

Labor Strife Pushes Business Down Grade

By G. A. PHILLIPS

NEW YORK, Oct. 10 (AP)—Business and industry began an orderly retreat last week under steady pressure from the crisis in labor.

Virtually no sector of the business front was free of the consequences of strikes in steel and coal and a growing number of disputes in other industries.

While all these basic divisions of activity that make up the national economy were affected, it was production that suffered most in the first week of curtailed operations in both steel mills and coal fields. Distribution was next with railroads and water carriers taking a bad licking. Consumption on an overall basis showed less reaction, but here too, the sudden severance of more than 1,000,000 workers from regular payrolls began to show up in spending habits.

Strikes, Future Key

Dr. Edwin G. Nourse, the president's top economic adviser, said the strikes hold the key to the future trend of business. If the coal and steel walkouts are halted within a month, he said after making a report to the White House, the country could overcome the handicap. If they extend beyond that, he said, it will be an alarming situation.

The stock market turned out to be the loudest rooster for an early settlement of the labor crisis. Day after day prices advanced and volume expanded. More than \$1,000,000,000 was added to the quoted value of shares listed on the New York stock exchange. Bonds did as well in their own particular sphere, indicating "big money" was betting on the nation escaping any long drawn out interruption to the production of such essential goods as coal and steel.

Reducing Diet

But no matter how high the stock market sent its signals of optimism, business and industry clearly were on a strict reducing diet. Overall industrial production was far below that of recent weeks; retail trade was good in spots but bad in areas where people were beginning to watch their pennies as a result of curtailed income or no income at all.

Forward buying for inventory, one of the strong spots in the economic picture in recent weeks, slowed considerably as purchasing agents tried to assay the full effects of the current industrial muddle on fall and Christmas spending. If they get the idea that spending is going to be tight, you can look for a new outbreak of factory closings and industrial cutbacks.

Three Year Low

Operations in steel mills last week was at a three year low at 8.2 per cent of rated capacity. Tonnage was estimated at 151,000. Nothing approaching this low rate of activity has been seen since early in 1946 when a strike reduced activity to 5.5 per cent of capacity.

Another heavy casualty this week was soft coal. The scattered independent mines in the eastern time zone and small outfits in western states permitted to operate by Boss Lewis combined to bring up around 2,000,000 tons. This was a far cry from last year's normal output of 12,055,000. In the previous week, the first of the strike, output was 1,825,000 tons.

Sad Sight

Railroads were another sad sight with carloadings down to 658,128 against 908,866 last year and even lower than the 661,472 last week, the first in which the full fledged coal strike showed up.

Automobile production was only slightly affected at this stage of the steel strike.

Electric power production was shaded to 5,521,238,000 kilowatt hours against 5,555,641,000 in the previous week and compared with 5,443,554,000 last year. This was a contrasessional decline due almost wholly to interruption to industrial activity stemming from the twin strikes in coal and steel.

Star Performer

On the financial side of the ledger another increase in business loans by banks was the star performer. A gain of around \$100,000,000 was the eighth weekly advance in this important economic barometer. It meant that merchants, manufacturers and other users of credit were still looking ahead to better business and had not yet been

frightened off by the current crop of strikes.

There was a modest pickup in bank clearings and money in circulation, both conforming to a seasonal pattern.

Train Hits Truck, Two Men Killed

THE DALLAS, Oct. 10 (AP)—Two men were killed east of here Saturday night when a truck they were riding pulled in front of the Union Pacific railroad's eastbound City of Portland passenger train.

Car Hits, Kills Man on Roadside

HILLSBORO, Oct. 10 (AP)—Donald R. Wilson, 35, Hillsboro, was killed yesterday when struck by a car while attempting the roadside repair of his stalled automobile on the Sunset highway near here.

State police said Wilson apparently had failed to leave his car lights on and was not seen by Martin L. Betterton, 26, Portland, driver of the second vehicle.



BACK TO NAVY service after a 30-day leave at home is Alvin D. Steele, son of Mr. and Mrs. Frank Steele, 3704 Cannon. The young navy man has finished a course at an air corps school in Tennessee and has been assigned to Whidby Island, Wash.

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Tulelake PTA To Hear LaClair

TULELAKE—Joe LaClair of Klamath Falls, coordinator of audiovisual education in Klamath county schools, will speak at the next regular meeting of the high school PTA meeting, Wednesday night, October 12. The session will be held in the agriculture building at the high school.

E. L. Coyner, program chairman, announced that Mrs. Sybil Hjort or Tom Pierce of high school music organizations will be responsible for music numbers at each program meeting during the year.

Program Plans
Programs are planned as follows for the coming month November, Vacations, Dr. Charles E. Wilson:

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December, J. E. Hurley, Siskiyou county school superintendent; January, explanation of new law governing student driving education in California; February, Founders Day, both parents and students will participate; March, International Relationships, Phil Parks, speaker, also nomination of officers; April, educational film and election of officers; May, installation of officers and summary of year.

FIRE HERO
PORTLAND, Oct. 10 (AP)—Janet Gullickson, 11, was credited today with rescuing three younger sisters from their burning home. The girl, left in charge of the others, ran upstairs to their bedrooms when she detected flames in the basement.

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