

From: Public Relations Department, UAW-CIO  
411 West Milwaukee, Detroit 2, Michigan  
Trinity 1-6600

FOR RELEASE AT 9:45 p.m.  
(E.S.T.) SATURDAY, JUNE 1,  
1946

If the income of the people cannot rise without being cut down again by rising prices, we shall be headed for the same economic disaster that hit us in 1921 and a gain much harder in 1929, Walter P. Reuther, UAW-CIO president, told a nationwide audience Saturday night in a speech on the American Broadcasting Company network, 9:45 to 10:00 p.m.

Reuther's speech, "Labor and the OPA," was a demand that Congress enact legislation to strengthen, rather than weaken or destroy, price control.

Congress' present approach to OPA legislation "represents a complete surrender to the black market operators and proposes legalizing black markets," Reuther said.

"The protest of the people (to save OPA) that thundered on Washington a month ago must be dwarfed by a new wave of protest that will shake Washington," Reuther declared.

Reuther pointed to the 47 billion dollars of profits after taxes that American industry made during the war years, more than twice the profits after taxes they made in the five years preceding the war, and the huge consumer market now awaiting manufacturers as one evidence that higher prices are not needed to pay higher wages.

The complete text of the speech is attached.

##

"LABOR AND THE OPA"  
by Walter P. Reuther  
ABC Network - Sat., June 1, 1946  
9:45 - 10:00 p.m., WXYZ, Detroit

FOR RELEASE AT 9:45 P.M. (E.S.T.)  
SATURDAY, JUNE 1, 1946

If you are just an ordinary American--a farmer, factory worker, white-collar worker, or professional worker--you probably don't watch the stock market.

You kind of feel that the stock market's ups and downs are none of your concern. But what is happening to the stock market is your concern. It affects you, your family, your neighbor next door and your friend down the street.

Corporation stock prices have been going up. There is joy in the hearts of the Wall Street speculators and financial manipulators. The sad news from Washington has cheered the men in Wall Street. Price control is about to be destroyed. The sky is the limit on prices for the consumer and profits for the speculators.

Each day the Senate Banking Committee betrays the people's interest by approving proposal after proposal to emasculate price control. Small wonder Wall Street is jubilant and stock prices are climbing.

The Senate Committee proposals include a plan for the rapid elimination of price controls. On meats, dairy products and poultry the Senate Committee proposes to end all price control one month from now. It proposes to repeal the restrictions on gambling which Chester Bowles imposed on cotton speculators last month. It would turn over all control of food prices to the Secretary of Agriculture--the man who on May 1 proposed to lift all control off of meat supplies and meat prices a few months from now in the event he has decided that black markets are stronger than our government and cannot be brought under control. This approach represents a complete surrender to the black market operators and proposes legalizing black market prices.

By its actions, the Senate Committee was telling Wall Street that a majority in Congress is ready to turn a deaf ear to the people.

After the House of Representatives had voted in April to destroy the price control law, protests poured in on Washington like a great flood. It was the demand of people that they be protected against high prices and profiteering. Seasoned politicians said they had never seen anything like it. The people expected, and

Wall Street feared, that the Senate would hear this protest and would save price control from the destruction which the House had voted for.

But the Committee of the Senate last week showed that it intends to disregard the demand of the people. It has shown its contempt for the public welfare. It has warned us that a majority of the Senators are probably preparing to take their stand on the side of Wall Street and high profits and to give the American people the brush-off.

The Senate has not yet acted on its Committee's recommendations. But it will vote soon. The protest of the people that thundered on Washington a month ago must be dwarfed by a new wave of protest that will shake Washington.

One of the amendments proposed by the Senate Committee will strip Chester Bowles of all authority over food prices and food controls. If Congress is trying to force Chester Bowles out of Washington, we know for sure that we have a fight on our hands. We say to Chester Bowles, come on out and lead us in this fight. We know you've been slugging for us. We know it's been tough. Remember, it was tough for our boys in the fox holes but they fought and won on the battle front. We are behind you, Mr. Bowles, millions strong. Let's fight just as hard and win on the homefront.

Run away prices and inflation are just as threatening to our freedom on the homefront as the enemy our boys defeated on the battle front.

This mad drive to wreck price controls and put profits above people must be stopped.

In five war years corporations took 108 billion dollars in profits out of the nation's commerce! — that's twenty billion a year, compared with six billion a year before the war.

