

LABOR ACTION

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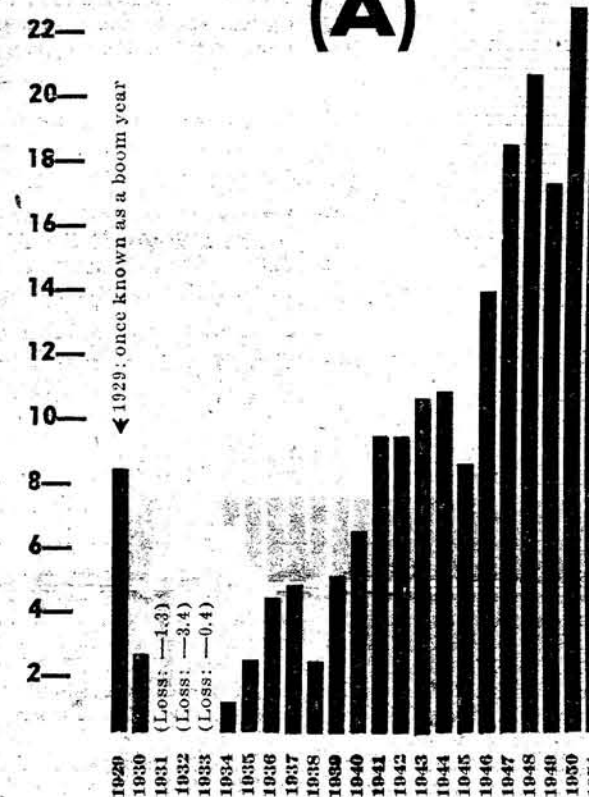
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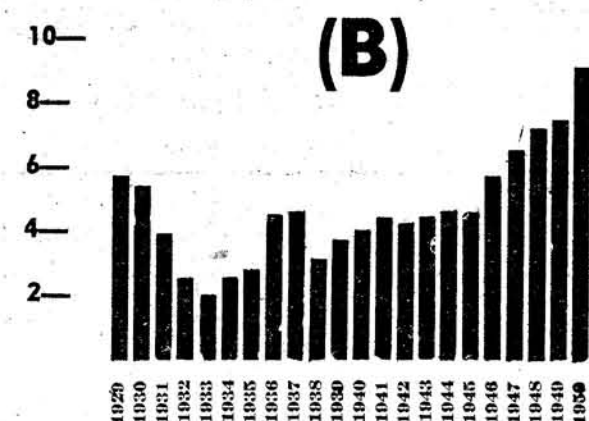
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'Welfare State' (A)



Above is picture of the **PROFITS OF ALL MANUFACTURING CORPORATIONS**, in billions of dollars, from 1929 to 1951, according to official figures of the Commerce Department. Note that all profit figures are **AFTER TAXES**. Figure for last year shows corporate profits were more than double what they were in 1945, when peace broke out. (Figures **BEFORE** taxes for last year set an all-time record: \$45.4 billion.)



Above is picture of **CASH DIVIDENDS PAID** by all manufacturing corporations, from the same source. Note the steady climb since 1939, not even interrupted by 1945. The year 1929, first in the graph, was once regarded as a boom year.

(C)

The following item, in its entirety, is from the railroad unions' weekly *Labor*, which drums for the Fair Deal and its welfare state week in and week out—while at the same time it "exposes" the reactionaries who yell about presidential over-spending. This one is in the second mood:

"Some surprising figures, exploding the idea that this country is becoming a 'Welfare State,' are provided by the California Institute of Social Welfare, an organization which has a reputation for 'straight shooting.'

"The Institute counted up all federal, state and local taxes, and sorted out the money spent for all kinds of 'welfare.' The resulting figures apply particularly to California, but would be similar for any other state.

"'Back in 1939-40,' the Institute points out, 'welfare took 31½ cents of your TAX dollar. Today, only 7 cents of your tax dollar goes for welfare. Of your INCOME dollar, only 2 cents goes for welfare compared with 5 cents back in 1939-40. So,' the Institute asks, 'where is the Welfare State?'"

