

Labor and Industry Study Truman Move For Wage Increases

Washington, Oct. 31.—(U.P.)—Labor and industry today carefully studied President Truman's middle-of-the-road wage-price policy statement to find a fresh approach to the disputes stalling reconversion.

The first labor reaction came from a CIO spokesman who expressed "disappointment" that Mr. Truman did not recommend a specific percentage formula for wage increases. The CIO is asking 30 per cent raises to offset loss of wartime "take home" pay.

WAGE INCREASES DECLARED IMPERATIVE NEED

The keynote of Mr. Truman's wage-price address to the nation last night was this: "Substantial" wage increases to labor are "imperative," business in general can pay them without requiring price increases, and the government must and will continue efforts to hold down the cost of living.

At the same time, the president emphasized that the government was ready to allow price increases if they were found absolutely necessary to assure business a "fair profit."

He accompanied his speech with an executive order which authorized such necessary increases.

The president carefully refrained from recommending any precise amount by which wages should be raised, making clear that this should be determined by collective bargaining "in good faith."

But he provided labor with one argument for the bargaining table. He estimated that the take-home pay of most workers had dropped 25 per cent or more since V-J day and that increases were needed to prevent deflation and consequent wide unemployment.

CONSIDERATION, REASONABLENESS ARE URGED

He urged industry to give careful consideration to labor's requests, and in turn asked labor to be "reasonable" in its demands.

"We must not kill the goose which lays the golden egg," he said.

Declaring that he, like others, has been "distressed in recent weeks" by mounting labor unrest, Mr. Truman bluntly placed part of the blame on the doorstep of congress.

He criticized congress in general and two house committees in particular for blocking three of his important reconversion recommendations—expanded unemployment compensation, full employment legislation, and continued federal control of the U. S. Employment Service.

Mr. Truman said the 25 per cent cut in workers' take-home pay had resulted from these factors: Loss of wartime overtime pay, down-grading from higher-paying jobs and the fact that peacetime jobs pay less than war jobs.

"These three factors added together mean a drastic cut in the take-home pay of millions of workers," he said. "If nothing is done to help the workers in this situation, millions of families will have to tighten their belts—and by several notches."

VAST SALARY SHRINK SEEN IN NATION

"It has been estimated that, unless checked, the annual wage and salary bill in private industry will shrink by over \$20,000,000,000. That is not going to do anybody any good—labor, business, agriculture or the general public."

Mr. Truman warned workers that it would be impossible to maintain the identical take-home pay level that prevailed during the war.

"There will have to be a drop," he conceded. "But the nation cannot afford to have that drop too drastic."

"Wage increases are therefore imperative—to cushion the shock to our workers, to sustain adequate purchasing power and to raise the national income."

The president said there was room in the existing price structure for business as a whole to raise wages.

Business, the president said, can study wage demands in the knowledge that certain of its wartime operating costs are going down. He pointed to elimination of overtime pay, down-grading of workers to lower-rated jobs, increased productivity, a "very favorable profit position," and repeal of excess profits taxes.

LIMITATIONS ON INDUSTRY'S ABILITY TO PAY

At the same time, the president asked labor to recognize that there are limitations on industry's capacity to raise wages without price increases. These limitations, he said, include less profitable production of peacetime items, reconversion expenditures, the costs of developing new lines and markets and training inexperienced workers.

"These problems and difficulties are particularly true in the case of small business—which is the backbone of the American competitive system," Mr. Truman said.

"Labor must not demand more than an industry or a company can pay under existing prices and conditions. Excessive demands would deny to industry reasonable profits to which it is entitled, and which are necessary to stimulate an expansion of production."

He said labor has a responsibility to aid industry in reaching this goal of higher production and more jobs by striving constantly for greater efficiency and productivity.

"Labor," he said, "must constantly find ways within its own ranks of cutting down on absenteeism, reducing turnover, avoiding jurisdictional disputes and wildcat strikes. Labor and industry must adopt collective bargaining as the effective and mature way of doing business."

