

### Lattimore Labeled Russian Spy To Sue Senator McCarthy For Libel

By ALVAINE HAMILTON  
Washington (LPA)—Faced with a libel suit by the man he'd labeled as the "top Russian spy in the State Dept." and a demand that he retract, Sen. Joseph McCarthy (R, Wis.) is fighting hard to extricate himself from his web of accusations of Communist infiltration of the department now under investigation by a Senate Foreign Relations subcommittee. Two additional McCarthy targets, Esther Calkin Brunauer and Naldore Hanson both department employees, appeared before the subcommittee to deny the accusations, and make impressive documentation of their loyalty.

In addition Chairman Millard Tyding (D, Md.) announced that the committee had agreed to receive written questions from "any person" bearing on the Communist charges, and to permit those accused by McCarthy to ask questions by submitting them in writing to members of the subcommittee.

Some days after Sen. McCarthy had revealed the name of his "top Soviet spy in the State Dept." to the subcommittee and "off the record" to reporters, several radio commentators and newspaper writers finally let the public in on the big secret—that the big "spy" was none other than Owen Lattimore, now a professor at Johns Hopkins University, and at present in Afghanistan on a United Nations Mission. Lattimore was a State Dept. adviser for four months five years ago, but has not been in the department payroll since then.

Mrs. Lattimore announced that she had retained the law firm of three prominent anti-Communist liberals—Paul Porter, one-time OPA administrator, Abe Fortas, former under-secretary of the Interior Dept., and Thurman Arnold, former assistant Attorney General—to defend her husband's reputation. They wrote McCarthy's reputation the charges a "colossal lie," called on him to withdraw them, and warned that in any case this wouldn't free him from a possible libel suit when Lattimore returns to the U.S.

In addition, talk that charges of improper conduct might be made in the Senate against the gyrating McCarthy began to receive wide currency in the Capitol. So far, McCarthy, despite early protestations that he'd repeat any of his direct accusations of individuals off the Senate floor, where they wouldn't be libel-proof, hasn't made one such charge.

Citing precedents dating back to George Washington's day, Attorney-general J. Howard McGrath and FBI Chief J. Edgar Hoover appeared March 27 to explain why they left to President Truman any decision on making available the "raw" files of the FBI cases of suspected subversives. Most telling point was made by McGrath, when he said that 98 per cent of the cases in which firm evidence of illegal action is found are turned over to the proper law-enforcement agency for prosecution. The other two per cent are cases where the FBI is seeking a "ring" and they string along with the suspect to find his accomplices. Neither the Senators nor the Justice Dept. officials said directly that this proved Lattimore innocent, but the strong impression was left that the FBI didn't consider it had any type of "spy" case against him, as McCarthy has insisted the files would reveal.

On both sides of the aisle, leading Senators hailed a letter to the New York Times from former Secretary of State Henry Stimson, charging that the McCarthy accusations are not aimed at ridding the State Dept. of Communists, but "to cast discredit upon the Secretary of State." Stimson, a member of the William Howard Taft, Hoover, and Franklin D. Roosevelt cabinets, said "the man who seeks to gain political advantage from personal attack on a Secretary of State is a man who seeks political advantage from damage to his country."

In a stinging rebuke to McCarthy's whole performance, the elder statesman warned that "This is no time to let the noisy antics of a few upset the steady purpose of our country or distract our leaders from their proper tasks. This is rather a time for stern rebuke of such antics and outspoken support of the distinguished public servants against whom they are directed."

Meanwhile, another of those accused by Sen. McCarthy of disloyalty, Mrs. Esther Calkin Brunauer, a member of the State Dept. UNESCO staff, appeared before the subcommittee to deny that she is or has ever been a Communist or a sympathizer. She said she had confidence in the ability of the government to keep Communists out of federal jobs "without violating the traditional American principles of decency and fair play."

"Before I was given a hearing," she told the Senators, "my name was first divulged as one who was about to be attacked and then I was publicly branded as disloyal without having had an opportunity to speak in my own defense. In fact, Sen. McCarthy said on March 13 that I presented such a danger to the country that my case should be the 'very first case' to be investigated by this committee."

