

LABOR ACTION

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LOS ANGELES, U.S.A.:

**Police Thugs, Bombs & Stoolpigeons
In the City of the Angels**

... pages 1, 6, 7

Moscow's Change of Line on Germany

... page 3

Blackjack Over Tunisia

... page 2

Labor Drove Wilson Out but Steel Bosses Plot Their Strategy to Force Truman's Hand

Union's Pressure Won Gains, Stopped Rise in Steel Price

By GERALD McDERMOTT

PITTSBURGH, March 29—On the steel front, the United Steelworkers have won the first round in their fight for a new contract. At the same time the strains which split the war-mobilization program wide-open last year, when the labor representatives withdrew from the boards, have reappeared.

The steel workers, after a four months' war of attrition, have broken through the first line of defense of the steel corporations. The result was the Wage Stabilization Board recommendations for settling the steel dispute. After that barrier was hurdled, however, it became apparent that the industry still held some fortified positions, one of them being the office of Mobilization Director. That office is filled by Charles E. Wilson, former president of the giant General Electric Corporation.

The WSB wage recommendations were 12½ cents

an hour retroactive to January 1 when the steel contract expired; 2½ cents more on June 1, and an additional 2½ cents on January 1, 1953. This makes the total 17½ cents. In addition, the board recom-

(Turn to last page)

Winner in the
First Round



PHILIP MURRAY

By BEN HALL

War mobilization director Charles E. Wilson is gone and good riddance! After a brief pause for celebrating this happy event, we have to note that a steel strike is imminent, and that his departure marks not the end of the crisis in steel negotiations but its revival.

All the more necessary becomes a consideration of the significance of Wilson's resignation.

Perhaps Philip Murray and his fellow union officials congratulate themselves for devising a clever union strategy of delay in the mistaken belief that it was this tactic which finished off Wilson. Not so. It was not the compromise of 1952, not the last-minute rescinding of the strike call, that forced Wilson to resign.

In reality, it was labor's militancy of a year ago. It was a belated aftermath of labor's 1951 walkout from all war boards. It was a fear of a revival of the union spirit of those months that finally led Truman to repudiate his half-sealed pact with Wilson and force him to quit.

Now what threatens is a counter-thrust from the em-

ployers. Wilson's move is a "walkout" by an unabashed representative of big business, one who hardly succeeded, if he ever tried, in concealing his sympathies for the poor oppressed millionaire. His resignation is almost equivalent to a walk-out of the representatives of "industry," i.e., the employers. He signals the next move to the steel monopolies: "There are worse effects to face than even a steel strike," he told Truman.

BOSSES IN A HUDDLE

This not-too-subtle hint expanded into a full-page and very expensive newspaper ad by the McGraw-Hill Company, publishers of hundreds of books and dozens of magazines to serve the technical, professional and political needs of American capitalists. "Some Things are Worse Than Strikes," reads its blazing headline. Every patriot, it insists, must take a firm stand against the "subversive course" of the "position of the Wage Stabilization Board on the union shop."

And for two days, the representatives of all the big steel companies postpone negotiations, while union leaders wait impatiently in their New York hotel rooms. The hired brains of big business are deciding now whether to take Wilson's advice and force the strike.

Whether one believes that either one or both of the Truman and Wilson versions of the affair are untrustworthy, the basic facts manage to slip into their exchange of letters: Wilson felt that the report of the Wage Stabilization Board was too liberal with the workers; Truman led him to believe that he (Truman) would favor a substantial steel price increase and would support efforts and maneuvers to talk the steel workers out of part of their gains.

But the steel union would have no part of it; they wanted no price increase; they insisted on

(Continued on page 7)

(Turn to last page)

Los Angeles: The Fight Mounts Against the Thugs-in-Uniform

By MALCOLM KIRK

LOS ANGELES, March 24—In the last month the entire population has become aware of the fact that the law-enforcement methods of the police in this "City of the Angels" can often be as brutal as those utilized by the police of totalitarian countries abroad. This has been accomplished by an unusual set of circumstances that have been given prominent and full coverage particularly by the Los Angeles Daily News as well as the Times-Mirror.

In years past this awareness has been limited to the racial and ethnic minority groups and those people who live in or around the sub-standard neighborhoods that most of the members of these groups are forced to inhabit. That it is no longer limited is due not only to the tremendous amount of publicity, but to the now known fact that minority groups are not the only ones that are sometimes on the receiving end of these police methods.