VIATION IN INCREASES IS RECOGNIZED

He said that the extent of wage increases will vary between companies and industries. And what can be paid today, he added, will be different from what can be paid next year or later, when markets have become established and earnings apparent.

"Both management and labor must keep on exploring these developments and determine from time to time to what extent costs have been reduced and profits have been increased, and how far these can properly be passed on in the form of increased wages."

Mr. Truman flatly rejected arguments by some business leaders that any wage increase must be accompanied by a corresponding price increase. He warned that the nation must not repeat its experience following the last war when "a dizzy upward spiral of wages and cost of living ended in the crash of the 1920's—a crash that spread bankruptcy and foreclosure and unemployment throughout the nation."

The president reaffirmed his wage-price policy order of last Aug. 18. He said this allowed management to make wage increases of any amount without governmental approval if they did not require price increases, but which required approval before the increase could be reflected in higher prices.

THREE SITUATIONS SET FORTH

He said that amendments to this order set forth three situations where wage increases would be allowed irrespective of price consequences. These were:

1. Where increases in average straight time hourly earnings have not equaled the cost of living between January, 1941, and September, 1945. The cost of living rose 32 per cent in that period but average straight time hourly earnings in virtually all manufacturing went up 36 per cent.

2. Where necessary to correct inequities among plants in the same industry or locality.

3. Where necessary to insure full production essential to reconversion.

Economic Stabilization Director John C. Collet said in a statement accompanying this order that so few industries and workers would qualify for these increases that no material effect would be felt in the cost of living.

Mr. Truman emphasized the pricing provisions of his executive order.

If management grants a wage increase, he said, it is not prevented from coming in thereafter and asking the government to consider that extra cost for purposes of a price ceiling increase.

If after a reasonable test period—usually six months—the industry has been able to produce at a fair profit under raised wages, the entire wage increase will be taken into account in passing upon applications for price increases.

Communist Leader



(Acme Telephoto) Gen. Chou Teh (above), commander of the Communist Eighth Route Army of China, who is entrenched in southern Manchuria on railway lines behind three ports where U. S. Seventh Fleet is scheduled to land troops. In undeclared civil war, Chou challenges authority and leadership of Generalissimo Chiang Kai-Shek. Photo by Edgar Snow.

TRUMAN'S SPEECH SEEN MANDATE TO SETTLE WALKOUT

Portland, Ore., Oct. 31.—(U.P.)—Federal Conciliator E. P. Marsh today said President Truman's speech on wages and prices "was a clear mandate" to compromise warring factions in the Pacific northwest lumber strike.

"The president policy is a mandate to get them (AFL and operators) around the conference table and I'll have them there in a week," Marsh predicted.

E. P. Christenson, strike chairman for the AFL lumber and sawmill workers association, declared "our position has always been that the operators can meet our wage demands at the present price level and still make a high percentage of profits."

Christenson, acknowledging that the five week old strike of some 60,000 workers is hindering the reconversion program, reiterated the AFL's willingness to meet with any operator or group of operators to discuss the strike.

Meantime, the AFL committee went into a third day of conferences, with President Truman's speech the highpoint of discussion.

Christenson disclosed that a high percentage of the AFL lumber workers in Oregon, Washington, Idaho, Montana and northern California have gone into other work for higher wages.

Young Burglars Nabbed by Police

Bernie E. Bjornsen, 14, and Richard Davis, 16, both of Stockton, Cal., were arrested by city police and lodged in jail last night after being found in the home of George F. Reigel, 117 South Holly street, where they had stolen a few miscellaneous articles.

According to the police report, the youths admitted stealing a car at Stockton, later abandoning it at Red Bluff, where they stole another auto to travel north.

And when you buy those Victory Bonds—KEEP THEM.