She added quickly that, "after this statement had been repeated in the headlines for a few days I lost my priority and there is now another case which Sen. McCarthy claims is the number one case, upon which he is willing to stand or fall."

Letters from Admiral Standley, former chief of naval operations, ex-Republican Senator Joseph Ball, President Milton Eisenhower of Penn State College, and Kathryn McHale, executive director of the American Association of University Women, were presented at testing to Mrs. Brunauer's integrity and loyalty. Ball added that Stephen Brunauer her husband, a Navy weapons expert, "is perhaps the most violently anti-Communist person I know."

In his youth, Brunauer, a native of Hungary who came here at 17, was for several years a member of the Young Workers League, but rapidly broke with the Communist youth group, and in 1932 he was denounced as a "deserter" of the Communist cause, she told the committee. She also described attempts that were reported to her by friends inside the Hungarian Embassy to frame the Brunauers and thus discredit their war against the communist-run regime that came to power in 1947 in that country.

Teamsters Given 40-Cent Pay Hike  
Sioux City, Iowa (LPA)—The Teamsters have won a 40-cent package increase for their General Drivers Local 383 from the Sioux City Brewing Co. The contract includes a 30-cent across-the-board pay hike for all employees.

Here are the gains in the contract, which runs to March 6, 1951: 30-cent general increase; 40-hour week, Monday through Friday, and elimination of split shifts; time and a half for Saturday work, double time for Sundays; six paid holidays per year; bidding of jobs and seniority list for each department; vacations of one week after one year, two weeks after three years; 6-cent hourly additional differential for lead men who head work gangs; an additional 5 cents for second shift and 10 cents for third shift; continued maintenance by the company for the existing hospitalization, health and accident plan.

Vice-president Frank Santi of the Local negotiated for the union. Karl Keul of Des Moines represented the international.

The Teamsters hailed the victory as demolishing the employer-inspired myth of a national "pattern" of wage gains of 5 to 10 cents, and pointed out the increased pay for Teamsters here means more sales for merchants and more consumption of farm products.

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### Dignitaries Honor McFetridge



Chicago.—State and municipal officials and AFL leaders honored William L. McFetridge, president of the AFL Building Service Employees International Union, at a dinner celebrating his election as 13th AFL vice-president. Shown in this group, front row, l. to r., are John S. Boyle, state's attorney Cook County, Illinois; AFL President William Green and Mr. McFetridge; back row, l. to r., are Ruben G. Soderstrom, president Illinois State Federation of Labor; Mayor Martin H. Kennelly of Chicago and President William A. Lee of the Chicago Federation of Labor.

### News and Views . . . .

. . . . By ALEXANDER S. LIPSETT, (An ILNS Feature)

The wizards of press and radio have been in a dither this past week over the volume of industrial business and profits in 1949. Comment has ranged from sneers on the left to such compliments as fabulous and unheard of. Imagine 565 corporations in 26 major fields reporting a net income of 5 billion dollars, an awed commentator mused; such figures have heretofore been reserved for Washington.

Far be it from me to object to those who's or to belittle the new records hung up by industry during the past year. Indeed, the feat is such as to warm the heart of every American and make him boastfully proud of the country's capacity to outproduce anyone, anywhere and at any time. But the situation calls for more than boastfulness. It calls for an analysis of this phenomenal growth and appraisal of the factors behind it.

General Motors, we are informed, earned a \$5.7 billion sales record, earned a \$656 million profit for its 434,000 stockholders, paid \$1,440 million in wages to its 401,000 employees, and last but not least, shed out \$880 million for federal, state and local taxation, including sales and excise levies. DuPont, General Electric and others have done equally well. The significance of these achievements not only to the people directly concerned but to the entire national economy is obvious.

But having said that, let's pull up our horses and survey the situation. The principal factor behind these striking increases, as G.M. calls them, was inflationary pressure; never in American history has there been so much money in the hands of the people. But the value of our money also differs from that of the past; the dollar, as far as purchasing power goes, has been cut in half or less; living costs, as any housewife knows, are 70 per cent above those of 1939.

These conditions are reflected in correspondingly high wages, production and replacement expenditures, and many other cost items which business must take into account. G.M. also spent \$130 million last year for new plant facilities, equipment, etc., thus creating additional employment and business opportunities.