80-85 Percent of Truman Budget Goes for the War

By GORDON HASKELL

The president's economic report and his budget message do little more than to dot the i's and cross the t's on his State of the Union message. They clarify the central political fact of 1952: the complete subordination of the "Fair Deal" to the permanent war economy, and the essential agreement of the Republican and Democratic Parties which has been achieved as the result of scuttling the Fair Deal.

The staggering size of the budget has raised cries of pain from representatives of both parties in Congress. A federal expenditure of some \$85.4 billion is something to give pause even to Americans who have become accustomed to astronomical monetary figures. A deficit of almost \$15 billions, which is a larger figure than the total budget for any year of Roosevelt's New Deal up to 1942 is something to ponder for a nation which is already paying out over \$6 billion a year in interest on the national debt.

Yet it is generally recognized that little if anything will come of the demand for "economy." The government will start the 1953 fiscal year (starting July 1, 1952) with almost \$73 billion in funds already appropriated or authorized by Congress. The commitments are already so huge that only small sums can be shaved here and there unless Congress is to reverse its whole previous policy, and even these sums will have to come out of the tiny part of the budget assigned to carrying on the "civilian" work of the government.

The story of the scuttling of the Fair Deal is told in the figures for what is now called "national security programs,"

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IT'S REUTHER vs. REUTHER But Companies Applaud His 'New Technique'

By WALTER JASON

DETROIT, Jan. 18—Although it wasn't intended, two policy speeches delivered during the past week in Washington, D. C. gave the appearance of a debate between the public figures involved.

Just a few days after Walter P. Reuther, president of the United Auto Workers (CIO), spoke in the caucus room of the capitol, demanding more steel for the auto industry, Winston Churchill, speaking for the Tory government of England, asked for congressional approval of more steel for England.

Each claimed that if his point of view prevailed, it would be in the interests of "defense."

What a pity that the chairman of the welfare of the people.

Perhaps the fact that the chairman of this Housing Committee happens to be the same Walter Reuther makes difficult the presentation of this third point of view.

As a solution for the unemployment problems of Michigan and elsewhere, what is a sounder social approach: demanding steel and war work in the auto shops, or the housing program advocated in 1949 by Walter Reuther?

Then a contrast between those politicians whose main concern is to prepare this nation for war, could have been made with the viewpoint of a labor leader, concerned with the basic prob-

ate Banking Committee in February 1949, Walter Reuther proposed using idle aircraft and other plants for building 20,000,000 low-priced prefabricated houses. The project would cost \$120 billion over a sixty-year period, according to Reuther then, Suppose that program were compressed into two ten-year periods, the cost in relation to the annual military budget in America would still be almost a trifle.

WHAT'S CHANGED?

Senators who object to another part of the UAW present program, namely to increase unemployment compensation for auto workers, could hardly object to a demand for work instead of what they call a "handout."

Would the auto workers be happier building new homes they could live in rather than building war materials which might be digging their own graves?

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Truman Budget for the War — —

(Continued from page 1)

and in plain English means "military and economic rearmament."

It is proposed to spend \$51.2 billion directly on the military services, \$10.8 billion on foreign military and economic programs, \$3.2 billion on the development of natural resources, mostly for military production, \$1.6 billion on transportation and communications, also mainly for military purposes.

When we add to that the \$6.3 billion in interest payment on the national debt (most of which, incidentally, has been accrued during past wars), a total of \$73.1 billion in military and other non-productive expenditures is reached.

KEY TO THE BI-PARTISAN DEAL

As contrasted with that, the government proposes to spend \$4.2 billion for the veterans (also an expense of previous wars), \$2.7 billion on social welfare, \$1.5 billion on agriculture, \$1.3 billion on education and housing (much of the latter in "defense housing"), \$1.1 billion on the programs of the Departments of Labor, Commerce and the like, and a billion and a half for general governmental expense.

This is a total of \$12.3 billion, only eight or nine billions of which can be considered in the general category of providing for the welfare of the citizens, even if we stretch the category to its limits.