The incident that started this unusual set of circumstances occurred on January 27, with the arrest of Anthony Rios and Alfred Ulloa. These men have repeated the story of their arrest before thousands of people by this date.

OFF-DUTY "FUN"

Both were in a cafe on the East Side when three "drunken men" entered and in a boisterous manner insulted the pro-

prietors and customers alike. The three drunks left the cafe after a time, having failed to provoke an argument. Moments later a commotion was heard at the rear of the cafe. Rios and Ulloa went to the back door and saw two of the "drunks" beating up the third. Rios told the proprietor to call the police and was overheard

by the two doing the beating, whereupon they stopped fighting and drew pistols; they shoved the pistols against the chests of Rios and Ulloa, asking them if they still considered them drunk. Rios answered that he was now "surer than ever" of that fact.

Under verbal pressure from witnesses the men put away their guns. With the arrival of the police, Rios and Ulloa demanded the arrest of the drunken men, only to be grabbed by these same men and pushed into patrol cars, along with a third Mexican-American who had merely witnessed the incident.

The "drunks" were plainclothes police who had been having themselves some "off-duty fun."

CASE BACKFIRES

At the police station Rios, Ulloa and the witness were ushered into a small room and were stripped of their clothes and stood against a wall. Then Rios and Ulloa were systematically beaten by the "drunks" who had arrested them, one of whom was himself a Mexican-American.

Normally this case would have ended after these men were thoroughly beaten, jailed and fined, but this time the police had picked

on the wrong men; Anthony Rios was and is an influential community leader on the East Side and chairman of the militant Community Service Organization, which in the past has been in the forefront of the fight against police brutality, among other things. Rios had been in the cafe where the incident took place to collect on tickets for a dance given by the CSO.

After Rios and his fellow arrestees were taken away in the squad cars the occupants of the cafe called Los Angeles City Councilman Edward Roybal on the phone and told him what had happened. (Roybal is also a Mexican-American who was elected from the East Side through the efforts of CSO.) Roybal immediately phoned the police station and stopped the beatings while they were in their early stages and this undoubtedly kept the witness from "getting his."

The same police who had been doing the beating then began to play like gentlemen, asking Rios and the others why such "intelligent looking fellows" had to cause all this trouble. At this point all three were taken to a police station downtown, where they were

Labor Forced Wilson Out — —

(Continued from page 1)
Full implementation of the WSB proposals; they wouldn't sit down with Wilson to be talked at; they hinted that they wouldn't run away from a fight.
Thereupon, Truman decided to go into these complicated economic questions "more thoroughly," as he put it, and concluded on

second thought that the WSB recommendations were "by no means unreasonable."

This is one case where everyone agrees on certain statistics: the steel companies are reaping immense profits with prospects of even better days to come. Only a few years ago their bank accounts filled up with war profits. And

how "lucky" they are: in another era they might have had to wait twenty years for another war expansion.

BIGGER STAKES

But Wilson insisted: no wage increase without a price increase. It was not only a question of dollars and cents; it was not only a pocketbook philosophy; Wilson was pursuing an important social and political objective. He sought to convince the American people that the unions were responsible for inflation; it was an economic and propaganda war against organized labor.

But this time, unlike the days of the big post-war strikes of 1945-6, the steel union categorically rejected support, open or concealed, to a steel price increase.

Wilson's resignation is impelled by political and social objectives that go far beyond the steel negotiations. And as the steel negotiators meet to map out their program of action, we may be sure that these representatives of the decisive industry of American capitalism will be motivated not only by price tags and profits but by their desires to determine the future destinies of the United States. They own the factories and have the power to force the steel workers out on strike by the simple expedient of repeating one word

over and over again: No.

They may have already decided for a battle. If so, they have chosen to hold on to their profit millions; but more, they will have decided to push Truman and his Democratic Party against the wall: by forcing it to apply the Taft-Hartley Law and face a split with labor, or to hesitate and face a split in its own party.

PUSHING TO THE RIGHT

David J. McDonald, secretary-treasurer of the United States Steelworkers Union, is convinced that labor has "a very friendly gentleman in the White House."

The United Mine Workers could offer other testimony. At any rate, the steel companies know that Truman and his party are incapable of following a clear and decisive policy in the event of a strike. To help foster the conditions for a defeat of a leaderless and policyless Democratic Party in 1952, the steel companies may have decided for a strike.

