

# Theory Of Controls Asked By Truman To Re-Arm, Stop Inflation Explained

BY JAMES MARLOW

WASHINGTON, (AP)—A young man, a veteran of World War II, said to me this week:

"President wants Congress to give him controls to stop inflation and to re-arm. How would they work? What's the theory here?"

Maybe most people reading this know the answer. Maybe not. This will be written for those who don't.

The president asked for three main kinds of controls: priority and allocation power, higher taxes, and control over credit.

The three are all tied together and they go like this:

1. Priorities and allocations—This country doesn't produce enough of everything—for instance, steel—to fill the government's need when it's rearming and at the same time fill the public's desire for civilian goods, like autos.

Since the government's needs come first now, it has to have some say over the use of steel.

So it wants power to be able to say to the nation's steel mills: "You must set aside—or allocate—20,000,000 tons of steel for re-arming. What's left you can use for civilian goods, like autos."

But in rearming the government knows it needs some weapons faster than others. For instance, it may need a lot of tanks faster than it needs rifles. But the tank-maker and the rifle-maker both use steel.

So the government gives the tank-maker a priority on the 20,000,000 tons of steel which the mills have allocated or set aside for the government.

This means the tank-maker has to get his steel from the mills before the rifle-maker gets his.

Since this means fewer things civilians can buy, that creates a number of problems which bring us to:

1. Taxes—

When people have a lot of money jingling in their pockets, and goods get scarcer, they compete against one another in buying. In this way they bid up prices.

And the increased prices mean inflation. Because the higher the price of things, the less a dollar will buy. But—

If some of the public's jingling money could be drained away, people would have less left for bidding up prices.

Higher taxes would drain away some of this jingling money and in that way serve as a brake on inflation.

At the same time, higher taxes are needed for other reasons. The only money the government has to pay for the army and other expenses is the money it gets from taxes.

So higher taxes will serve the double purpose of putting a bit of a brake on the inflation while helping to pay for rearming. But there still is an inflation loophole here and that brings us to:

2. Credit control—

Even though a lot of their ready cash is drained away in taxes, people still can compete with one another in buying and thus force up prices. How? By buying things on time or on credit.

The smaller the down payment they have to make—on a car, a TV set, a washing machine or something else—and the longer they have to pay off, the more they can buy, in spite of higher taxes.

But they'd be able to buy less if they had to make bigger down payments and pay off in a shorter time.

That's why the government wants control over credit: so it can make buying on time a little tougher.

But even higher taxes and control over credit won't plug all the

inflation loopholes. People could still keep on buying, thus forcing up prices and bringing inflation anyway.

If that happens, the government will have to take the final step, which at this point Pres. Truman still doesn't think is necessary.

That final step will be control over prices and wages and, if necessary, rationing.



MARY LOU WESTON has taken over the Roseburg Travel service office, located in the lobby of the Hotel Umpqua. Formerly a resident of Corvallis, Miss Weston is a graduate of the University of Oregon. The office is open from 9 a. m. to 5 p. m. Information is offered without charge and bookings may be arranged for travel to all parts of the world, said Miss Weston. (Staff Photo)

## Tons Of American Weapons Sent To Foreign Nations

WASHINGTON, (AP)—Officials say that nearly 200,000 tons of American weapons and military supplies have been delivered to friendly foreign governments during the past five months.

This total probably will be doubled or tripled within the next few months, they said, adding that \$1,314,000,000 provided by congress in 1949 already has been allocated and orders have been made against the \$1,225,000,000 foreign arms program approved last week.

President Truman has asked Congress for an additional \$4,000,000,000 for arming non-Communist countries.

The bulk of the deliveries thus far has gone to Britain, France, Belgium, the Netherlands, Luxembourg, Italy, Denmark and Norway.

Officials declined to give a country-by-country breakdown on the grounds that such information is of value to a potential aggressor. But they said France has received the biggest share in line with western strategy to build up the French infantry forces.

Since the North Atlantic area is receiving top priority comparatively little has gone to Iran, Greece and the Philippines, it was said.

About 300 war planes, including B-29 superfortresses, have been shipped abroad since last March. In addition, 13,500 tons of naval craft up to the size of destroyers also have been delivered. Most of this was from surplus stocks.

