

BUSINESS COUNCIL SEES 'DIP' AT END

Economy to Pick Up in Fall, Group Reports to Weeks—He Cites Jobless Drop

By CHARLES E. EGAN Special to The New York Times

HOT SPRINGS, Va., May 7—Declines in business and in employment are at an end, the Business Advisory Council informed Sinclair Weeks, Secretary of Commerce, today.

The executives, organized twenty-two years ago to advise the Government, were gathered at the Homestead Hotel for their regular spring meeting.

A special committee on the economic situation reported it believed the slump in business activity was at an end, but tempered its opinion, however, with warnings against overoptimism.

The committee predicted the economy would coast along at its present rate of activity for some months to come. A mid-fall pick-up, it said, appears probable.

Secretary Weeks told the gathering he had cheering news. He disclosed that the April figures on unemployment had shown a drop of 260,000. Mr. Weeks conceded that the figure was less than the seasonal pick-up in employment, but emphasized that the total now employed amounted to 60,600,000. This was a gain of 500,000, compared to March.

Last fall the advisory council advised Mr. Weeks that business would continue its decline, but probably would pick up in the spring of this year.

Specifically the council said that volume in textiles, food and groceries, industrial construction, paper, lumber, furniture and petroleum and other fuels would remain at fall levels. The forecast in the light of today's report proved accurate.

Asked what plans the Government had to cope with unemployment, if it should develop on a large scale, Mr. Weeks declared his department, as well as others in the Government, now were prepared to meet any emergency.

The Commerce Secretary added, however, that the top priority accorded such planning last February had been relaxed in the light of the current improvement in the economic picture.

Expansion Plans Disclosed Spokesmen for the petroleum industry told the group that a minimum of \$4,000,000,000 would be spent in plant expansion this year. The petroleum industry, along with manufacturers of electrical equipment and chemicals, reported business was ahead of the volume of last spring.

George M. Humphrey, Secretary of the Treasury, another speaker at today's session, said that speedy passage of the Administration's tax bill, including the exemptions afforded for dividends up to \$50 next year, was essential. He said the proposed tax revision would encourage industry to continue its expansion plans.

Mr. Humphrey illustrated his point by saying that he knew of a Midwestern farmer who was holding up a plant expansion involving several million dollars and new jobs for 10,000 persons.

The farmer, he explained, wants assurance that depreciation concessions and the exemption on stock dividends will be enacted into law before he goes forward.

The Secretary said also that a \$1,000,000 advertising campaign was being held up by an automobile manufacturer, who also is awaiting word on the tax bill, and that several research and development projects were hanging fire for the same reason.

Meeting Closed to Public Special to The New York Times. HOT SPRINGS, Va., May 7 (AP)—The meetings of the business men with Mr. Weeks was closed to press and public, but informants said the consensus was that:

1. The decline would not reach the depth of the 1949 recession. The seasonal pick-up now evident might develop into a sustained but very gradual rise.

2. It would take more than a year for production and employment to regain the peak levels of 1953.

3. Sustained business confidence was evident in booming construction and plant expansion, as well as renewed strength in the commodity markets.

4. Public works planning and other Government measures to avert a sharply spiraling recession have receded into the background of business men's thinking.

There is indication, council members were told, that the rise in employment, the decline of unemployment, has been continuing since April 10 when the census tabulation was completed.

FOURTH BOMB BLAST IS CREDITED TO U. S. TOKYO, May 7 (AP)—Two Japanese scientists said today that the United States apparently had exploded a fourth hydrogen bomb at Bikini between April 25 and 27.

They said their estimate was based on Geiger counter tests of rain that fell this week on widely separated areas of Japan.

New Coast Guard Chief Is Named by Eisenhower



U. S. Coast Guard Rear Adm. Alfred C. Richmond

WASHINGTON, May 7 (AP)—The White House today announced the appointment of Rear Admiral Alfred C. Richmond as Commandant of the United States Coast Guard. He has been Assistant Commandant.

At the same time, President Eisenhower approved with "sincere regret" the retirement of Vice Admiral Merlin O'Neill as Commandant. Admiral O'Neill has served for more than thirty-three years in the Coast Guard, the last four as Commandant.

Also announced was the selection of Rear Admiral James A. Hirschfield, now Chief of Personnel, as Assistant Commandant of the Coast Guard and selection of Rear Admiral Kenneth K. Cowart for a new four-year term as Engineer in Chief.

The President recommended to the Senate that Admiral Richmond, who is 52 years old, be promoted to the temporary rank of vice admiral.

TAFT ACT CHANGES KILLED BY SENATE

Continued From Page 1

a fight over fair employment practices (anti-discrimination) amendments sponsored by New York's Senators, Herbert H. Lehman and Irving M. Ives.

Harmony Achieved Democratic leaders worked hard behind the scenes the last few days, dealing not only with labor legislation but also with farm bills and other subjects.

Areas of agreement were emphasized and areas of disagreement were de-emphasized in these conversations.

It is understood that the Senators from the cotton country are counting on fairly solid party support when the Senate comes to vote on bills that are important to them.

Labor leaders and their protagonists among the Democrats do not know that they could not achieve the kind of revision they wanted at this session, but also feared that they might get something worse than they had now.

Organized business had sought many stiffening amendments. In these circumstances, many members of Congress saw no advantage in stirring up antagonisms in an election year.

