

Steelmen Face Wage, Sales Problems In Coming Weeks

By SAM DAWSON

PITTSBURGH (AP)—The steel industry looks on the next few weeks as its crystal ball.

1. Bargaining starts today with the CIO United Steelworkers. That will settle the question of a strike (a threat of it would needle sales) or of whether wage rates will rise (and operating costs with them).

2. A recent flurry of orders has led many to believe that the first two weeks of May have seen the low point reached and a turn-about is in order. If it proves only a flurry, the industry will enter the dull summer season with its hopes transferred to fall.

3. The weeks just ahead should show much about the inventory adjustment. If it's about over, there should soon be an end to the price cutting at the warehouse level, and to the selling of steel by customers.

who found they had too much on hand. Prices, still holding at the mill, should turn firmer in the outside market.

OPTIMISM Optimism for the long term is strong here.

"We should soon be able to find out what normal peacetime steel demand is," a Pittsburgh official of U. S. Steel says. "Right now we don't know. We're sure that steel consumers, by living off inventories, are using more metal than we are producing or selling now. Just as we know that a year ago we were producing more steel than civilian demand called for."

"Abnormal production has ended. Below-normal buying should end by fall, at the latest."

"Then we'll know what normal is. And it's sure to be higher than present production."

Pittsburgh Steel's president, Avery C. Adams, has a slightly different angle: "The high wind of competition is blowing hard now on the weaker companies. You'll soon see who the strong ones are, and who the growing ones are."

His company has just completed a \$5-million dollar expansion program and Adams reports orders coming in fast this month for the new facilities.

All hands agree, however, that this year individual orders call for much smaller tonnage than those of former years. Customers are choosy and cautious.

As a basic industry—steel lists perhaps 40 per cent of U. S. manufacturing firms as customers—its health is highly important to that of the national economy.

STEEL REPORTS The American Iron and Steel Institute reports that in the first four months steel production was 26 per cent below a year ago.

For the companies this meant a drop in sales. For many steelworkers, it meant layoffs or reduced work weeks.

T. M. Girdler, chairman of Republic Steel in Cleveland, expects his company's sales to pick up this fall, with 1954 perhaps turning out to be the industry's fifth best year. Orders of the company's alloy steels are already re-activating and men are returning to the mills.

E. T. Weir, chairman of National Steel, thinks steel demand may remain down for awhile. But he points out that the big postwar expansion program of the industry provided modernized equipment which cuts operating costs and helps lower the break-even point.

This could have been a factor in keeping steel company earnings from declining by as big a percentage as production did in the first quarter, although the chief factor, probably, was the end of the excess profits tax.

Among bright spots in the steel picture are the mills in the Chicago area which report doing better than the national average, through competitive advantage by nearness



CRUMPLED KITE, with a metallic thread running full length of the string, which caused a 46-minute power outage late Saturday afternoon is held by Jim McFarland, assistant superintendent at California Oregon Power Company. Copco officials repeated warning of danger of flying kites in vicinity of power lines, pointing out that probable death would have resulted had anyone been holding the string when this kite hit power wires near Fairview School Saturday.

to large markets.

And the Wheeling, W. Va., district mills are busy turning out tinplate for can companies, whose busiest season is ahead as the canneries open. The can companies, therefore, are more nervous than some other steel customers and so they aren't taking any chances on a steel strike.

Officials of the National Assn. for the Advancement of Colored People hailed the decision as "vindication" of a 45-year fight, and a move which "gives the lie

Outlawing Of Segregation Raises Problems In South

ATLANTA (AP)—Southern education and political leaders started work today on problems arising from the U. S. Supreme Court decision which outlaws segregation in public schools.

Yesterday's decision was generally received calmly throughout the South.

Negro leaders praised it. Reaction among white educators and politicians varied.

Governors of nearly every state involved reported they would call special committees into session immediately to study the problem.

Most outspoken was Gov. Herman Talmadge of Georgia, a long-time advocate of segregation in Southern schools.

He announced he would call the State Commission on Education into immediate session "to map a program to insure continued and permanent segregation of the races."

A Talmadge-sponsored constitutional amendment to do away with Georgia's public school system will be voted on this fall.