Since the start of the Korean fighting arsenals and weapons rehabilitation centers are being put on a two and three shift basis and stand-by facilities are being called on to help out.

Also, some new weapons have started to come off of American production lines for shipment overseas. But most of the military equipment needed is heavy and will take months to manufacture once the orders have been given, authorities point out.

## Strong GOP During War, Hoover's Urge

SALT LAKE CITY, (AP)—A western regional conference of Republican leaders concluded here with a closed session of the executive committee of the party's national committee and western state members of the national committee.

The session followed a speech by former President Herbert Hoover, in which he urged Republicans to keep their party strong during the course of the Korean war.

"A strong Republican party," the former chief executive said, "is more needed now than ever as a check and a balance on the administration of this government."

At the close of the two-day session, delegates expressed enthusiasm over the idea of such regional meetings. They said they provided the opportunity for the exchange of campaign techniques.

## Victim of Gassy Stomach Finds Real Relief

Ex-Army Flier says, "I'm amazed at the wonderful difference in the way I feel since taking KAL-O-DEX, and best of all, I've lost inches around my waist that was just plain blots from gas that used to shoot agonizing pains into my chest and crowd my heart, scaring the life out of me. Meals are a pleasure again because KAL-O-DEX keeps me 'regular' by eliminating that awful sour feeling and choking sensation I'd have after every meal. A wonderful medicine." KAL-O-DEX is an HERBAL FORMULA extracted from NATURE'S PLANTS. Taken before meals it mixes with your food, helping to eliminate POISONS from system by cleansing the bowels, rid stomach of gas, and remove old sticking bile. Don't get on suffering! Get KAL-O-DEX today! MONEY BACK GUARANTEED! All drug stores.

## Auction Of U. S. Land In Baker County Scheduled

BOISE, (AP)—The bureau of reclamation has announced that 16 tracts of land along the Thief river valley reservoir in Baker county, Ore., would be sold at a public auction in North Powder next Tuesday.

The shoreline tracts range in size from 2 1/2 to 41 acres, totaling 474 acres. The bureau said minimum prices have been set, ranging from \$10.50 to \$12.34. No purchaser will be allowed more than 160 acres.

The announcement said the tracts are well above the water line. They originally were acquired by the government some 20 years ago when the reservoir project was started.

It turned out they were not needed, and they since have been leased. The bureau said it now had decided to sell the lands, rather than continue leasing.

## U. S. May Arm Chinese Nationalists, Acheson Says

WASHINGTON, (AP)—Secretary of State Acheson says the United States is thinking of sending arms to the Chinese Nationalists in order to strengthen the defenses of Formosa.

He declined, however, in answering a series of news conference questions, to say what specific steps this government will take. Other responsible officials expect that shortly the United States will resume sending military aid to Generalissimo Chiang Kai-shek on a limited basis, beginning with spare parts and ammunition.

Acheson opposed the Senate's \$100,000,000 Spanish loan "rider" to a pending ECA appropriation.

He said there were adequate funds for any justified Spanish loan already available in the export-import bank.

He also said that the state department had met with no success

## States To Get Grazing Fees After Long Denial

WASHINGTON, (AP)—Fifteen states, including Washington, Oregon and Idaho, are a step nearer to collecting their share of national forest grazing fees improperly withheld nearly 20 years ago.

The house public lands committee has approved the bill that would authorize payment of \$1,357,149. The general accounting office recently held the reductions to be improper.

Under the bill, Washington would receive \$19,085; Oregon \$77,960; and Idaho \$167,473.

Brunswick, Germany, is called Braunschweig in German.

## Donations Doom Only Ragweed Patch In Oregon

OREGON CITY, (AP)—Destruction is near for Oregon's only patch of ragweed, scourge of hay fever victims.

Officials of Clackamas county announced recently they couldn't afford the \$100 necessary to destroy the 15-acre patch.

That brought contributions from hay fever victims and chambers of commerce bent on keeping Oregon one of two states in the nation free of the weed.

County Agent J. J. Inskeep said the patch would be sprayed starting Monday with donated materials, equipment and labor.

A \$165 cash fund will be used for hand-eradication of scattered ragweed plants surrounding the major infestation near Estacada, he said.

