WEEKLY NEWS LETTER

FROM

CALIFORNIA STATE FEDERATION OF LABOR

402 FLOOD BUILDING
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SAN FRANCISCO,
CALIFORNIA

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DIRECT ELECTION ACTIVITY BY UNIONS HELD ILLEGAL BY FEDERAL JUDGE

(CFLNL)SAN FRANCISCO.--A Federal judge has upheld the Taft-Hartley Act ban on political spending by labor unions by refusing to dismiss indictments against Painters Union, Local 481 in Connecticut. This decision was issued after the local union and its president, Brother John R. O'Brien, had sought dismissal of the indictment on the grounds that the challenged section of the Taft-Hartley law violated the guarantees of free speech and free press in the First Amendment to the U. S. Constitution.

The local and its president were indicted last March after they had openly challenged the law by spending union funds for a political advertisement in a Hartford newspaper and buying radio time for a political broadcast. Both the advertisement and the broadcast were directed against the presidential aspirations of Senator Taft and called for the defeat of the Connecticut Congressmen who had voted for it.

Judge Hincks of the United States District Court in Connecticut held that the case differed from that of the CIO and its president Philip Murray, in which the Supreme Court ruled that unions could spend their funds for some political purposes. According to the Judge the CIO case involved "only expenditures by a union to meet the costs of publishing an issue of a weekly union periodical containing expressions of political advocacy and opinion in connection with congressional election and distributing the same...."

Return the State Senate to the People - - - "Yes" #13

In the Hartford case, the Judge said, "union monies were expended for publication of expressions of political advocacy intended to affect the result of the election and the action of the convention in an established newspaper of general circulation and for a broadcast by a commercial radio station...."

The Judge held that, in the light of the legislative history of the Act, in silhouette against the contemporary background, the act was well within the limits of Federal legislative power and second, that it was not invalidated by its incidental effect in restraint upon the freedoms protected by the First Amendment.

The union hopes to carry the case to the Supreme Court. It is nearly certain, however, that the hoped-for reversal of Judge Hincks' decision and a final test of the law will not be obtained before the elections.

This case, unlike the Murray case, will offer a splendid opportunity to the Supreme Court to rule on the actual merits of this section of the Taft-Hartley Act.

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PRICE INCREASES CANCEL OUT WAGE INCREASES AND TAX REDUCTIONS, AS PROFITS RISE

(CFLNL)SAN FRANCISCO.--Gross average weekly earnings in manufacturing in California rose from $56.40 in June 1947, to $59.62 in June 1948, an increase of 5.7 percent, according to latest reports by the California Department of Industrial Relations. But that increase applies only to weekly earnings before taxes and inflation.

A married man with two children had $52.93 after taxes in June 1947, but a year later he had only $52.37 after taxes and allowance for the increase in the cost of living during the last year. His tax bill had been cut nearly in half, but inflation had more than absorbed the differences. (See Newsletter, June 2, 1948, for method used.)

And at the same time, commercial newspapers gingerly report that profits for 200 companies for the first half of 1948 exceed those for

1947 and are the "highest in history".

Oil companies have the highest percentage gain, in many cases more than double a year ago. Railroads gained from 25 to 55 percent and so did the construction industry.

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WORKERS' SAVINGS DECLINE

(CFLNL)SAN FRANCISCO.--Approximately one-third of all spending units (families and single individuals), or 16 million families, reduced their savings accounts, war bond holdings or other liquid assets during 1947-48, according to a Federal Reserve Board survey of consumer ownership and use of liquid assets.

Median holdings of liquid assets declined from $470 in 1947 to $350 in 1948. Clerical and sales people, and skilled, semi-skilled and unskilled workers all showed a marked decline in amount of assets held. Median savings of skilled and semi-skilled families declined from $400 in 1947 to $250 in 1948, while the median for unskilled workers dropped from $50 in 1947 to zero in 1948. At the same time managerial and self-employed persons reported somewhat larger holdings and professional persons reported little change. Savings of top income people increased.

