



The dike begins to crack

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Dollars, Sense, and Production

A report on labor's proposals for a rounded war economy. Where the question of wages fits in....Another case of patent abuse.

Washington.

MOST of the talk these days among union leaders revolves around the need for some sort of comprehensive legislative program dealing with price control, rationing, taxes, and similar economic problems. What the President will say on these matters in his forthcoming fireside broadcast is, of course, the subject of a great deal of speculation. Anticipating the White House speech, Labor's Victory Board will present to President Roosevelt labor's views on what should be done toward shifting American economy to meet the demands of war. Already the UAW-CIO has hammered out a broad platform of its own; and the electrical workers have also offered suggestions. But the cause of a good deal of the discussion at the moment arises from the very intensive newspaper campaign to limit any economic proposals to a consideration of freezing wages.

However, for all the press can do, inflation and related economic problems are far broader than the question of wage rates. Union spokesmen with whom I've talked put the issue simply: as things now stand, inadequate price control and the frenzied scramble of certain owners for swollen profits have caused abrupt increases in living costs. According to the Department of Labor, these costs are 11.7 percent above last year's index (other sources estimate an increase in retail prices as high as twenty-five percent), and 0.6 percent higher in February than in January. Consequently workers have been forced

to seek higher wages in order to meet mounting prices. Nor can the present standard of living be considered too munificent for the average industrial employe when it is remembered that 350,000,000 man-days are lost on an average in a year because of sickness among industrial workers. There remains the very real need to improve war production efficiency by cutting down absenteeism caused by ill health. Yet this cannot be accomplished if wages are held at stationary levels while prices rise unchecked. Wage control without adequate price control would only slash living standards of those who operate America's productive machine.

As could be expected, those most vocal in their demands for wage freezing turn out to be least anxious to discuss larger economic issues. These reactionaries exhibit a remarkable lack of interest when it comes to ways and means of best organizing our economy for victory over fascism; rather, they concentrate all energy on perfecting schemes to smash the labor movement. On one front, they clamor for the Smith-Vinson and Connally bills; on another front, they urge wage freezing as an additional blow against union security. The fact that the unions play a crucial role in the production offensive, and therefore that labor strength is vital to the war effort, impresses them not at all.

Labor is not kindly disposed toward "plans" to regulate wages and nothing else. Moreover, labor makes a severe differentiation between wage *control* and wage *freezing*. Since the spring of 1941 wage rates have remained almost unaltered on an industry-wide basis. Price rises reduce the purchasing power of those whose wage income does not keep pace—so that workers are confronted with a quandry: either they must accept a deep reduction in their standard of living, by no means high; or they must insist that wage rates also climb with prices. The unions contend that inadequate price control has permitted the all too rapid inflation of retail prices. Any demand, they say, for higher wages is clearly the result of the failure to control prices. Once prices are held within reason, then the unions will not be forced to turn their attention from the production front to wage controversies.

In Washington today labor leaders emphasize the added need to ration all necessities. All people during this war for national survival must be assured, regardless of income, a rightful share of basic commodities without which they lack the physical stamina to do their job with utmost speed and precision. Logically, too, taxes should be distributed so that the individual is not robbed of his ability to purchase necessities for himself and family. Therefore, labor opposes all sales-tax schemes, because invariably such taxes penalize most heavily the lowest income groups; and labor insists that controls be placed on profiteering—through strict excess-profits taxes and income levies on the wealthy.

The unions also repudiate reactionary arguments that cite glowingly the example of Canada, where wage freezing has been instituted. They point out that this legislation has certainly not spurred the Canadian war effort. Far better to look toward England for precedent, where British industry still grants wage increases, and where collective bargaining continues. Wage freezing advocates in Congress and elsewhere in government quite openly predict that their measures will kill collective bargaining in the United States, as it has for all practical purposes in Canada.

I talked to one leading unionist down here who explained labor's attitude toward the wage problem as follows: "Wages are not, and we must not allow wages to become, the first consideration. We don't rule out some sort of voluntary wage agreements to eliminate disputes during the war. Even so, these disputes have been exaggerated out of all proportion. Labor