Well, what are you driving at? readers will ask. Are you agin' it? Don't you want everybody—workers, management and stockholders—to make a lot of dough? I sure do, but I do not like to be fooled in the process. Nor am I anxious to be taken in by a lot of big but essentially meaningless figures.

With materials, production costs, wages, etc., 2 to 3 times those of a decade ago, industry—and that is simple arithmetic as well as a matter of economic self preservation—must do three times the business of former years. This is precisely what has happened in General Motors and other corporations.

Where G.M. did a business of less than \$2 billion in a pre-war peak year, it is now doing \$5½ billion, or just as much more as its requirements demand. Profits must be correspondingly high, since a large part of costs are relatively static and have to be met regardless of how well or poorly business is in a given year. Besides, high earnings siphoned off in crushing taxes enable Uncle Sam to live in the style to which he and his bureaucratic family have become accustomed in these past 17 years.

It is in the light of these facts that the advances of American industry in 1949 must be evaluated and presented to the people. The bigger these advances in terms of both productivity and profits, the greater the advantage for the body economic and its components. Such a perspective is also necessary in view of the forthcoming contract negotiations and the certainty that organized labor will press for higher wages and other benefits. Needless to say this column favors high wages and improved economic security. However, these gains must be grounded in real and actual conditions, not in a make-believe prosperity based on big talk and inflated figures.

### House Lobby Probe Hearings Started

Washington (LPA)—The House Lobby Investigating Committee, after months of preliminary investigations behind the scenes, opened hearing March 27. The first three days, announced Chairman Buchanan (D, Pa.) had been set aside for an academic study of lobbying in general and its role in democracy.

Slated as the first witness was Dr. Hadley Cantril, professor of psychology and director of the Office of Public Opinion Research, Princeton University, to discuss the factors that influence public opinion. Second witness was Dr. Stephen Kemp Bailey, author of the recent book "Congress Makes A Law," to tell what he told in that book—the role lobbies played in the enactment of the full employment law of 1946.

For March 28 the committee scheduled a round-table discussion on "The Theory of Identification and, or, Regulation of Lobbyists by Legislative Bodies in the United States." Scheduled to participate were: Dr. Edgar Lane, instructor on politics, Princeton; Dr. Belle Zeller, political science professor at Brooklyn College and author of "Pressure Politics in New York"; Dr. George Galloway, legislative reference service and one of the authors of the Congressional Reorganization Act of 1946 which enacted the present lobby law; and Dr. W. Brooke Graves, also of the legislative reference service, and author of a special study of the administration of the lobby registration law.

For March 29 Buchanan scheduled Frank Pace, Sr., Director of the Budget, to discuss the framing and presentation of Administration programs to Congress; and Lindsay Warren, Comptroller General and a former member of Congress, to discuss improper expenditures by government agencies for lobbying.

### ASKS FUNDS TO STUDY WOMEN'S PART-TIME JOBS

Washington (LPA)—Women workers have a special stake in getting enough money appropriated by Congress to allow the Women's Bureau of the Labor Dept. to do an adequate job, Mrs. Margaret Coffin told a Senate Appropriations subcommittee.

Speaking for seven national women's organizations, including the YWCA, Nat'l Consumers League, and American Home Economics Ass'n, Mrs. Coffin urged that enough money be appropriated for a study of how women could successfully manage part-time jobs along with homemaking duties.

### Local Groups Can Aid Unemployed AFL Points Out

Washington (LPA)—One weapon with which to combat the spreading menace of unemployment is the local full employment committee, AFL economists say in Labor's Monthly Survey.

In 43 areas 12 per cent or more of the labor force is out of work, the AFL reports pointing out "there is no prospect that business activity will increase enough in 1950 to restore full employment."

The only way to stop the growth of unemployment, the survey concludes, is through local full employment committees, which have eased the situation in a number of communities.

A full employment committee, often named by the local mayor, brings labor and business together at the conference table to lick a common problem. Its first job is to survey local needs and potentialities.

In one hard hit western city, such a survey is producing a new radio station, a new motel for tourists and a new woodworking plant is already in operation, using local lumber. A local man with capital put up \$60,000 for the motel. A carpenter put his savings into the woodworking plant and became its manager.

