

LABOR ACTION

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BUSINESS IS PICKING UP . . . (See box on page 6)



Control over Prices, Not Wage Control, Needed Now

By MARY BELL

In this era of the fifty-cent dollar, coins don't count for much. Nickels look and act like pennies. The nickel candy bar will cost a dime and so will the five-cent phone call. Two-cent newspapers cost a nickel. Pennies don't excite the children any more.

The \$35 suit is \$50 and all woolen garments are going up. Except in New Jersey, a dollar won't buy four gallons of gas. The roast beef that used to be a couple of dollars is now so high that it's likely to be fish.

If we consider the 1939 dollar worth 100 cents, it dropped to 77 cents in 1945 after World War II and plunged to 58 cents at the start of the Korean war. It's still plunging, so that to speak of a 50-cent dollar is not rhetoric.

Coming in the midst of an already inflated economy, the "little war" in Korea has caused a big round of inflation. Given the na-

tional trend toward more and more war production, we can only anticipate inflation compounded, until at long-suffering last, price controls will have to be put into effect. The overwhelming probability is, if the mandate of the 81st Congress to key wage control to price control is carried out, that the working people will take it on the chin as usual.

The National Production Authority has already started issuing DOs (defense orders) which establish priorities. Thus far, they concern only military items. The priority orders admittedly give a new push to the old spiral. This situation is especially serious because of the differences in the status of the economy since the period of World War II. The orders then came at a period of low production, widespread unemployment and consequent lack of consumer demand. The war orders now cut into an economy in high gear: high pro-

duction, high level of unemployment, high demand.

LESS FOR MORE

This condition means further that while both guns and butter are now being produced simultaneously, the trend must be, as the war orders are stepped up, toward more guns and less butter.

Thus less relatively will be produced for civilian needs—and the standard of living, most particularly of the working-class consumers, will take a beating. But not only will there be less of the necessary commodities to maintain a decent standard of living available: they will cost more.

Because of the shortage of goods, there will be a dollar surplus. Hence, prices will rise, as consumers compete for goods. It is estimated, for instance, that there will be a 10 to 15 per cent cut in the production of automobiles by next year.

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DIRT—BUT NO POLITICS

Labor in Middle As Muck Thickens In N. Y. Election

The main political comment to be made on the juicy scandal which has broken over the New York elections is that it underlines what has already been quite clear: this year's election in the state is on the lowest political level in a very long time.

For us and for others who wish to see an increase in labor's political strength and effectiveness, the other thing that is clear is that the labor movement here has done nothing to change this but on the contrary has made this sterile state of affairs possible by the policies it has pursued.

We cannot get at all excited over the disclosures surrounding the Hanley-Dewey deal which is giving the Democrats a field day. In brief, it has come to light that Governor Dewey decided to get himself "drafted," and clubbed Lieutenant Governor Hanley—who was indicated for the Republican gubernatorial nomination—into running instead for the Senate by a promise to clear up his debts and by the further pledge of a state job sinecure if he should be defeated by Lehman.

Its "sensational" character, of course, is due to some very interesting factors: It breaks three weeks before election day, at a good moment to make the Democrats jubilant over prospects of a sweep in the state. The key exhibit itself is a letter written by Hanley on September 5 to Westchester GOP leader Macy (who, one gathers indirectly, saw to it that the letter leaked out in order to knife Dewey and

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Los Angeles Judge Rules that City 'Anti-Red' Law Is Illegal

Last month an ordinance went into effect in the county of Los Angeles requiring "all followers of Marx, Engels, Lenin, and Stalin to register with the proper authorities at the county court house. Shortly thereafter several townships and cities in the county passed identical bills.

So all inclusive was the Los Angeles law that when the authorities prepared to make arrests under it they found themselves tied in legal knots, for there was absolutely no precedent to go by.

Finally, however, several arrests were made. Last week the law met its first legal test in Belvedere township, a working-class section to the east of Los Angeles. The justice of the peace in that township's court, Myer B. Marion, demanded the release of Harry Steinberg, the first person arrested under the law, with the statement that the law violates the Constitution of the United States.