## Pacific Northwest To Get Canadian Gas, View

SEATTLE, (AP)—Canada will be sending its natural gas into the Pacific Northwest before long, Premier Ernest C. Manning of Alberta says.

"It is definitely our opinion that we're going to be in the market in the near future as an exporter of natural gas," said Manning on his arrival here to address the annual convention of the Pacific Coast Gas association.

He told a gathering that the Alberta conservation board hopes to speed its decision on the applications of four companies seeking permits to transport natural gas to the Pacific Northwest. The last of the hearings is scheduled for Dec. 4.

Canada's vast supply of natural gas will be a "definite factor in

hemispheric defense," he said. Early consideration will be given to the possibility of the construction of a crude oil line from Alberta to the Pacific Northwest.

## U. P. Brakeman Killed In Switchyard Accident

ARLINGTON, Ore. — (AP)—Willis L. Sargent, 63, Pendleton, slipped to his death in a switchyard accident here Tuesday night.

A brakeman for the Union Pacific railroad, Sargent was attempting to board a caboose that was being pushed by a locomotive. A crew member said he saw Sargent slip, and yelled for the locomotive to stop. The engineer threw on the brakes, but Sargent already had been struck.

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REGULAR OLD-FASHIONED SUMMER SAUSAGE **69¢** LB.

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STRAWBERRY PRESERVES, Kerr.....2 pound jar.....39¢

TANGERINE JUICE, Old South.....46-ounce tin.....39¢

PINEAPPLE JUICE, Dole's.....46-ounce tin.....39¢

SPAGHETTI, Smith's.....one tall tin.....10¢

SWEET PICKLES, Happy Vale.....21-ounce jar.....37¢

APPLE BUTTER, Dutch Girl.....28-ounce jar.....19¢

ORANGE JUICE, Santa Paula.....46-ounce tin.....39¢

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PKG. **15¢**

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12 OZ. TIN.  
**43¢**

POTTED MEATS, Morrell's, 3 1/2-oz. tin.....3/25¢

GRANULATED SOAP, Peet's, giant size.....49¢

IVORY SOAP, Large bar.....2/25¢

PLASTIC BAG SOAP, Wrisley's, 10 bars assort.....59¢

CORN POPS, Kellogg's.....2/17¢

SUGAR CRISPS, POST'S.....2/27¢

ICE CREAM MIX, Lipton's Frostees, 4-oz. pkg...2/27¢

TOLL HOUSE MORSELS, Nestle's.....19¢

DOG AND CAT FOOD, Skippy.....3/25¢

PORK & BEANS, Van Camp's, #300 tin.....2/25¢

JELLY & PRESERVES, Sunny Jim, assort., 5 1/2 oz...10¢

COCOA, Our Mother's, 2-pound can.....59¢

DOG FOOD, Gro-Pup Ribbon Complete, 1-Lb., 9 oz...31¢

TOOTH PICKS, Diamond, 750 count.....5¢

PAPER PLATES, Assort. colors, 8-9 inch.....2/25¢

NEW POTATOES, Newmark, small whole, 15-oz. tin...9¢

MILK, Darigold, tall can, 11¢ each, case.....\$5.25

TOMATOES, Cottage, #2 1/2 tin.....19¢

LIMA BEANS, St. Lawrence, gr. & white, #2 tin...15¢

PRUNE JUICE, Del Monte, quart bottle.....29¢

SYRUP, Sunny Jim, 5-pound tin.....69¢

MUSHROOM SAUCE, DAWN FRESH, 6-ounce tin.....10¢

*Fruits and Vegetables*

**"GARDEN FRESH"**

**TOMATOES 2 LBS. 25¢**

**CELERY HEARTS 23¢**

**PLUMS ACE LB. 19¢**

**CANTALOUPE LB. 8¢**

**GRAPES THOMPSON SEEDLESS 19¢**

The City Drive-In Market is happy to report there is very little hoarding in this area.



**HEADS ENGINEERS**  
—James P. Shields (above), 60, of Cleveland, was elected Grand Chief Engineer by the Brotherhood of Locomotive Engineers, an independent railroad union.



**NAMED AS ENVOY**  
—John E. Peurifoy (above), Deputy Under Secretary of State for Administration, has been nominated by President Truman as Ambassador to Greece.