



(NEA Telephoto)
TOKYO ROSE AUTOGRAPH—J. Richard Eisenhart (left), the Government's first witness in the treason trial of Mrs. Iva Toguri D'Aquino (Tokyo Rose) in San Francisco, shows Government Attorney John B. Hogan the Japanese yen note he testified was autographed by Mrs. D'Aquino. Eisenhart told the jury Mrs. D'Aquino, while a prisoner in the Yokohama prison where he was a corporal of the guard, had given him a souvenir yen note signed: "Iva I. Toguri—Tokyo Rose."

Limit Of U. S. Ability To Spend For Preparedness Raises Moot Question

By PETER EDSON

(NEA Washington Correspondent)

WASHINGTON.—(NEA)—Efforts to hack a billion dollars off the \$15,000,000,000 U. S. defense budget, together with congressional reluctance to take up the \$1,500,000,000 program of military assistance for Europe, raise an old question. It is how much the United States can afford to spend on preparedness in time of peace.

Chairman Edwin G. Nourse of the President's Council of Economic Advisers analyzed this question during a recent Joint Armed Services Orientation Course for civilian industrial leaders and the press. What he tried to do was define the balance between military and civilian points of view.

Military planners sometimes think that the armed services should have first call on all U. S. resources. Civilian economists think principally of providing customers with the greatest possible volume of goods and services. To them military security is secondary.

After V-J Day, everyone looked for peace and reduced spending for war. But in March, 1948, President Truman gave Congress the bad news that \$3,000,000,000 more would be needed to bolster national defense. The result was that a downward trend in prices was immediately reversed. It became a new burst of inflation. By early fall it had carried wholesale and retail prices to new peaks of inflation.

Controls Question Arises

Dr. Nourse says he then came to the conclusion that this extra defense effort would so aggravate scarcities of both materials and manpower that new inflationary controls would be necessary. And since this was a cold war instead of a hot one, there was some doubt whether more controls would be acceptable to the American people.

In making up the 1950 military budget, it therefore became necessary to set limits on military expenditures. As the late Secretary of Defense James V. Forrestal put it, undue enlargement of military spending would weaken the national economy. The President decided to hold military spending down to \$15,000,000,000, even though this might involve some risk.

Since that time, a new recession has set in. Dr. Nourse says it is still too early to tell whether this decline will continue to further depression, whether it will level off, or whether it will lead to new expansion. But while this recession is on, there is some pressure to increase military expenditures. The idea is to restore business confidence and maintain prosperity till the middle of 1950.

Dr. Nourse admits there is some validity to this theory, but it requires qualifications. If military expenditures were cut at this time, it might produce a serious recession. On the other hand, it cannot be argued that increased military expenditures would be an unmitigated good for the country.

Economic Balance Required

As a basis for comparison, Dr. Nourse points out that a \$15,000,000,000 a year military budget means spending at the rate of \$300,000,000 a week. Three hundred million dollars is about what the President proposes to spend next year—not just for a week—on housing, aid to education, and rural electrification. All the money that can safely be spared from armament, says Dr. Nourse, can therefore be used to raise the living standards of major segments of the U. S. population.

Military preparedness must therefore be balanced with economic and financial preparedness, he concludes. That is why the Marshall Plan, the President's program for economic assistance to underdeveloped countries, the North Atlantic Pact and military assistance for Europe must be considered part of an integrated national policy. They are not just parts of a separate, international policy. They are intended to enable the United States to buy maximum national security for each dollar spent.

Coming from the chairman of the President's Council of Economic Advisers, this presentation by Dr. Nourse gives a revealing exposition of some of the thinking that has gone into preparation of the administration's program.

Western Europe Faces Crop-Threatening Heat

LONDON, July 14.—(AP)—A drought plagued Europe today from Scandinavia to the Mediterranean.

France had temperatures yesterday up to 101. Electric power was cut by lack of water for hydro-electric plants. Water was short in Paris but Frenchmen insisted all fountains operate Thursday—Bastille Day.

Belgians feared loss of hay and potato crops. Frankfurt, Germany, reported an unprecedented heat wave. Copenhagen registered 81—hot for that Danish city—and ran short of beer.