This ruling will be reviewed in the Los Angeles County Superior

Court and if sustained would have to be taken to the United States Supreme Court if any attempt is made to overrule it.

If the statement of S. Ernest Roll, the chief deputy district attorney of the county is any weather-vane, it seems that the ordinance will be declared illegal. It is his opinion that this law "intrudes upon the jurisdiction of the federal government," which already has the McCarran Law to purge the population; and to allow any city or county to go ahead with their own laws would make for "maladministration and utter confusion."

Roll makes no reference to the fact that the ordinance is unconstitutional, as does Justice Marion, for by the reasoning of the latter the McCarran Law is also "a violation of the rights guaranteed to individuals under the First and Fourteenth Amendments."

Marion's decision is a courageous and welcome one, especially in the climate of "anti-red" hysteria which is prevalent.

N.Y. Labor In the Middle — France —

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perhaps ruin his career, as the outcome of a bitter inner GOP faction fight).

This letter deserves a place in the history of capitalist politics for its pitiful personal picture of a broken hack politician anxious only to secure a steady income for himself. But that place need be only a footnote, since it is not true that the essential trouble with capitalist politics is such undisguised and crude self-seeking monetary motives.

As political scandals go, this one reveals only what everybody already knows. The indignation and "shock" which is being expressed over the revelations are 99 per cent phony: *everybody*—or next to everybody—knows that the Democratic Party manipulates its nominations in exactly the same way and with the same methods, and that it is all standard stuff in politics-as-it-is-practised.

As the N. Y. Times editorial put it, with polite fine cynicism: "Lieut. Gov. Joe Hanley's giving the earthy details of why he changed his mind about running for governor proves once again that politicians should telephone, not write." And that is literally just about all it proves.

Look Who's Getting Shocked!

The hypocritical indignation of the Democrats is all the more blatant since it has been revealed that, in this very same campaign, they attempted to bribe off internal opposition also. Vincent Impellitteri (former Mayor O'Dwyer's righthand man who is now running for the joint job of city boss and Tammany boss) charged that he was offered a Supreme Court judgeship if he didn't run. He refused the package only because the temptation was not great enough to counterbalance the higher stakes he had in mind.

We venture to say that there are few political literates who doubt the truth of his accusation. The only difference is that no one wrote it down in a letter.

So the chief—almost the only—issue filling the air in the New York fracas is the old and stale one of "corruption," with the Democrats and Republicans going to town on each other, and with truth on both sides. And right in the middle of this muck is the labor movement and the Liberal Party, with nothing better to offer.

It is Tammany versus the "shocking" Hanley-Dewey reprobates. On the city level, the Democratic O'Dwyer administration now stands out as a sink of corruption, blown open by the current investigations—and both the AFL and CIO supported O'Dwyer last year. The Liberal Party did not; it supported Republican Newbold Morris (who is now, incidentally, supporting the Republican candidate for mayor Edward Corsi). This year, after all that, the same Liberal Party is supporting the Tammany candidates.

In view of the pained outcries over the way in which Dewey bludgeoned Hanley into line within the GOP, it is interesting to re-read (it was quoted only last week in LABOR ACTION) the frank formulation of capitalist politics by Democratic boss Flynn in his book *You're the Boss*:

"The boss is absolute within the organization. There is no appeal from his decisions . . . it is essential that no one

successfully challenge the decisions of the organization. Every challenge must be met head-on and beaten, if the organization is to survive." Their slogan is "The public be damned!"

This is what Boss Flynn writes in a book for all to read. Compared with the dirty details on how it is put into execution, the Hanley-Dewey scandal is a relatively mild echo.

The Liberal Party's policy in this election was made up on the basis of such deals with the same Boss Flynn and the other four borough bosses of the Democratic-Tammany machine in the city. In selling their line to the Liberal Party ranks, the Liberal leaders virtually proclaimed this (if anybody needed the assurance), with the added proviso that it was all necessary to ensure the continuation of Lehman in the Senate.