Or perhaps they will avoid a costly strike now, confident and secure in the belief that the Truman Democratic administration is already so thoroughly discredited that its defeat is certain in any case and they need only wait in cheerful anticipation of the funeral rites in November. Then when a regime less susceptible to labor pressure is installed, it will

be time to make up for lost opportunities.

Truman and his party allow a steady drift to the right in U. S. politics. On all the big questions, the wheel slowly turns in the direction of big business. But the big capitalists are not satisfied; they want quicker action, especially since the labor movement itself might of any moment get somewhat more militant and would have to be dealt with by stronger measures.

The Truman regime is dependent upon the organized labor movement and consequently feels and reflects the pressure of the unions. To usher in a new period of counter-reform and deepened conservatism, the big capitalists, with the steel companies at their head, would eradicate the remnants of Trumanism and Fair Dealism.

Labor now faces the crisis of steel powerfully organized but without an effective political program of its own. Will it continue to place great hopes with Truman? But he and his party do not have the will and ability to rally the American people behind great social causes. They try to appear to satisfy everyone, big business and labor. They are unable to take a courageous stand; they are quick to desert labor, above all in time of need. And more and more, these political questions intrude in every strike.

LONDON LETTER

There's a Delayed Kick In the Tory Budget

By DAVID ALEXANDER

LONDON, March 25—The first Conservative post-war budget was unique. It certainly struck Labor that way. For a few hours Labor was stunned, but Douglas Jay rallied sufficiently to call it "one of the most reactionary budgets ever." But he said this somewhat unconvincingly.

For a Tory budget it was certainly clever. It stated that the food subsidies favored even those who could afford to pay them. "Instead of subsidizing food to the extent of 410 million pounds per year, we will reduce this amount by 250 million pounds. Those who are hardest hit—the housewives with children and the old-age pensioners—we will aid by increasing the family allowances and pensions."

For every child the allowance was increased from 5 shillings to 8 shillings per week; old-age pensions went up from 30 shillings per week to 32/6d. By increasing the personal allowance before income-tax reductions, hundreds of thousands more people in the lower-income groups became exempt from income-tax payment.

All these measures gave the budget some attractiveness at first sight. Their effects are immediate, so much so that a Gallup poll published by the London News Chronicle showed that 62 per cent of the people interviewed said it was fair; only 30 per cent disagreed.

UNEMPLOYMENT

What these people did not realize, however, was that the lifting of the subsidies, the virtual abolition of "utility" goods, and the "dear money" policy will become effective later on, and completely wipe out the advantages of bigger allowances and smaller income taxes. Bread, flour, meat, milk and tea are going up in price before June. Bacon, fats and cheese will rise before summer is over.

The simultaneous rise in the gasoline tax, making the price 70 cents per imperial gallon (which is one-eighth more than the U. S. gallon) will soon cause an all-around increase in distribution costs and prices of all kinds. Two thousand taxi men have already had to sell out, since they cannot make a living.

The "dearer money" policy

makes it more difficult for capital investments other than armaments (where price is no object). Loans by county councils and towns for development and housing become more expensive, and local rates have already begun to rise.

In a previous London Letter, we predicted that the budget would probably abolish the "utility" scheme. It has virtually done so. For the first time, better-quality "utility" clothes are taxed. Only the very poor-quality goods, which have already been piling up in shops for lack of sales, are unaffected. No longer in force are the standards of workmanship which had previously been guaranteed by the "utility" mark. Traders have "undertaken" to comply with the British Standards Institute's quality requirements but this is not considered effective.

RAISES DUE

The dear-money policy, the higher prices for goods and the slump in world demands for textiles and pottery have already caused considerable unemployment in the North of England. A Labor MP has forecast two million by the beginning of next year. This is, from a Tory view, within the limits prescribed by Keynes for a "healthy economy."

The Churchill government had previously planned to approach the Trade Union Congress to ask for restraint in wage-increase demands. But realizing that the cost-of-living index will go up this year from 133 to at least 140, they have abandoned this idea and are just hoping that the workers' demands are not too great for them. Two million workers whose wages are tied to the cost-of-living index will get automatic increases; hundreds of thousands more will make demands. Engineers, miners and post office workers have already expressed an intention to do so.

The reaction of the people will be seen in the forthcoming London County Council elections. Forty-three seats are being contested, of which nine are marginal, and their movement may represent an opinion-trend in the country.

We await the answer of 2,600,000 Londoners to the Tory question: "Well, how are we doing?"

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Hal Draper

Editor, Labor Action

LABOR ACTION HALL, 114 West 14 Street, N. Y. C.