The mercury went into the upper 80s in England, and lawn sprinkling was curtailed. London stockbrokers smashed tradition by taking off their vests.

HEALTH AIDE RETAINED
SALEM, July 14.—(AP)—Harold Larson, Portland, was reappointed by Governor Douglas McKay yesterday to a four-year term on the advisory council to the State Board of Health on hospital licensing.

the President's Council of Economic Advisers, this presentation by Dr. Nourse gives a revealing exposition of some of the thinking that has gone into preparation of the administration's program.

U. S. Intervention Needed To End Hawaii's Strike

HONOLULU, July 12.—(AP)—Both sides in Hawaii's 72-day old dock strike agreed yesterday that:

1. The crippling tieup will go on another three months—unless the Federal Government steps in.

2. Each day the strike continues, it builds up emotional friction for a blowoff that would end the absence of serious violence to date.

The CIO International Longshoremen's and Warehousemen's Union walked off the piers May 1 in a demand for a 32-cent hourly raise from \$1.40. The employers—seven stevedoring firms—offered and then withdrew a 12-cent increase.

Negotiations have broken off. There is a chance of federal intervention if Congress and the president approve a bill introduced Thursday by Senator Knowland (R-Calif.). It would authorize a presidential board of inquiry to ask both sides to accept its findings as binding.

Employers oppose the bill. They don't want outsiders to fix

wages. The union favors the plan.

The only disorder in the long strike—and it was mild—came Saturday. Police arrested 104 pickets blocking the way to unloading tinplate from a strike-bound freighter under court order. The union posted \$100 bail for each, and the 104 were released.

The News-Review classified ads bring best results. Phone 100.

LIONS VS. SKEETERS

PRINEVILLE, July 14.—(AP)

—An aerial attack on mosquitoes was launched Wednesday by the Prineville Lions Club.

The group plans to spray low-land pools and sloughs with DDT.

A summertime filling for tea sandwiches is one made of finely chopped or grated cucumber mixed with creamed butter or margarine; add salt and freshly ground pepper to taste and spread on thin whole wheat bread.

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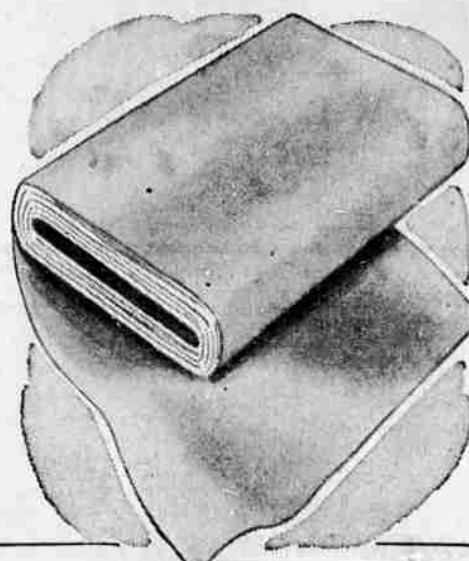
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1.29 Misses' Cotton Shirt

An Amazing Buy → 99¢

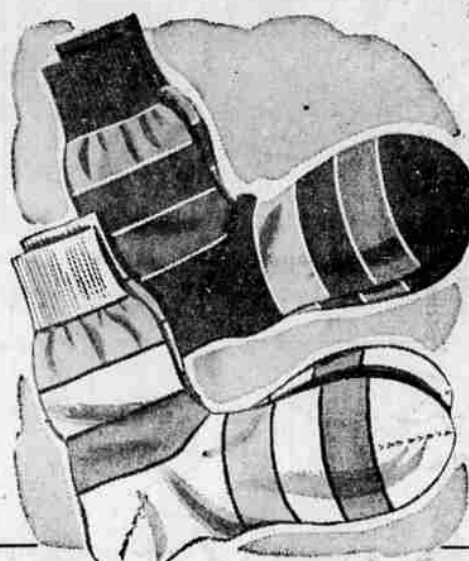
Practical, hard-wearing, all-around shirt that's made of soft cotton broadcloth. Sanitized (won't shrink more than 1%) for better washability. Hurry, have several at this price and really save. White and pastels. 32-40.