At the same time, the city AFL Council is supporting O'Dwyer's Impellitteri, the city CIO is supporting Tammany's Pecora along with the Liberal Party, and several labor leaders are endorsing Republican Corsi.

After the Dirt—What?

And so in the midst of the muck, there is not a single labor voice capable of speaking out against the whole kit and caboodle of this exhibit of capitalist politics stripped down to its dirtiest. Not a single meaningful political issue has been brought to stand out, for the voters to make their choice.

An independent party of labor could have really stood out in this kind of situation, untainted by either party-machine sewer and appearing before the people as a fresh, politically significant voice. It could have made hay while the two old parties flung the dirt around.

Today, however, the labor movement is completely lost from view and from political effectiveness behind the flying clods of dirt. The "scandals," the "revelations," the nine-day "sensations,"—the dirt, in short—will be forgotten the day after the election, having accomplished their purpose of getting this or that machine politician elected.

And when it is all over, labor will still be where it is today—and start all over again to convince itself that, BECAUSE it is still in the same spot, it must still continue to make deals with the discredited machines, going around the vicious circle again.

We know that it must and will break out of that. It will get nothing important out of it—except, to be sure, the disillusionment of experience. The only question is: How long? Politically-conscious CIO and AFL workers and the ranks of the Liberal Party ought to answer: the quicker the better. Right now—form your own party of labor and break loose from the tie-ups with the Democratic and Republican machines!

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operations" in France cease during the summer months of July, August and September. The month of October is usually spent in readjustment and a "prise de contact" by all the different tendencies, etc. In the public eye, the issues of German rearmament and reform of the electoral system (aimed primarily at the Stalinists) are the major issues at present. The masses are certainly against German rearmament, particularly in the form in which it has been presented.

The Stalinists, not particularly aggressive or militant at present, conduct the same type of campaign familiar to their world movement. They are certainly much feebler than two years ago, but since their rivals and opponents have similarly declined (if not more so), the relationship has remained substantially the same. The present coalition government is exceedingly weak and may not last out the new session because of renewed pressure for the Socialist Party to leave the coalition, as well as the differences over electoral reform which would liquidate the present proportional-representation system to the disadvantage of particularly the Stalinists, Socialists and Radical Socialists.

The anti-Stalinist and socialist "left" has suffered most of all since the collapse and death of the RDR movement. There is not a single serious newspaper or magazine today which upholds Marxist or socialist ideas. This is perhaps the lowest note in the entire picture. The various leaders of the socialist left have not only been politically scattered, but appear to have momentarily lost their traditional powers of initiative and creativeness which have so long characterized this country. They are presently following various tendencies (Titoism, pro-Americanism, Stalinism, etc.) rather than trying to work out independent solutions to their numerous, often apparently overwhelming, problems.

Such is our first impression of France, autumn season of 1950; an impression we hope to enlarge upon from time to time.

Price Control Needed —

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The Bureau of Labor Statistics reports that wholesale prices on 28 BASIC COMMODITIES have risen almost 24 PER CENT since the beginning of the Korean war. It says that the rise has been 31 PER CENT on industrial items. That is, since June!

The Air Force announces that on account of a 128.9 per cent rise in the price of rubber, 23.6 per cent in copper and 32.9 per cent in tin—SINCE APRIL OF THIS YEAR—the resulting increases from the Congressional increase in the air arms for 1950 has added \$360 million to the bill. (Both guns and butter are going up in price.)

It might seem at first blush that the government, by not enforcing price controls, is raising prices for its own purchases. But it is ultimately the taxpayer who foots the bill. All of the working and salaried people have felt the recent across-the-board tax increase. This is part payment of the military bill, already. It is also conceived of as an anti-inflationary measure.

However, it is precisely this equal-sounding "across-the-board" feature of footing the income tax bill that makes for the inequity. Those with the lowest incomes, the narrow economic shoulders, bear proportionately the bigger load in terms of what the rise in taxes does to their living standards. Additional taxes and the hidden taxes of inflation strike hardest on the low-income families, mean less butter, shoes and clothing.

