade unionists have issued a Declaration of Principles to be followed in the fight for a democratic defense program.

The declaration was approved unanimously by 700 leaders of the AFL, CIO and Railroad Brotherhoods at a meeting March 21 in Washington. The meeting was called by the United Labor Policy Committee.

In clear, simple language the declaration shows the people have been frozen out of the defense program by the big businessmen running it.

"As the defense mobilization program has unfolded, we have come to the inescapable conclusion that the democratic principle of equality of sacrifice has been abandoned by the Congress and by those charged with the administration of the mobilization program," the declaration states.

Here are some highlights of the declaration:

Defense Production Act
The present Defense Production Act, adopted by Congress last year, expires June 30. It contains fatal weaknesses and built-in special privilege. Yet, it provides insecure foundation for our whole defense stabilization program.

Congress must proceed immediately to the consideration of a new Defense Production Act. It must eliminate dangerous defects in the existing law . . . Is it our duty, the duty of the American people, to notify Congress in clear and unmistakable terms that we insist on an honest and effective law to serve as the basis for a revised defense program . . .

Price Controls
The price orders issued by the Office of Price Stabilization . . . represents a fraud and a deception of the public. Instead of controlling prices and rolling back living costs to reasonable and justifiable levels, the Office of Price Stabilization has approved margins of profit which admittedly will result in even higher prices.

Wage Stabilization
Any system that freezes wages and salaries before it controls the cost of living is a system of oppression, not stabilization. An equitable system of wage stabilization can only be made effective when living costs are actually controlled . . .

The wage program can and should be flexible enough to permit justice and equity to be done

Corporate Profits Jump 22% After Korean War

Corporate profits increased by 22 per cent in the six months between the time the Korean war started and January 1, 1951. That's after all taxes, including excess profits taxes, were paid.

The President's Council of Economic Advisers reports the annual rate of corporate profits amounted to \$20.9 billion in the quarter ending last June 30. They skyrocketed by \$5.8 billion to \$26.7 billion—an all-time record—by January 1.

That also is a jump of \$10.7 billion over the \$16 billion rate for the first quarter of 1950, and an increase of \$9.8 billion—or 73 per cent—over the rate for the last quarter of 1949.

Did your pay increase 22 per cent in the last half of 1950? Did it jump 73 per cent between December 31, 1949, and December 31, 1950?

Here are some profit statements by well-known companies.

International Nickel
The International Nickel Co. made, after taxes, 50 per cent more last year than in 1949. In 1950 International Nickel's profits totaled nearly \$49 million. That's about \$17 million more than its 1949 profits of a little better than \$32 million.

Celanese Corporation
The Celanese Corp., the nation's biggest textile firm, reported 1950

to the nation's wage earners. It must honor all existing collective bargaining agreements, protect basic living standards, allow for improvements in keeping with technological progress, and permit adjustments to correct hardships, inequities and substandard wage rates. . . .

Housing And Rent Controls
Congress has failed the people on housing programs and rent control. Here again the Administration has not fought hard enough to protect the public interest.

With acute housing shortages still existing, tight rent controls must be enacted for the duration of the national emergency. The Government cannot evade its responsibility for making certain that defense housing is available at reasonable rents for workers moving to defense production centers.

Taxes
The heavy costs of the defense program can and should be financed on a pay-as-you-go basis, insofar as possible. Labor accepts its fair share of the unavoidable burden, as do the American people generally . . .

Our tax laws must be made to conform with the historic American principle that taxes should be levied in accordance with the ability to pay.

Civilian Manpower
Civilian manpower policies and administration can and should be entrusted to responsible representatives of management and labor on both national and local levels. Any system which conscripts citizens to work in industry is no longer free.

Participation
From top to bottom, the defense program has been staffed by men drawn from executive positions in big business.

Labor, the farmer, small business and independent consumer groups must be given full representation on all mobilization and stabilization agencies — at the policy making and administrative levels.

profits, after taxes, twice as big as in 1949.

Profits last year totaled more than \$40 million contrasted to 1949 profits of only around \$21 million.

Lockheed
Last year Lockheed Aircraft Corp. made, after taxes, \$7.2 million—almost one-third more than its 1949 profits of \$5.5 million.

Curtiss-Wright
Curtiss-Wright Corp. announced its profits, after taxes, last year more than doubled. In 1950 Curtiss-Wright made \$7.8 million. In 1949 the company earned only \$2.8 million.

Motorola
Last year Motorola, Inc., a big television and radio company, made after taxes, 142 per cent more than in 1949. Its 1950 earnings amounted to \$12.8 million contrasted to only \$5.3 million in 1949.

J. C. Penny
J. C. Penny Co., a department store chain, announced its 1950 profits, after taxes, set a new high. Last year Penny's earned almost \$45 million. That's \$3 million more than its previous record profit of nearly \$42 million in 1949.

Cities Service
The Cities Service Co. reported it is in the "strongest financial position in the company's history." (Continued On Page 4)