In a north central city, three new plants will soon be in operation through the efforts of a full employment committee. Two firms in another city nearby were induced to buy two idle defense plants which will employ 400 persons in the manufacture of new products. Another firm will employ 160 in a chemical plant.

In a southern city, a new plant is being set up to make a new lightweight building block called "shaltite," processed from local shale. In an eastern community, a full employment committee found a way for a rubber company which was about to close to stay open. In another small town, enough money was raised in a mass meeting to build a factory. Then a shoe company was found that wanted the space. The shoe company now employs 400.

In one town, a man needed \$10,000 to open a small business. The local bank turned him down, but the full employment committee found the money among citizens eager to create jobs for fellow townsmen.

These are only a few examples among many, the AFL says, urging the creation of more full employment committees at both state and local levels.

### Asks Regulation Of Insurance Co's.

Washington (LPA)—Chairman Celler (D, N. Y.) of the House monopoly investigating committee has called for federal regulation of the insurance companies. He cited as evidence of their growing power the announcement by the Equitable Life Assurance Society that it will buy freight cars and rent them to the railroads.

"Standing by itself," Celler said, "this proposal appears sound and should be most helpful to the railroads, most of which are in financial difficulties. It points up, however, the need for thorough exploration of the ever growing magnitude of the assets of life insurance companies and the lack of proper and organized supervision of same by state agencies."

Celler said the investigation by his monopoly committee had shown little state supervision of the huge assets of the insurance companies, which are so powerful they are "practically laws unto themselves."

"The insurance companies," Celler said, "construct housing projects; build commercial and industrial structures and rent them for short or long periods; they are in the banking business and make loans to all manner and kinds of business. There is neither floor nor ceiling to their financial activities, save that they may only invest in capital stock to a limited degree."

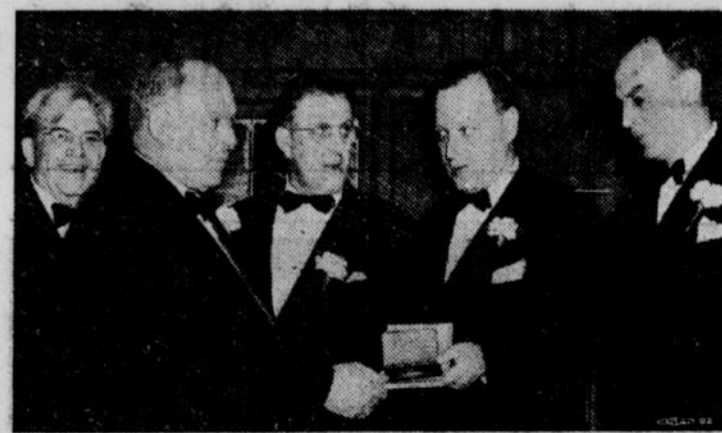
Asserting the insurance companies now control assets of between \$50 and \$60 billion Celler said "we cannot leave such power to chance."

### AFL PROTESTS SLAYING OF PERUVIAN LABOR LEADER

Washington (LPA)—The American Federation of Labor March 29 protested "this latest crime of the Fascist-military dictatorship of Peru," in the murder of Luis Negreiros, secretary of the Organization of Labor, on March 24 "at the hands of the secret police." Negreiros was fatally shot as he walked with a group of other labor leaders to a meeting in Lima. The day before, it was said, the military tribunal had freed the president of the Peruvian Federation of Labor, Arturo Sabroso Montoya, and other unionists jailed for 18 months in connection with the Callao revolt of October 1948.

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### Meany Given Lifetime Card



Chicago.—AFL Secretary-Treasurer George Meany is presented with gold honorary membership card in Plumbers Local Union 130 at ceremony in connection with dinner of trade union division of the Chicago Israel Histradrut. L. to r. are President Reuben G. Soderstrom of Illinois State Federation of Labor; Mr. Meany; President Stephen M. Bailey of Local 130, Chicago; Secretary-Treasurer Walter J. Plotke, Local 130; President William Dodd of Plumbers Local 2, New York City. Mr. Meany is a member of Local 2 and past president of the New York State Federation of Labor.