"LITTLE WAR" ECONOMY

So far, with its ear cocked to the business constituents who will fill campaign treasuries, the govern-

ment has only put its little finger in the dike to stop inflation. Inventory controls to stop industrial "hoarding," instalment credit curbs which again hit the lower-salaried hardest, and the income tax rise—this is about the extent of its activities.

What is the situation with business? Basic big business has only expansion to look forward to, whether the end of the war in Korea signals an end to war for the present, or whether World War III impends. The orders for steel are just beginning. The Korean war has given a 50 per cent additional spurt to steel plans for additional production.

As knowingly stated in *Business Week* of Oct. 7: "Steel executives aren't ones to put up a lot of money just to make the government happy. What has spurred the new upsurge in expansion is the prospect of steadily growing military spending, plus the continuation of record consumer buying. In setting up their expansion plans, the steel companies are backing their judgment on the long-term demand for their products." The article adds that they may expect help from the government in the form of a "tax break" on their new plant.

By January 1, 1953, the steel companies expect to raise capacity from the 1950 level of 100.6 million tons to 110 million tons a year. A similar expansion will be felt throughout basic industries. Aluminum producers are working out new figures based on requests of the Munitions Board.

So the war means bigger production and accompanying bigger profits for the manufacturers.

How can the workers' lot possibly be equated with that of big business?

"WORST TRAITS"

Yet it is by just such a false equation that the false "equality of sacrifice" program of the last war was produced. Arthur Kroek, administration adviser, writing in the *New York Times* of October 8, advises "more self-restraint on the parts of industry and labor."

Kroek lays the responsibility for the current inflation at the door of the government, however. The demands made on the economy for the Korean phase of the war, he reasons, do not represent the kind of drain that would produce the type of inflation we are undergoing. He says the inflation is rather due to "psychological" factors and what he calls "the worst traits of human nature."

Whatever they mean to Kroek, the "worst traits of human nature" in a socialist lexicon refer to those traits that would make profits out of war. The legitimate demands of the unions for wage increases for their members in response to a price situation which threatens to cut into their basic necessities are not profiteering. That is why it is unjust to peg wage control to price control, as Congress did.

Prices should be controlled. The wealthy should be taxed. The war should be paid for by those who can afford it. The profits should be taken out of war. On all this the president is still silent, still insists that price controls are not yet necessary, and the labor officialdom continues to speak in tones too soft to cause anyone to listen closely.

Los Angeles Yipsels Back Third-Camp Policy on Korean War in Student Mag

LOS ANGELES, Sept. 29—In a forthright statement distributed on Los Angeles college campuses, the Westwood Socialist Club and other California university socialist groups have come out against support of the Korean war and of U. S. imperialism. The Westwood Socialist Club is composed of students at the University of California (UCLA).

Their statement is particularly interesting and welcome since the most influential political group among these clubs is the Socialist Party's youth organization, the Young People's Socialist League. The Socialist Party and YPSL nationally have taken an open and

crude pro-war position.

The socialist students' statement appeared in the latest issue of their local publication, the "Spark." Part of it read:

"As socialists, we cannot support the Korean war. It is a war between two imperialist forces and the people of Korea will lose regardless of which side is victorious."

"We condemn the Communists of North Korea for playing upon the social needs of the people to put forward a program of military aggression against South Korea. We also condemn North Korea for its domestic government which is a totalitarian regime.

"But we cannot support the war by the United States because it is a war to establish a government as corrupt and reactionary as the Communist government. We condemn the United States for establishing and supporting the fascist regime of Syngman Rhee. We believe that it is just such support of fascist and reactionary regimes throughout the world by the United States that forces the people into Communist hands and makes possible such aggression as is now taking place in Korea. Though we cannot support either side in Korea we believe there is still time to save the rest of the world from going to war for the same reasons."

Next — A Labor Party!

by Jack Ranger

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