In 1948, 27 percent of all families had no savings at all, compared with 24 percent with no savings at all in 1947, while 55 percent of all families had under $500 in savings. Two-tenths of the families with the highest incomes had nearly six-tenths of all liquid assets.

The survey also covered holdings of stocks and bonds and other non-liquid assets. It was found that about 9 percent of all families own corporate stocks or bonds, but only 3 percent of skilled, semi-skilled and unskilled workers' families owned such non-liquid assets. This should disprove conclusively NAM propaganda to the effect that everyone profits from profits.

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CITY ORDINANCE PROHIBITING USE OF SOUND AMPLIFIERS EXCEPT WITH CHIEF OF POLICE PERMISSION HELD INVALID BY U. S. SUPREME COURT

(CFLNL)SAN FRANCISCO.--A city ordinance prohibiting the use of sound amplification devices except with permission obtained from the chief of police in case of news, matters of public concern, etc. has been held invalid by the United States Supreme Court as infringing upon the right of free speech in the absence of any standards prescribed for exercise by the chief of police of his discretion.

The court held that the ordinance was unconstitutional on its face, for it establishes a previous restraint on the right of free speech, in violation of the First Amendment, which is protected by the 14th Amendment against state action.

"To use a loud-speaker or amplifier," the opinion by Justice Douglas stated, "one has to get a permit from the chief of police. There are no standards prescribed for the exercise of his discretion. The statute is not narrowly drawn to regulate the hours or places of use of loud-speakers, or the volume of sound to which they must be adjusted.....The right to be heard was placed in the uncontrolled discretion of the chief of police." The court was of the opinion that a more effective previous restraint was difficult to imagine.

The opinion stated further as follows: "Unless we are to retreat from the firm positions we have taken in the past, we must give freedom of speech in this case the same preferred treatment that we gave freedom of religion in the Cantwell case, freedom of the press in the Griffin case, and freedom of speech and assembly in the Hague case..."

"The present ordinance would be a dangerous weapon if it were allowed to get a hold on our public life...But to allow the police to bar the use of loud-speakers because their use can be abused is like barring radio receivers because they too make a noise. The police need not be given the power to deny a man the use of his radio in order to protect a neighbor against sleepless nights. The same is true here....

"....When a city allows an official to ban them loud-speakers in his uncontrolled discretion, it sanctions a device for suppression of free communication of ideas. In this case a permit is denied because some persons were said to have found the sound annoying. In the next one a permit may be denied because some people find the ideas annoying. Annoyance at ideas can be cloaked in annoyance at sound. The power of censorship inherent in this type of ordinance reveals its vice."

This decision is very significant. It strengthens the privilege of free communication, as the court eloquently explains, and keeps open such an important medium as loud-speakers for activities which labor unions as well as other groups have to utilize in the course of presenting their position to the public. It involves the whole question of free speech and the guarantees contained in the First Amendment.

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REGISTRATION OF UNION MEMBERS AN IMPERATIVE GOAL

(CFLNL)SAN FRANCISCO.--A check on the registration of members of Organized Labor in San Francisco indicates that 56 percent of the members are registered voters, reports Cameron King, Director of the Union Labor Party.

"The registration should be 100 percent or labor ought to quit fooling itself about being interested in government," King told a meeting of the ULP of San Francisco last weekend.

"If registration isn't stepped up between now and the close of registration, September 23, labor will cast a minority vote in the finals. Based on the expected 80 percent of the total registered voters actually voting, this would mean that only 40 percent of labor in this state would be voting." Register now - today - so that you can spend the ensuing time before September 23 getting your friends to register.

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CORRECTION: In the July 21, 1948 issue of the News Letter, Page 5, average gross weekly earnings-manufacturing-Los Angeles, May 1948, should read $59.03.

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