They paid 61 billion dollars of those war profits to the government as income and profits taxes and had 47 billions left. This 47 billion dollars was more than twice what they received as profits after taxes in the five years before the war.

But the war story doesn't end here. Corporations are now getting large amounts of these wartime taxes refunded to them out of the Treasury. Some 6 billion

dollars is already earmarked for rebate:

But they want more: At their insistence, and with the backing of Congress the U. S. Treasury is about to set up a board of 5 government people and 10 "outsiders" representing big taxpayers to pass on their claims for further refunds of wartime taxes. "Outsiders" isn't my word--it's the word that is used down there where this thing is being fixed up. Claims of just 26 of these corporations add up to a total of one billion dollars. So you can get an idea of what's involved.

But this isn't all. For the years ahead Congress has greatly reduced corporation taxes, a gift from our government that will amount to 3 to 3½ billion dollars a year in added profits to corporations.

Despite these staggering profits and scandalous tax rebates Big Business wants more and Congress is willing to accomodate it by wrecking price control. Their slogan is: "Down with price control--up with prices and profits--and the people be damned."

This surrender of our government to big business and bigger profits will inflict great hardship on us within the next few months. Farmers, factory workers, white collar and professional people--all of us pay the price. But more than that, it will strike at the roots of our whole opportunity to make a living. When the profits orgy is over business will collapse, farms will be foreclosed, the unemployed will walk the streets and we shall stand face to face with the tragic fact that having won the war we are now about to lose the peace.

To win the peace we need to make sure that we use our productive capacity to the full and are able to distribute among all the people the tremendous volume of goods we are able to produce. This requires that we do two things: We must get larger and larger incomes into the hands of people, into every home in the nation--farm, factory worker, white collar and professional worker alike. Second, we must see to it that these larger incomes are not chopped down by rising prices which take our gains away from us as fast as we win them.

able to buy all the cars we can produce.

We made that demand upon the General Motors Corporation. We got our wage increase. But General Motors and other auto companies have got not one price increase, but three--three in a row since last November. Cars are now being priced out of the reach of millions of consumers who need them.

Our union is protesting these high auto prices and will go into court if we can't get OPA to reduce the prices. We know that the auto companies will make enormous profits and do not need higher prices to pay our wage increase.

The auto companies are doing all right by themselves. For example, General Motors figured a tax saving for the Corporation of 52 million dollars in the first quarter of 1946.

We are protesting OPA's generosity to the auto companies but we don't blame OPA so much--we know how big industries have pressured OPA both directly and through its political agents in Congress. But we also know that organized labor in this country must challenge and must stop this scheme to use every increase in the incomes of workers as an excuse for higher prices to the consumer.

There is no greater threat to our country than this practice. If the income of the people cannot rise without being cut down again by rising prices and profits, we shall lose the peace.

We shall be headed for the same economic disaster that hit us in 1921 and hit us again much harder in 1929, and will hit us again a year or two from now. This time it may hit us so hard we won't get up again.

Following the crash of 1929 we lost our jobs, our homes and our farms. The next time we may lose our freedom.

That is the basic issue before the American people. If Congress decides that profits shall have priority over people, we shall have lost the peace.

There is another way we can lose the peace. It is world-wide starvation. That is what millions across the world are facing today. They need our wheat--all we can spare them. But in this same emasculated price control bill that the Senate is about to enact, there is a proposal--a damnable, cold blooded, murderous proposal--to condemn millions to starve who might be saved. In proposing to take all

price controls off meats, poultry and dairy products one month from today, these Senators know that the result will be to feed millions of bushels of grain to livestock. This grain should be saved and sent overseas for human food. These Senators know that grain fed to livestock gives us back as human food less than one-sixth of the calories that is in the grain fed the livestock. These Senators know that they are encouraging the waste of these life-saving calories, and they are going it in order to promote unrestricted sales and unlimited profits on luxury foods that we will pay high prices for when price ceilings are removed.

The American people must not remain silent while the starving people in other lands are being condemned to needless death for the sake of profits here in the United States. We must not remain silent while we ourselves are being condemned to losing the peace at home and to earning the hatred and contempt of other peoples, whose good will we must have if we are to win a lasting peace.

The people of this country, not Wall Street, won the war. The people of this country, not Wall Street, must win the peace.

We can win it. Congress must be made to hear our voices. Congress must be made to act for the people; not for the profiteers.

The time is short. I urge you to raise your voice.

We must be heard. We must be heard now.

##