This proportion of the military and related expenditures to those proposed for welfare is the key to the lack of real disagreement between the two parties in Washington. After all, the Fair Deal was one way of keeping the economic system going without major crises of unemployment which might have serious political results. The Republicans and a large section of the Democratic Party opposed this method of keeping capitalism going. Now both parties find that they can agree on the present method: that of floating the system on a gunbarrel.

This agreement is reached at the expense of the workers and the "little people" of the country in general. The struggle over the Fair Deal was at least a disagreement, in part, over how much the government should seek to relieve the plight in which this economic system keeps the majority of its people. Old-age pensions, unemployment insurance, and similar programs did afford some measure of relief.

THE BY-PRODUCT IS—WAR

But the military program is of an altogether different nature. At the levels of expenditure proposed by Truman there is no doubt that the government will be pumping enough money into the economy to keep it operating at high levels at least through 1954. But in human terms, this means that the higher taxes, higher prices and eventual shortages in goods will bear down most heavily on those who are least able to support the burden. Without a genuine price control program (and none is in sight), the governmental expenditures will boost prices, while the money with which to pay for consumer's goods will trickle down from on top after the industrialists have taken their buckets-full.

It is impossible to predict now exactly what this will mean for the real standard of living of different groups in the population. The capacity of U. S. industry to expand, although not limitless, is so great that it would be rash to predict a drastic fall in the standard of living of the nation as a whole in the next period if expenditures are kept at the projected levels. That is one of the big differences between the impact of this degree of militarization on the United States and on Britain or any other country in Europe. Yet it is clear that whatever decline does take place will not be evenly distributed among the population in accordance with the ability to pay, but just the reverse.

And finally, of course, such a military program has a purpose additional to that of keeping the economy from collapsing. Just as the "by-product" of Fair Deal spending programs was to relieve the plight of some of the poor, so the "by-product" of the military program is... war.

Travesty

"The figures don't make sense, defy comprehension.

"And one reason this is so is that the world in which we are living doesn't make much sense and defies comprehension.

"For instance, this is tagged a 'peacetime budget.' The president calls the spending total 'the price of peace.'

"Yet, 60 cents out of every dollar to be spent is out-and-out for the military services.

"And to that sum must be added much of the money to be spent on foreign aid, veterans' benefits, public debt interest—in short, the costs tied in with past, present and future wars.

"The total for the military then rises to 80 to 85 cents out of every dollar.

"As another illustration, the choices we're given are: (1) no tax hike and a huge deficit; (2) a tax hike and a huge deficit.

"Yet, the fact is the government's financial picture is so off balance because Congress has been fumbling too long with a crazy-quilt tax system—piling increase on top of increase, aiding special privilege to special privilege, refusing to make the effort to develop a real tax philosophy and overhaul our tax system from top to bottom. If this were done, we even might be able to reduce the overall load.

"As a third instance, the first reaction from Congress was that non-defense items were taking too much.

"Yet, all non-military items absorb only 15 to 20 cents of each dollar. And spending on such peacetime activities as reclamation, rural electrification, highways, housing, actually is to run \$2 billion below the last year preceding Korea.

"It's virtually impossible to grasp the multi-billion dollar totals being thrown at us here. And not until we realize this is a war, not a peace, budget will any of it come into focus at all."

—Columist Sylvia Porter, N. Y. Post, Jan. 22

Reuther vs. Reuther — —

(Continued from page 1)

There are many other contrasts to be shown between the UAW program of other days and the present stand of Walter P. Reuther.

Ten years ago, the nation was debating the Reuther plan for airplane production. Aside from its merits or faults, it was interesting that the auto companies fought it and Reuther viciously. "If you are interested in production," C. E. Wilson, president of General

Motors, told Reuther, "I'll give you a job with us."

In the recent UAW advertisements, Reuther praises the "know-how" of the auto industry to solve the problem of dovetailing war and auto production.

In return, C. E. Wilson demands that Walter P. Reuther be put on any top-level "task force" advising on auto production, and steel allocations, etc. Ernest Breech of Ford Motor Company joins in the demand for

Reuther. "I would want Walter Reuther on the committee. I consider him thoroughly experienced and competent."

What's changed? Perhaps a report on the UAW conference on unemployment in Washington, D. C. last week suggests the answer. Printed in the *Detroit News* it begins:

"The five-percenters in the capital who help firms get defense contracts for a fee, discovered competition to-

day from unexpected sources.

