

# RISING PRICES WORRY LEADERS

## Labor Situation Is Also Causing Trouble In Washington

(Special to The Press-Maconian)

WASHINGTON, March 31.—Rising prices of consumer goods and the labor situation are the main worries of the Administration, and are regarded by many as constituting the "crisis" which President Roosevelt spoke of when he asked Congress to authorize him to make changes in the Supreme Court so that emergency legislation would be held to be Constitutional.

That prices are rising faster than the incomes of most Americans are rising is disclosed by official statistics of the Government, and that this process will continue so long as the Government continues to operate on borrowed money, is the gist of the warning sounded by Governor Marriner S. Eccles, of the Federal Reserve Board. Mr. Eccles' proposed remedy is to cut down Federal expenditures and impose new taxes, in order to balance the budget as soon as possible. This is not in accord with the ideas of some other members of the Cabinet, who do not want to have the expenditures of their departments curtailed.

On the other hand, Secretary Wallace of Agriculture has indorsed Mr. Eccles' views, and Secretary Roper of Commerce agrees, while Treasury Secretary Morgenthau is resisting as strongly as he can the demands of the spenders to be allowed to keep on spending.

### Inflation Warning

The force of Mr. Eccles' warning has not been lost on the leaders in Congress, who have been warned many times from other sources that unless there is a firm check upon the present inflationary trend there is great danger of another collapse which might be as serious as that of 1929 and which, if it should occur before the election of 1940, would seriously affect the chances of the Democratic party continuing in power. But offsetting that in the minds of many leaders are considerations of immediate political concern. Spending money, particularly for relief, makes votes; to stop spending it might lose enough votes in many districts to unseat Congressmen who will come up for re-election next year. Also, taxes are unpopular, unless they can be imposed only on wealthy individuals and corporations. That those who are now paying taxes in the "upper brackets" can pay enough more to bring the Federal outgo and income into balance is considered doubtful.

That means that any new income taxes must be spread downward, to reach the lower incomes, which would be politically risky, or must be in

the form of excise taxes on commodities, which might be equally unpopular. However, Congressional economists and tax advisers are diligently studying the possibilities in both of those fields. There is talk of new excise taxes on coffee, tea, sugar—which seems quite certain—salt, steel and electrical appliances. Just at present both Senate and House spokesmen are saying that no new taxes will be necessary. That can be dismissed as the usual line of political talk heard every year at this period in the Congressional session. The practice has been, and doubtless will be this year, to "hush-hush" on taxation until along in July or August, and then rush through a new tax bill.

### Labor Policy Needed

Out of the labor situation precipitated by the "sit-down" strikes in the automobile industry has arisen a strong demand for the clarification of the Government's labor policy. There is, indeed, no definite labor policy on which all elements in the Administration are agreed. The major item of labor legislation, the Wagner Labor Relations Act, is still before the Supreme Court awaiting decision as to its constitutionality. That it is an inadequate tool in any serious labor dispute is indicated by the fact that it has not been invoked in the automobile strikes. It places no power in the Government to intervene unless the organized workers in an industry call on the National Labor Relations Board for aid. Employers cannot, under the Wagner Act, take the initiative in calling for a decision as to the rights or wrongs of a dispute with their employees, and no power is lodged in any Government agency to compel workers to accept the Labor Board's decisions if they should be contrary to the workers' demands. Regardless of the constitutionality of the Wagner Act, there is a general consensus that an entirely different kind of labor legislation is needed. The Railway Labor Mediation law has worked admirably in maintaining excellent relations between railway workers and the roads, and under it the railway brotherhoods have not only maintained the respect and good will of the companies and the public, but have steadily bettered their own economic condition. Searchers for a new Federal Labor policy point to this mediation law as a good base to start from, while much study is being given to the British Labor Act, which places much more responsibility upon organized Labor than any statutes so far enacted in this country.

Privately a clear majority of Senators admit their opposition to the President's Supreme Court proposal; publicly not so many are willing to go on record. Seeking a basis of compromise, the proposal to authorize two additional Supreme Court justices seems likely to be acceptable to Congress, but whether it would be to the President, who has declared he will accept no

## Uncle Jim Says



It takes nature 500 years or more to make an inch of topsoil. What a shame some folks don't realize how fast land goes when erosion sets in.

compromise, is another question. It is possible that out of the agitation may come the submission to the states of one or more Constitutional amendments. More than twenty resolutions for amendments have been introduced in both houses. One which has long been discussed would limit the President to one term of six years. Others would limit the power of the Supreme Court to declare acts of Congress invalid, and several of the proposals undertake to broaden the grant of power to Congress to include many kinds of social legislation and to take from the states many of the powers now reserved to them.

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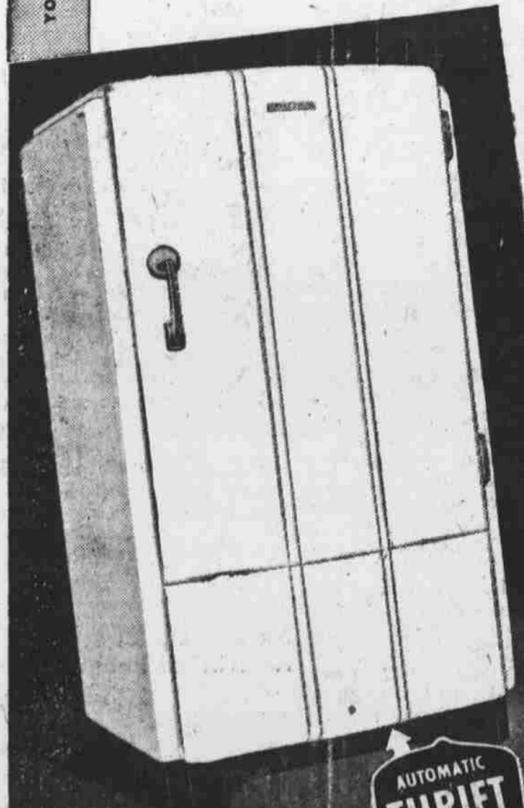
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