THIS WEEK IN WASHINGTON

A Resume of Governmental Happenings in the National Capital

Washington, Jan. 29—Although labor legislation has taken precedence over everything else which is before congress, observers here are pessimistic over the possibilities of any law being passed which will do much to bring labor-management peace.

The President continues to insist that his suggestion, for fact-finding committees and a 30-day cooling-off period before strikes, would aid the situation, but the experience of fact-finding committees already appointed don't give much encouragement to his plan. Both labor and management seem to oppose it—and there is little chance that a peace plan unacceptable to both sides of conflict could be of much help.

Labor argues that the "cooling off" period would actually be a "heating up" period, that there has never been any shortage of facts when a strike is called, and that the proposal would merely delay action which labor considered necessary against "arrogant employers."

Management argues that the fact-finding plan would create new problems, since any time a fact-finding committee recommended a new wage increase, all unions would feel that they were being discriminated against unless they got the same increase for their members. Manufacturers also object to the provision in the bill which would require them to open their books to the committees.

There are wide divisions in congress over what type of labor legislation should be enacted. The majority want some kind of measure—but there appears to be a sizable group which fvors a more or less ineffective law—one which won't step on anybody's toes too much but will serve to quiet the public's demand for a new labor law.

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The President's social program—including the new social security measure which would provide huge funds for medical care, hospitalization, etc.—seems to be in for tough sledding. Increased demands for a balanced budget and for major cuts in government spending make it appear to be a bad time to try to get through any big spending bills. And the fact that unemployment is much less than was anticipated has taken unemployment insurnce measures out of the "emergency" category.

An increase in the minimum wage required by law will probably be put through during the present session of congress, but both that bill and the fair employment practices act are meeting a lot of opposition from southern congressmen. It is quite possible that they will employ filibuster methods to prevent either measure from becoming law.

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The growing danger of widespread inflation was recently highlighted by the order issued by the governors of the Federal Reserve system eliminating the use of credit in buying securities. The order required that buying on margin be stopped. This is the first time in history that this has happened. Marriner S. Eccles, chairman of the reserve board, warning of inflation, said that this was only a minor step toward its prevention. He considers the most important step to be immediate balancing of the federal budget.

All government figures indicate that the cost of living is gradually increasing and it is expected that there may be a big jump in prices of many consumer goods within the next few months. Efforts to keep prices in line seem to be breaking down. Although President Truman continues to back OPA price control policies, he is being blamed for encouraging inflation by his apparent willingness to settle labor disputes by permitting some price rises.

PUBLIC INDIFFERENCE TO ROAD ACCIDENTS IS CITED BY HATCHER

Chapel Hill, Jan. 26—Maj. H. J. Hatcher, commander of the state highway patrol, believes the indifference of the uublic in general is one of the big handicaps in reducing highway accidents.

In an address here, Hatcher said the peak in fatalities from highway accidents was in 1941 when 1,286 persons were killed.

"Unless the public becomes more arounsed to the seriousness of the situation," he said, "that record is going to be surpassed before long."

Price of eggs was consistently higher in 1945 than in 1944.

Blowing Rock High School News

Tuesday evening, Jan. 22, Blowing Rock divided a triple-header with Newland here. The boys' B team tied with a score of 12-12, with Bobby Walters high scorer. The girls won by 21-15, with Leota Goulds as high scorer. The B team boys defeated Newland 26-23 with Perry Lentz as high scorer.

Friday, Jan. 25, Blowing Rock boys and girls played North Wilkesboro there. The Blowing Rock girls won 33-10, Velma Coffey scoring highest. The Blowing Rock boys lost the well-fought game by the score of 17-22, Bruce Greene high scorer.

Wade E. Eller, state health inspector, visited the school last Friday and gave it an A rating.

The members of the American Legion gave a box supper in the school gym last Saturday night. They made $300. The money is being used for buying flags and other equipment for the Legion.

The latest report shows that most of the grades have responded 100 percent to the March of Dimes drive. Very attractive posters and decorations are being used in the lunch room these days, carrying out the March of Dimes idea. Mrs. Brown and Mrs. Cottrell, 5th and 6th grade teachers, are in charge of the decorations.

Mrs. Crawford's third grade is making very clever scrap books for the hospitals in Boone, Banner Elk and Jefferson.

JOHN ROBY BRYAN

John Roby Bryan was born March 7, 1868, and died January 23, 1946, age 77 years, 10 months and 15 days. He was married to Mary Magdalene Norris in 1896. To this union were born nine children, two of whom preceded him in death. Surviving are the widow and the following children: Mrs. Emma Davis, Mrs. Iva Lee Norris, Herman Bryan, all of Boone R.F.D.; Mrs. Belle Morris, Johnson City, Tenn.; Mrs. Alma Beach, Maidsville, W. Va.; Dan Bryan, Banner Elk; Lloyd Bryan, Boone; two sisters, Sarah Bryan, Boone, and Mrs. Caroline Phillips, Mebane, N. C. Thirty-six grandchildren and seven great-grandchildren also survive.

Funeral services were conducted from Meat Camp Baptist Church where deceased was a member, by Rev. R. C. Eggers, pastor, assisted by Rev. Howard Shore.

Much of the nation's reserve stock of lumber is depleted and timber production is short of the mark which foresters believe should have been turned out with proper care of woodlands.