### Labor Committee Is Asked To Probe NAM Propaganda

Washington (LPA)—The House investigation of lobbies got off to a fiery start March 27 when Prof. Stephen Kemp Bailey proposed legislation to require members of Congress to disclose their outside incomes and also asked for an investigation of NAM propaganda.

Bailey, a professor at Wesleyan University, Middletown, Conn., outlined for the committee briefly a book he has written about the lobbies for and against the full employment act in 1946. He noted that much of the lobbying was directed from within Congress but emphasized the outside lobby was conducted by the NAM, the U. S. Chamber of Commerce, the Committee for Constitutional Government, and the American Farm Bureau Federation.

He said there was a close connection between the "opinion leaders" in big business and in big agriculture, citing the "canned editorials" sent out regularly by the NAM to 7500 rural weekly newspapers.

Bailey testified to the number of identical editorials against the full employment bill in small town dailies and weeklies, including the Zanesville, O., Times Recorder; the Cheyenne, Wyo., State Tribune; the Clarksburg, W. Va., Exponent; the Lima, O., News; the Macon, Ga., Telegraph and the Cumberland, Md., Times.

Because of the influence of such papers, Bailey said, their printing of "handouts from the national opinion machines of big business have considerable significance."

Rep. Clarence Brown (R, O.) criticized what he called an inference that the newspapers were controlled or influenced by big business. He asked what was wrong with the papers printing such

"canned" editorials, if they agreed with them. Bailey replied the public would have been interested to know the origin of the editorials, but it was not disclosed.

Brown accused the witness of bias because he mentioned no papers that printed editorials favoring the full employment bill.

Bailey replied he had found no instances of papers printing identical editorials favoring the bill.

The witness said the NAM was not the only business organization which "maintains close liaison with agricultural opinion." He said the money of the Pew family of Pennsylvania, prominent in Republican circles, was behind the Farm Journal and Pathfinder Magazine, and Frank Gannett, sparkplug of the Committee for Constitutional Government, owned a string of rural papers and published the American Agriculturist.

He urged the committee to "make a special study of the NAM as a possible holding company for a variety of seemingly independent pressure groups, and as a conditioner of rural opinions."

Bailey submitted to the committee the draft of legislation which would require all Congressmen and all policy-making officials of the executive departments to publish annually the amounts and sources of their outside incomes, and business and professional connections.

Brown, who was distinctly hostile to Bailey, tried to find out more about his background, apparently suspecting he was some kind of radical. It turned out he had worked for a year for Gov. Thomas E. Dewey, of New York, and also for the Hoover Commission.

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### Union Says DP's Being Used As Strikebreakers

Hudson, N. Y. (LPA)—Forty displaced persons are being used by K-B Products, Inc. here as strikebreakers, Jack Rubenstein, New York state director of the Textile Workers charged in a letter to Ugo Carusi, chairman of the US Displaced Persons Commission March 30.

Rubenstein said the DP's took the jobs fearing they would be returned to their homelands if they didn't. "This is hardly the refuge they sought when they came to our shores seeking sanctuary," the union official declared. "This is hardly more than life would have been in the police states from which they escaped. If they are to be indoctrinated in the American way of life, then they must have protection from those who would exploit the fears they accumulated in the past two dark decades."

K-B Products, Inc., growers and processors of mushrooms, employs 250 in its main plant here and another 150 who work in mushroom caves along the Hudson River. An accumulation of grievances led to a strike in the main plant Jan. 31 and a subsequent appeal to the Textile Workers, largest union in the area, for aid. The union won an NLRB election.

Cave workers struck March 9 when one of them was fired for union activity, and the main plant employees walked out a second time when the company discharged a worker who had been reinstated by the New York state mediation board. Shortly afterward, the union told Gov. Thomas E. Dewey that revolvers were being brandished at peaceful pickets and that deputy sheriffs were escorting strikebreakers through the lines.

### STRIKING UAW LOCAL REJECTS PAY CUT PLAN

Detroit (LPA)—A company proposal to cut wages on piece work 25 to 52¢ and to step up production among hourly rated employees was rejected flatly by the striking members of Federal-Mogul Local 202, UAW.

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