Truman Picking Losing Fight With Congress Is Reaction to Address

Washington, Oct. 31.—(U.P.)—President Truman, dropping his usual conciliatory tone with congress, plunged into his first major fight with the lawmakers today in an effort to salvage three basic planks of his reconversion platform.

The president sounded the battle cry last night in his wage-price speech. In blunt and vigorous language, he singled out two house committees as responsible for "damaging delays" in passing jobless benefits and full employment legislation. And he criticized both the house and the senate for favoring restoration of the U. S. employment service of the states.

CHINA CRISIS NEAR

JAPANESE FLEET TO BE SCUTTLED IS BYRNES' WORD

Some Smaller Craft To Be Divided Among China, Russia, Britain and U. S.

Washington, Oct. 31.—(U.P.)—Secretary of State James F. Byrnes announced today that the remnants of the Japanese fleet, except 38 destroyers, will be scuttled.

The destroyers and some lesser ships will be divided equally among China, Russia, Britain, and the United States.

The method of scuttling has not been determined. The U. S. navy intends to test the atomic bomb on naval ships, and may use them for that purpose. In any event, the scuttling will be done by this country.

Byrnes did not have exact figures on the number of vessels to be scuttled. But said they included one battleship, four aircraft carriers (one of which is damaged), four cruisers (three of which are damaged), and 51 submarines.

He likewise had no information of the exact number of smaller vessels which will be shared by the Big Four in retribution to the 38 destroyers.

Byrnes was reminded about the agreement at Potsdam for Big Three expects to work out plans for disposition of the German navy and merchant marine. He said he could make no comment on that situation now because it must await what he described as certain happenings that haven't happened.

Disposition of the Italian fleet, he said, will be involved in the peace treaty. For that country the question has not been fully disposed of, he said.

BLACK MARKET IN TOKYO BROKEN UP

Tokyo, Oct. 31.—(U.P.)—American military police broke up what was described as the "biggest black market ever operated in the Pacific," believed to have sold more than \$500,000 worth of U. S. army goods in three weeks, it was announced today.

Four American soldiers, two Italians and two Japanese were arrested by military police who raided headquarters of the market at the Marunouchi hotel Tuesday night.

The hotel was used as a clearing house by the black marketers, authorities said. The raid was carried out on orders of Brig. Gen. Hugh Hoffman, provost marshal of the Tokyo area.

VANDALISM TABOO IN HALLOWEEN STUNTS

No vandalism or unnecessary disturbances will be tolerated tonight, according to Clatous McCredie, city police chief. A few reports of youngsters taking fuses, moving street torches, setting firecrackers in mail boxes, etc., were given police last night, officers said.

12 NAVY MEN LOST

San Francisco, Oct. 31.—(U.P.)—Navy and coast guard officials today searched for the bodies of possibly 12 men feared drowned when a Liberty launch capsized in the bay while coming alongside a nest of destroyer escorts.

SOUTHERN OREGON TEACHERS SLATE 2-DAY INSTITUTE

Educational Conference To Be Held Thursday, Friday At SOCE In Ashland

All teachers of Jackson and Josephine counties will gather in Ashland Thursday and Friday of this week for the annual southern Oregon regional educational conference and teachers' institute, to be held at the Southern Oregon College of Education. Sponsors of the conference are Josephine and Jackson counties, the Southern Oregon college and the Oregon State Teachers' association.

Leading the list of speakers is Dr. Lillian Gray, associate professor of education, San Jose State college, Calif. Other speakers will be Dr. A. C. Flora, superintendent of schools, Columbia, S. C., and a past president of the National Education association; Dr. Victor P. Morris, dean, school of business administration, University of Oregon; Dr. D. V. Poling, high school contact representative, Oregon State system of higher education; Dr. Rex Putnam, Oregon state superintendent of public instruction and Dr. Frank Parr, executive secretary, Oregon Teachers' association.

Two speakers will discuss retirement plans and questions, and it is thought these will be of unusual interest. They are Supt. James Burgess, member of the Public Employees Retirement commission and superintendent of school, The Dalles, Ore., and Jerry Saylor, executive secretary, Oregon Public Employees Retirement commission.