The result is a defeat for a major part of President Eisenhower's legislative program.

2 Proposals Left Out The Taft-Hartley Law was passed in 1947 over President Truman's veto. President Eisenhower a few months ago recommended a series of changes. With two omissions, these were embodied in the Smith bill.

The bill omitted a provision for a Government-supervised, secret vote of employees on the question of whether they wanted to strike. This would have come to a vote on the Senate floor if the recom-

mittee had failed. Another omission, minimum security standards for union welfare funds, will be dealt with in separate legislation after a committee inquiry.

The Smith bill did contain a states' rights amendment that would have called on the states' authority to deal with statewide and local emergencies and to handle other labor-management disputes of a local nature.

The bill would have eased the ban on secondary boycotts in certain limited circumstances where the picketed, secondary employer was not a true neutral. It would have made compulsory membership concessions to unions in industries where employment was fluid, such as construction, the maritime field and entertainment.

It also would have extended the non-Communist oath qualification to employers and it would have prohibited, for limited periods, attempts to wipe out a bargaining rights of unions while they were on strike.

TOTAL OF JOBLESS DROPS BY 260,000

Employment Up by 500,000—Upturn Called Seasonal in Building and Farms

Special to The New York Times

WASHINGTON, May 7—Unemployment declined in April and employment rose, but the changes were attributed to seasonal factors.

The unemployment drop was 260,000; the employment rise was 500,000. The discrepancy is explained by the fact that additional persons entered the labor market.

These figures apparently do not necessarily indicate a basic improvement in the economy; some of the signs pointed the other way, though not in any substantial degree.

The seasonal factors contributing to the decline in unemployment are construction and agriculture, which improve with the weather, and the pre-Easter retail trade.

None of the employment rise occurred in manufacturing, a significant category. There the total declined.

Two bureaus, Census in the Commerce Department and Labor Statistics in the Labor Department, put out an integrated release on these figures today for the first time.

Secretaries Encouraged The Secretaries of Labor and Commerce, James P. Mitchell and Sinclair Weeks, in a joint statement noted that "the drop in unemployment, although seasonal, was the first sizable decrease since the start of the employment downturn last summer."

"Moreover," they said, "there was evidence that unemployment continued to decline as the month progressed."

Walter P. Reuther, president of the Congress of Industrial Organizations, commented in a statement that the figures "do not show any sign of the recovery that Administration and business leaders have been promising us."

The Administration said "should move at once to raise purchasing power" by urging higher income tax exemptions, higher unemployment compensation benefits and higher minimum wages, and a public works program.

Between early March and early April, the total employment rose by the 500,000 figure from 60,100,000 to 60,600,000. Unemployment, dropping 260,000, or 7 per cent, went from 3,725,000 to 3,465,000.

Manufacturing employment dropped by about 250,000, to 16,000,000. In non-durable goods, an employment decline of 100,000 was called primarily seasonal; in durable goods industries, the drop of 150,000 continued the downturn of recent months.

This marks the start of the employment level was 1,300,000 below that of a year ago. Most of the over-all decline has occurred in durable goods, with the largest single loss in transportation equipment, where employment in automobiles, railroad equipment and shipping have outweighed a net gain in aircraft.

Today's employment figures showed that the number of persons working in non-farm jobs thirty-five hours weekly or more had dropped from 44,290,000 to 43,603,000, a total of 687,000. Those working less than thirty-five hours went from 8,169,000 to 8,859,000, or 691,000.

The civilian labor force—those employed or looking for jobs—rose 238,000 from mid-March to mid-April.

Percentage-wise, unemployment dropped from 5.8 to 5.4 per cent. This rate is considerably larger than in most Aprils since World War II and is about equal to the April figures for 1949 and 1950.

Despite the drop in unemployment, the number out of work for fifteen weeks or longer showed no significant change from the March total of 1,000,000. These persons, the long-term jobless, currently represent almost one-third of all the unemployed, compared with 15 per cent a year ago.

The downward trend in new unemployment among workers covered by state insurance laws—as reported by the Bureau of Employment Security—continued in April. However, the trend was obscured by a rise in initial claims in the weeks ended April 3 and April 10.

In early April of each year, initial claims rise as new wage credits become available in most states and some new benefit years begin. However, the rate of this year's rise was considerably below that of recent years.

Proceedings in Washington

YESTERDAY (May 7, 1954)

THE PRESIDENT

Assured President Coty of France that the "free world will remain faithful to the causes" for which French soldiers had fought at Dienbienphu.

Presented gold life-saving medals to eight boys and girls of the Safety Patrol. Callers included Theodore C. Streibert, director of the United States Information Agency, and other agency officials; Secretary of State Dulles and South African Ambassador G. P. Jooste.

THE SENATE

Approved motion to send Taft-Hartley revision back to committee. Completed Congressional action on bill authorizing United States participation in the St.

Lawrence Seaway project.

Heard the McCarthy-Army hearings denounced as "unsavory."

Received nomination of Rear Admiral Alfred Richmond to be Commandant of the Coast Guard.

Recessed at 4:26 P. M., until Monday. Investigations subcommittee continued questioning of Secretary of the Army Stevens at morning session.

THE HOUSE

In adjournment. Armed Services subcommittee recessed hearings after testimony on more cases of alleged favoritism for inducted athletes.

SCHEDULED FOR TODAY (May 8, 1954)

President meets with his National Security Council, 8:30 A. M.

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