"This was revealed in Senator Moody's office on Capitol Hill while the government prepared to channel more defense contracts into the surplus labor areas like Detroit and protests grew louder over layoffs resulting from the military production program.

"The new technique involves getting the labor unions to go to bat for employers, at no cost to management."

Contrast this view of the UAW and its leaders with the UAW of World War II days and the tragic difference may be readily recognized.

PROGRAM AT HAND

When the office of C. E. Wilson, the economic czar of war production, announced that the steel quota of the auto industry would permit 930,000 car production in the quarter beginning April 1952, the UAW hailed its "victory."

The same day that office announced a cutback in materials for homes that would eliminate building 100,000 houses! The chairman of the Housing Committee of the CIO was silent. After all, could Walter Reuther debate Walter Reuther on this issue?

It is these fantastic contradictions—and there are many more of them—which illustrate the blind alley into which the Reuther leadership has led itself and the UAW in this period.

Actually, the UAW doesn't

need a "new" program. It simply needs to carry out the ideas and policies which marked the UAW as a vanguard union in World War II, and which brought Walter Reuther to the top. What is missing today is precisely that.

Who but a clever politician like Reuther today would dare hold a two-day conference in Washington on unemployment in the auto industry, and blast away at various agencies, defense officials, brasshats... and ignore completely their boss, President Harry S. Truman?

Even when Roosevelt was in the White House during the last war, UAW leaders openly criticized the entire administration. Emil Mazey used to make it a special point at conventions to do so.

Today UAW leaders seem to be clinging more to Truman's coattails than they ever did Roosevelt's! They are frightened that he may not run. They hope it's a Taft-Truman race. They fear otherwise their political policies may be too openly exposed as bankrupt.

For men who once proclaimed themselves "architects of the future," they appear more like hod-carriers of the past.

Dock Investigators Lay an Egg

By LARRY O'CONNOR

The 25-day longshore strike of last October-November in the port of New York was called off with the appointment of a three-man "impartial board" to study the situation which had led to the strike and to bring in recommendations.

The board has now rendered a 114-page report to Industrial Commissioner Edward Corsi, reported on January 22. The report was immediately branded by Peter J. Johnson, counsel for the anti-Ryan strike committee, as "barren of logic," and "sophomoric with platitudes, promises, income tables and things to come." He also accused the board of "consummate pussy-footing," and stated that the strike committee

views the future with "dire forebodings."

A couple of weeks ago it was reported that the strike committee was so indignant over the firing of several prominent members of the committee from union posts by Joe Ryan, president of the International Longshoremen's Association, that attorney Johnson had to employ all his powers of persuasion to keep them from calling another strike before this board had rendered its report.

The strike last fall was triggered off by the ratification of a contract with the employers by the Ryan administration. The strikers claimed that the voting on strike ratification in the locals had been falsified. The board now states that although evidence of vote-fraud was found in three locals, they believe that the contract had been "validly" ratified, or in other words, that the ballot-stuffing was not of sufficient extent to have changed the overall result of the voting.

NO SOLUTION

At the same time, the board did not exactly blame the leaders of the strike committee for the strike, but attributed it rather to an "outbreak of long-festering accumulation of complaints and

dissatisfaction." The board attacked the "shape-up" method of hiring in the port of New York, although it apparently made no recommendation for an alternate method of hiring. It also did not deal with the widespread charges of racketeering and gangster-control on the waterfront and in the union in view of the fact that the State Crime Commission is now looking into the matter.

As far as can be seen at the moment, the report does little to solve the problem faced by the members of the ILA, which is fundamentally: how to get control over their own union. From the newspaper reports, it appears that the board's findings, although not exactly a whitewash of the Ryan administration, was confined to describing in polite language some of the well-known abuses of democracy and gangster practices which are Ryan's stock in trade.

The union membership is once more on its own in the struggle for democratic control. Its magnificent fight here during the fall, and the struggle it has been putting up in Boston over a period of months, indicates that the membership is in no mood to permit things to continue as in the past in their union.

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