Also scheduled for talks before sections and group meetings are Bertha Kohlhaugen, state supervisor of home economics education; O. G. Hughson, state building congress; Mrs. Gertrude Blum, chairman of the education section, Oregon War Finance committee; Dr. Curtis Reid, visual aid department, Oregon state system of higher education; Miss Neva Dallas, supervisor of Josephine county schools; Miss Tillie Schlumberger, Scott Foreman company; Miss Alice McElgheen, the Winston company; Miss Helen Hayden, Lyons and Carnahan company; Angus Bowmer, dramatic department, S.O.C.E. and Wallace Sapp, music department, S.O.C.E.

Dr. Walter Redford, president of S.O.C.E., will act as general chairman of the sessions and Lester D. Harris, principal of the Medford senior high school, Laurence C. Moffitt, superintendent of Josephine county schools, and Leland P. Linn, superintendent of schools, Ashland, will preside over various sessions.

Section chairmen will be Hershel Mannan, president, Josephine county Oregon State Teachers' association; Lyle Lindley, president, Jackson county O.S.T.A.; M. B. Winslow, superintendent of schools, Grants Pass; Mrs. Mae Richardson, primary teacher, Central Point; Derris Stephens, S.O.C.E.; R. Cloys Riffe, director of vocal music, Grants Pass; Daphne Matthews, high school English department, Grants Pass; Alma Frerichs, homemaking department, Grants Pass high school; Flora Stokoe, intermediate teacher, Talent; E. H. Hedrick, superintendent of schools, Medford; E. Hope Getchell, primary teacher, Grants Pass; Mrs. Alice Gay, primary teacher, Central Point; Rose Perry, principal, Wilderville school, Josephine county; Roland Parks, principal, junior high school, Ashland; Mrs. Kathleen M. Clarke, Grants Pass high school; Mary McLarnan, home economics department, Ashland senior high school; Mrs. Irene Cribb, intermediate teacher, Kerby; and Lewis Herbert, social studies department, Grants Pass high school.

All These and No Stamp?



(Acme Telephoto) Cass Daley, talented NBC comedienne, goes berserk now that shoe rationing is at an end! Clerk George Garcia is in for a busy time of it as Cass stocks up at a Hollywood, Calif., shoe store, after a "long hard winter" of shoe rationing.

Eisenhower Sees Danger of Uprising Against Americans

Frankfurt, Germany, Oct. 31.—(U.P.)—Gen. Dwight D. Eisenhower reported to Washington today that increasing discontent among German youths and former soldiers show signs of developing into an organized uprising against American occupation forces.

German resentment against American fraternization with German girls and general inactivity already has led to sporadic outbreaks of violence, Eisenhower said in his formal report for September.

"If widespread unemployment persists," he said, "sentiments behind them may provide rallying points for activities which might grow into organized resistance directed against the occupation forces."

German criticism of the American military government also is growing bolder, Eisenhower said. He said "extreme leftists" were exerting pressure for more severe punishment of former nazis than mere removal from office.

Eisenhower said his program of denazification was leveling off—an indication that it was nearing completion.

By Sept. 15, he said, approximately 100,000 nazis and former soldiers had been removed or denied employment in public offices in the American occupation zone.

Some 20,000 other nazis were removed from supervisory positions in private business and industry and 250,000 more were being screened.

Eisenhower said a paradoxical situation prevails in labor with almost 20 per cent of registered laborers out of work despite acute labor shortages in construction, coal mining and wood-cutting industries.

QUARTET NABBED IN P. O. BURGLARY

Portland, Ore., Oct. 31.—(U.P.)—Post Office officials today announced two men and two women were under arrest for the burglary of the Wauna, Ore. post office July 24, which was followed by the forging of approximately \$2,000 worth of stolen money order blanks.