Talmadge is the only governor who declared after the high court's decision was announced that his state will not abide by the decision. He said in a prepared statement:

"The court has thrown down the gauntlet before those who believe the Constitution means what it says when it reserves to the individual states the right to regulate their own internal affairs. Georgians accept the challenge and will not tolerate the mixing of the races in the public schools or any of its public tax-supported institutions. The fact that the high tribunal has seen fit to proclaim its views on sociology as law will not make any difference."

Officials of the National Assn. for the Advancement of Colored People hailed the decision as "vindication" of a 45-year fight, and a move which "gives the lie

to the Communist propaganda that American democracy is decadent."

Thurgood Marshall, chief counsel for the NAACP, said at his office in New York that compliance with the ruling may not be completed until about 1960.

But he said he does not believe Georgia can carry out its proposal to turn the schools over to private management.

"If they put any plan into effect in the morning we will have them in court by the next afternoon," he said. "There is no possibility of getting around this clear-cut interpretation of the Constitution."

WARNING Lt. Gov. Marvin Griffin, a candidate to succeed Talmadge as governor of Georgia, quickly announced that "the races will not be mixed, come hell or high water."

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Representatives E. W. Gravett and Gilbert Faulk of the Louisiana Legislature urged that body to "take immediate steps to counteract such a decision."

Rep. Sam Engelhardt of Alabama, home of Tuskegee Institute, famed Negro college, asserted: "We are going to keep every brick in our segregation wall intact."

Byrnes some time ago declared his state would refuse to go along with a decision to end segregation.

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Oregon Solons Votes Shown

WASHINGTON (AP)—How Oregon members of Congress were recorded as voting on recent rollcalls:

Senate On Hill (D-Ala.) motion to send administration's bill for revising Taft-Hartley Law back to committee, adopted 50-24 (thus shelving it). For the motion—Morse (Ind); Against—Cordon (R).

On passage, 58-19, of resolution proposing constitutional amendment fixing number of Supreme Court justices at nine and relating otherwise to composition of court. For—Cordon; Against—Morse.

On Monroney (D-Okla.) motion to send back to committee, and thus shelve, bill to allow ICC to grant fast, temporary rate increases to railroads, adopted 39-37. For the motion—Morse; Against—Cordon.

House On passage, 179-157, of bill to create nine-member committee to advise Department of Health, Education and Welfare. For—Angell, Coon, Ellsworth (all Republicans); Against—Norblad (R).

U. S., Philippine Pact Considered MANILA (AP)—The Philippine Senate and House of Representatives last night passed an administration bill to extend the U. S.-Philippine Free Trade Agreement of 1946 to Dec. 31, 1955.

A similar measure is pending in the U. S. Congress.

DEFICIT TEHRAN, Iran (AP)—Finance Minister Ali Amiri estimated Monday Iran's government will rack up a deficit of \$66,681,562 in the coming year unless its oil dispute with Britain is settled.

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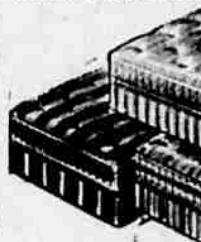
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We all want Klamath Falls to grow — to be a place where we and our children can work and prosper. The truck route will help build and maintain our position as the fourth largest distributing center in the northwest.

We all want Klamath Falls to be a pleasant and friendly town. A special truck route will help keep it that way as truck traffic on highway 97 increases from improvements to the north.

We all want to maintain and increase property values — both downtown and in the commercial district — to provide a greater tax base for schools and other public needs. The truck route will help do that.

The truck measure would provide \$186,000 to build the truck route from Second and Klamath diagonally to Plum and down Plum to Oak Street. The tax would not exceed \$1.45 for each \$100.00 you are now paying, and would be less as property values are increased.

It is good business to authorize it now, so the job can be done next year in conjunction with the state's construction of the Sixth Street Viaduct and one way complete. It can be constructed for less when a larger job is under way.

Klamath Falls needs the truck route to grow—will still need it when the Westside By-Pass is constructed.

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Pd. Adv.—Cross-Town Traffic Comm.
A. M. Matten, Chairman

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