Regular 79c Plain Petal-down

Slash-Priced! → 47¢

Wards does it again—slashes a former low price for even greater savings! Dull lustered, soft-draping rayon crepe which hand launders beautifully. See the many lovely colors for lingerie and blouses, linings and frocks! 39".



Sale! Men's Slack Socks

Regularly 29c → 22¢

Only four days to save on these fine cotton socks! Knit of combed cotton yarns for long wear. Snug fitting elastic top stays up! Vat-dyed colors stay bright through repeated launderings. Get yours today! Sizes 10 to 12.

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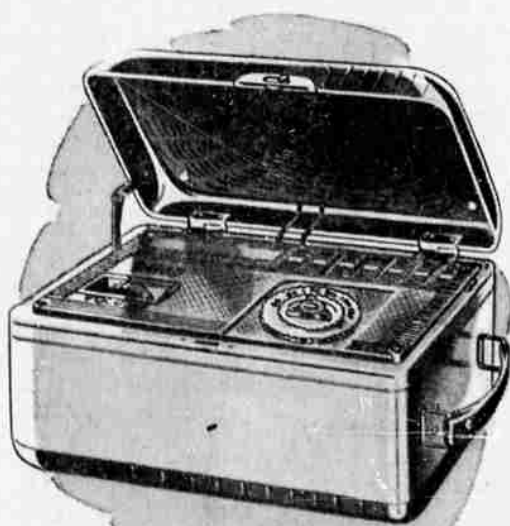
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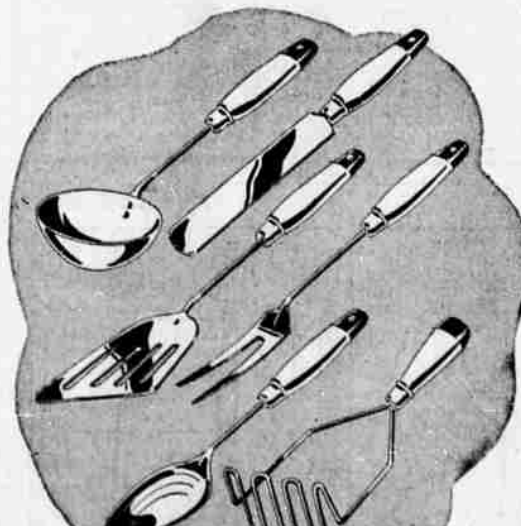
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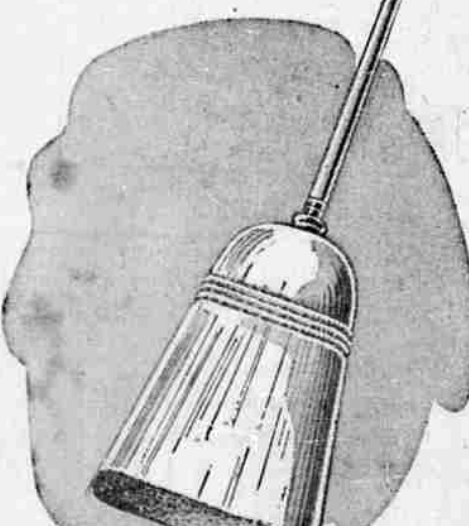
Similar to sets sold elsewhere at 29.95. Tiny. Airline fits in palm of your hand yet super-powered for amazing range and clear tone! Lift cover—radio plays! Built-in antenna. Get yours now at lowest price ever!



Sale! Chromed Kitchen Tools

Regularly 29c → 18¢

Each one makes kitchen work easier, faster... each one greatly reduced for this sale! Chromed—resist rust and stains. Lacquered wood handles, red tips. Your choice: potato masher, ladle, spoon, fork, cake turner, spatula.



Big Saving on Brooms!

Regularly 1.19 → 78¢

HURRY—quantities won't last long at this LOW sale price! Finest quality broom—strong yet flexible—will last a long time! Smooth, lacquered wood handle. Buy several while sale-priced—for basement, garage, tool