Union's Pressure Won — —

(Continued from page 1)

commended that the present North-South differential be reduced from ten cents to five cents; that vacation pay be improved; that premium pay for afternoon and evening shifts be increased; that the union receive six paid holidays a year, and that time and a quarter be paid for Sunday work.

These fringe benefits amount to about 5½ cents an hour, making the total wage settlement 23 cents an hour. The WSB also recommended that the industry grant the union shop. Other issues, such as the incentive pay question and the guaranteed annual wage, were referred back to the parties for further bargaining.

TRIAL BALLOONS

The WSB also recommended an 18-month contract postdated to January 1. It has been feared in union circles that Murray would follow Reuther in signing a long-term contract. The industry may yet demand this.

The WSB package can be considered a good settlement. It is not all that the workers deserve, by a long shot. But it does probably represent, more or less, what the union is strong enough to win at the moment through ordinary collective bargaining.

However, if the government gives steel a price increase, the gains will not only be wiped away eventually, but the union movement will also lose ground politically. The big corporations, with the help of their politicians and newspapers, have been selling the false and vicious idea that labor is responsible for inflation.

The size of the WSB recommendations—which were higher than the union at first expected—can be attributed to the firmness of the union while the case was being considered. During the considerations, various proposed settlement figures were "leaked" to the public. They were all lower than the final recommendations. These "leaked" figures were undoubtedly trial balloons to test the union's reactions.

The union replied by hastening the preparation of strike machinery and by refusing a further strike postponement until it saw the final package. Local strikes, picketing and relief machinery is at present oiled and ready to go at a moment's notice.

The companies, however, have not accepted the WSB package as this is written. The industry wants a price increase first. They are asking a \$12-a-ton price increase. The WSB says \$4 a ton would be more than enough. Murray maintains that the \$2 that the industry has coming to it under the Capehart amendment would cover the wage boost.

PROFITS ARE JUICY

Actually, the industry could pay the whole cost out of profits and still get along. Last year, U. S. Steel profits ran at a little over 6 per cent. Since the corporation split its shares three for one several years ago, however, that means the profit rate is over 18 per cent a year. And in addition, huge profits have been put into various corporation funds without even being distributed to the stockholder. The union maintains that 40 per cent of the present capitalization of the company represents undistributed profits. And U. S. Steel issued watered stock in the first place. Thus the actual rate of profit is something over 30 per cent a year, and on watered stock at that! Since much of it is hidden, it is not even subject to excess-profits taxes.

Behind the quarrel over a price increase, a very interesting fight is going on within the top circles of the administration. A good deal has come to light and more lies beneath the surface. Actually, the class struggle is having its effect reflected within the administration.

The WSB was originally directly under big-businessman Wilson in his capacity as mobilization director. In protest against this, labor walked off of the WSB and the mobilization boards last year and denounced the whole setup very effectively. To woo labor back, Truman made the WSB under its chairman, Nathan Feinsinger, independent of any control by Wilson.

LEFT FACE

Now that the WSB has made a decision half-way favorable to labor, Wilson has tried to override the WSB by blasting its settlement. He tried to regain, in effect, his lost veto over the WSB by calling for further conferences of the steel industry and union in his office. Murray quite properly refused and told Wilson off.

The professional Democratic Party politicians in the mobilization program—Price Stabilizer Ellis Arnall and Economic Stabilizer Roger Putnam—have to oppose Wilson. Arnall and Putnam, like their fellow Democratic officeholders, are far from being pro-labor. But they do not want to risk having labor walk out of the mobilization program again.

This is especially true in an election year. Truman and the Fair Deal wing of the party would like to render a "pro-labor" decision in this case in order to give the labor leadership some sort of a talking point in whipping up support for the Democrats among an apathetic rank and file. The Truman administration can be expected more and more to try to put on a "left face" between now and November, just as it did in 1948.

Wilson won't go along, however. With the WSB and the mobilization director feuding and working independently of each other, Truman has found himself in the same dilemma which so often plagued Roosevelt. Roosevelt was always creating warring agencies under the control of warring economic interests, only to find that he had to choose between them in some way.

As this is written, it is reported that Wilson has sold the president on giving the industry price increases on a staggered system, a little at a time, and mostly after the election. This rumor, too, may be a trial balloon to test the reactions of Murray and the labor movement. Murray has denounced price increases again and again, but he has done that before and then folded up after he has won his wage increases.

[This trial balloon, if such it was, collapsed soon also. See other article on Wilson's resignation—Ed.]

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