NOTICE TO TAXPAYERS

The penalty on 1945 taxes which have not been paid will go into effect February 1, and I am anxious that the taxpayers make every effort to meet their taxes this month and save the extra costs.

THE PENALTY IS FIXED BY STATE LAW, AND MUST BE ADDED IN EACH INSTANCE

Thanking everyone for their fine co-operation, and hoping that the imposition of the penalty may not be necessary in most cases, I am,

Yours very truly,

O. L. COFFEY

Assistant Tax Collector

A Letter to the President of the United States

January 18, 1946

Hon. Harry S. Truman
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

Your proposal to me in Washington last evening that the wage demand of the United Steelworkers of America-CIO be settled on the basis of a wage increase of 18½ cents an hour, retroactive to January 1, 1946, cannot, I regret to say, be accepted by the United States Steel Corporation for the reasons set forth below.

As you must be aware, your proposal is almost equivalent to granting in full the Union's revised demand of a wage increase of 19½ cents an hour, which was advanced by Philip Murray, the President of the Union, at our collective bargaining conference with the Union in New York a week ago today. In our opinion, there is no just basis from any point of view for a wage increase to our steel workers of the large size you have proposed, which, if put into effect, is certain to result in great financial harm not only to this Corporation but also to users of steel in general.

As I have tried to make clear to you and other Government officials during our conferences in Washington over the past few days, there is a limit in the extent to which the Union wage demands can be met by us. We reached that limit when we raised our offer to the Union last Friday from a wage increase of 12½ cents an hour to one of 15 cents an hour. This would constitute the highest single wage increase ever made by our steel-making subsidiaries. Our offer of 15 cents was equivalent to meeting 60% of the Union's original excessive demand of a $2 a day general wage increase. Our offer met 75% of the Union's final proposal of a wage increase of 19½ cents an hour. A wage increase of 15 cents an hour, such as we offered, would increase the direct labor costs of our manufacturing subsidiaries by approximately $60,000,000 a year. That is a most substantial sum, and does not take into account the higher costs we shall have to pay for purchased goods and services, when large wage increases generally become effective throughout American industry, as is inevitable after a substantial increase in steel wages.

As you know, collective bargaining negotiations with the Union broke down at the White House yesterday afternoon, because Mr. Murray then refused to budge from his position that a country-wide steel strike must take place, unless steel workers are granted a general wage increase of 19½ cents an hour. Our offer of a wage increase of 15 cents an hour was again rejected by the Union.

The Union threatened to go ahead with its program for a national steel strike at midnight next Sunday, although such a strike will be a clear violation of the no-strike provision contained in our labor contracts with the Union, which continue by their terms until October 15, 1946.

From the outset, we have recognized how injurious a steel strike will be to reconversion and to the economy of this whole country. Most industries are dependent upon a supply of steel for their continued operations. We have done everything reasonably within our power to avert such a strike. If a strike occurs, the responsibility rests with the Union.

When the Government at the eleventh hour informed us about a week ago of its willingness to sanction an increase in steel ceiling prices, we at once resumed collective bargaining negotiations with the Union. Such price action by the Government was a recognition by it of the right of the steel industry to receive price relief because of past heavy increases in costs, something which the steel industry for many months has unsuccessfully sought to establish with OPA.

I should like again to point out some pertinent facts relative to the wages of our steel workers.

Since January, 1941, the average straight-time hourly pay, without overtime, of our steel workers has increased more than the 33% increase in the cost of living during that period, recently computed by Government authorities. Steel workers' wages have kept pace with increased living costs. Such average straight-time pay in our steel-producing subsidiaries was $1.14 an hour in each of the months of September, October and November 1945, excluding any overtime premium and any amount for correction of possible wage inequities. An increase of 15 cents, in accordance with our offer, would raise such average straight-time pay to $1.29 an hour, placing such pay among the highest today in all of American industry.

Under our offer of a 15 cent increase, the average weekly take-home pay of our steel workers for a forty-hour week would amount to $51.60, assuming that no overtime is involved. This figure is only $4.54 less than the actual average weekly earnings of these employees, including overtime, in the last full war year of 1944, when the average work week was 46.1 hours. The difference is really less, because we will undoubtedly continue to have overtime in the future, just as we have at the present time. In November, 1945, overtime premiums to our steel workers aggregated more than $1,300,000. Such reduction of $4.54 in weekly take-home pay is the natural consequence of a shorter work week of forty hours, and therefore one of lower production.

Much as we desire to avoid a steel strike, we cannot overlook the effect both on this Corporation and on our customers and American business in general, of the 18½ cent an hour wage increase, which you have proposed. Such a wage increase must result in higher prices for steel than have previously been proposed to us by the Government. Great financial harm would soon follow for all users of steel who would be obliged to pay higher prices for their steel, higher wages to their employees, and still have the prices for their own products subject to OPA control. Such a high and unjustified wage scale might well spell financial disaster for many of the smaller steel companies and for a large number of steel fabricators and processors. The nation needs the output of these companies. Increased wages and increased prices which force companies out of business can only result in irreparable damage to the American people.

In our judgment, it is distinctly in the public interest to take into account the injurious effect upon American industry of an unjustified wage increase in the steel industry.

After a full and careful consideration of your proposal, we have reached the conclusion above stated.

Respectfully yours,

Benjamin F. Fairless,

President, United States Steel Corporation

United States Steel Corporation