The Clatsop county robbery was followed by the series of forged money order cashings in Portland, Tacoma, Seattle, Los Angeles, Pasadena and Huntington Park, Cal. The post office stamp and about 25 forms were stolen.

Those held were Virgil C. Lewis, 23, escapee, ringleader of 12 prisoners who broke out of the Multnomah county jail; Frederick L. McIntyre, 26, Los Angeles, arrested yesterday in Tacoma; Wilma Jean Davis, 18, arrested in Los Angeles, and Dorothy Louise Wright, 19, arrested in Broken Bow, Okla., her home town.

Lewis was arrested in Roseburg on Aug. 12. McIntyre was accompanied by Danny Clarkson, 23, of Los Angeles, when arrested in an automobile reportedly stolen from Portland. Both are to be questioned in connection with a post office burglary Monday night in Olympia.

COMMUNIST FORCE SEIZES CITIES IN COASTAL SECTION

Two Thousand U. S. Marines At Chinwangtao Sandwiched Between Forces

Chungking, Oct. 31.—(U.P.)—A Central News Agency dispatch from the north said today that the Russians have thrown open Manchuria to the armies of Generalissimo Chiang Kai-Shek for a showdown with the Chinese Communist forces massing there.

The agency said Marshal Alexander Vasilievsky, Red army commander in Manchuria, had agreed to the entry of Chiang's troops, who have been pouring northward aboard American transports and planes to recapture the areas abandoned by the Japanese.

It confirmed, it would be the first direct Russian move in the undeclared Chinese civil war.

Chungking, Oct. 31.—(U.P.)—A Chinese communist communique announced today that communist troops, operating south of the Manchurian border in China's undeclared war, have occupied 2 coastal cities in the area where the U. S. seventh fleet landed a veteran central government army Monday.

The communique said communists cut the vital Peiping-Mukden railway in at least two places by occupying Shanhaikwan, eastern terminus of the great rail nine miles northeast of Chinwangtao, and Peitaiho, eight miles southwest.

Marines Sandwiched Two thousand U. S. marines who were ashore at Chinwangtao were reported sandwiched between the two communist forces.

Information from both government and communist sources indicated 1,000,000 communist troops and 1,000,000 men under Generalissimo Chiang Kai-Shek soon will be engaged in full-fledged civil war if negotiations for political settlement fails.

Central News Agency reported a Chinese communist offensive 100,000 strong overran three big cities in eastern Suiyuan and was threatening Kweisui, provincial capital.

The Yenan (communist) radio warned the Chungking government that communists will shoot at government troops if they land in, or close to, Manchuria from U. S. seventh fleet ships. A government spokesman today admitted the warning was received in Chungking.

(Richard W. Johnston, United Press staff correspondent at Chinwangtao, reported thousands of American-equipped central government troops had marched north from Chinwangtao and massed at Shanhaikwan yesterday. There was no indication in today's communist communique whether communist forces had driven out the nationalist troops or whether the nationalists had withdrawn.)

Truman Too Busy For Consideration Of Second Term

Washington, Oct. 31.—(U.P.)—It happened today at the White House—President Truman, for the first time since he entered the White House, was asked at a news conference whether he plans to run for reelection in 1948.

The president said that, standing on his rights, he did not think he had to testify against himself at the present time.

And as an added matter of fact, the president continued, the matter had not entered his thoughts; he had been too busy on other things.

Washington, Oct. 31.—(U.P.)—President Truman today was made an honorary member of the University of Missouri alumni association. He received a membership certificate from Clark Nichols, president of the Washington, D. C., chapter of the association and 34 other Missouri alumni.

Little Pat McDonald, son of a cowhand on the ranch of State Sen. Ralph Cowan, wandered away from home early yesterday with Mac, his dog.

As the search progressed over an ever-widening area in the rough desert country, the dog returned to his bunkhouse home. Ed McDonald, the lost boy's father, was summoned immediately and was led by Mac straight to his young master, who was sitting among the mesquite and cactus about five miles from home.