

Go-Slow Policy On Prices Told By Stabilizer

WASHINGTON — (AP) — Economic Stabilizer Eric Johnston told Congress today that "trying to push all prices back to pre-Korea days would be like trying to push toothpaste back into a tube."

He said the government is aiming to establish a stabilized price line and then hold it.

Johnston was called before the house banking committee which is weighing the administration's proposal to broaden and extend the defense production act for two years beyond June 30.

"We hope to have rollbacks in a great many items," Johnston said in a prepared statement, "but we are not promising any general rollback to last June levels or to anything approaching them."

He said that if the government were to push prices back to where they were a year ago it would wind up doing the same for wages rates, salaries, and business profits.

"I don't think it can be done," he said. "And I certainly doubt the wisdom of trying to do it."

He said the Economic Stabilization agency, which he heads, cannot now, under the law, keep most farm prices from rising.

This is because the 1950 defense production act forbids the establishment of ceiling prices on farm products lower than their parity price.

Parity is a level defined by law as being fair both to farmers and consumers. The parity level for each farm product fluctuates from month to month with the prices of other goods.

Johnston endorsed President Truman's proposal to peg the ceiling prices on farm commodities at the start of a crop season, based on

parity levels at the time, and keep the price there throughout the season. Many congressmen have objected to the idea.

"It is a minimum tool if our food price ceilings are to be meaningful to the housewife when she goes into a grocery store to buy," Johnston said. "Otherwise, the ceilings would have to change so frequently that prices would no sooner be posted than they would be out of date."

Fight Far From Ended

Johnston told the lawmakers the critical point in the fight against inflation may still be in the future.

"Despite the lull, despite the seeming improvement in the situation, despite the slow down in the price rise and the turn down in some prices, all the factors which make for a rip-roaring inflation are present," he said.

"Pressures increasing the cost of living continue under the surface. They are poised for another big push."

Johnston said the government needs stiffer enforcement powers. It would be "overly optimistic" to expect "normal honesty and normal patriotism" to bring about compliance with price control regulations, he said.

He also urged enactment of rent control powers—for commercial property as well as residential.

"Rising rents can do more than any other single item with the possible exception of food to spark demands for higher wages, and thus our higher prices," he said.

Azalea

By MRS. ILA QUIRKE

Mrs. Owen Bird has returned from Washington and a visit with her two daughters, Mrs. George Thompson, Kent, and Mrs. Glenn Partch of Winlock. She was gone five weeks.

The Anchor school has elected Sharon Miller as valedictorian and Shirley Parkey as salutatorian.



TOM THUMB TOM—There'll be less turkey hash in the future, thanks to the new, six to 12-pound midget turkeys developed in California's Antelope Valley. Turkey breeder George Roberts of Lancaster, Calif., compares one of the bargain-counter gobblers, right, with a 35-pound Bronze Ton turkey of ordinary holiday size.

Graduation exercises and the program will be May 24.

The Galesville school has chosen Ward Bruington as valedictorian and Dianne Hallstead salutatorian. They will hold graduating exercises May 31.

A daughter, Alana Lee, was born to Mr. and Mrs. Don Rogers of Azalea April 30, at the General hospital in Grants Pass.

Rollin John, telephone operator at Azalea, is in Portland to take treatments for falling eyesight. He was accompanied by his brother, Dale John. Mrs. Thelma Larson has charge of the phone office while Rollin is away.

Cow Creek road may be oiled soon. Applications have been signed by persons living on the road.

Riversdale

By BEVERLY J. CHRISTIAN

Mrs. H. E. Leedy of Portland is visiting her son-in-law and daughter, Mr. and Mrs. Don Guiley.

Mr. and Mrs. H. B. Kruse and daughter Joanie, accompanied by Mrs. Neil Christian and sons Greg, Mark and Dean, visited in Springfield Sunday at the home of Mr. and Mrs. Don Christian. Neil Christian, a patient at Sacred Heart hospital in Eugene, was well enough to leave the hospital and also spent the afternoon at his brother's home.

Mr. and Mrs. Dale Guiley had the latter's brother, Vernon Hooper, as houseguest over the weekend.

Mrs. Glenn Cox is ill at her home.

Mr. and Mrs. Allan Burkhardt, Eugene, visited over the weekend with the former's parents, Mr. and Mrs. John Burkhardt. Johnny Burkhardt of Roseburg, son of Allan Burkhardt also, visited his grandparents.

Lynetta Kruse, daughter of Mr. and Mrs. LeNore Kruse, was cared for recently by Mr. and Mrs. H. B. Kruse, while her mother was in the hospital for medical treatment.

Mr. and Mrs. Don Kruse spent the weekend at Myrtle Point and North Bend visiting relatives. Christine Shields of Myrtle Point, niece of Mrs. Kruse, returned with them for a visit.

Mr. and Mrs. F. F. Criteser of Roseburg were Sunday evening

Inside Buying Of Stock Permits Evasion Of Taxes

By SAM DAWSON

NEW YORK — (AP) — The market trend toward letting certain corporation executives buy stock from the company on better terms than they might be able to get in the open market has provided some of the bigger and better stockholder-management fights this year.

The details are called stock option incentive plans. The incentive part of the plan is based on the idea that as a part owner the executive will be interested in making the most money possible for the company. The trend toward these plans is away from the practice in other years of giving either pay increases or bonuses to top men.

Opposing stockholders say the real idea isn't "incentive" at all, but merely a scheme to get around the steadily increasing personal income tax rates, and that it gives certain chosen men a chance "to make millions," a chance others don't get.

A fairly typical stock option plan is the one just passed, after much debate, at the U. S. Steel annual meeting. It provides that chosen key management employees may buy stock from the company treasury at the market price on the day the executive is granted the right to buy. But he has up to 10 years in which to buy the stock—

always at that fixed price—and he may exercise his option up to three years after retirement.

The present federal tax laws provide that two years after the option is granted and six months after the stock is actually paid for, the executive may sell that stock without paying the regular income tax rates. Instead, any profit can be listed as long-term capital gain, or any loss as long-term capital.

How Plan Operates

Under this plan, or under others like it throughout industry, a executive granted the right today to buy 100 shares at today's price may find two years from now that the market price has gone up \$10 a share, he can sell it then, still at today's price, and make \$1,000 on the deal by selling the next day. But if he waits six months more, the \$1,000 is subject only to a 25 percent capital gains tax and he hasn't been pushed up into a thousand-dollar higher personal income tax bracket, as he would have if the company had given him \$1,000 in raise or bonus.

In most cases stockholders have voted overwhelmingly for the stock option plan. Many appear to figure if directors and top men own stock they'll work harder for the company, and be more liberal in voting dividends, in which they'll share.

And behind it all, stockholders as well as management are aware of the shortage of executive ma-

terial and the plan's aid in keeping top men with the company.

The National Capitol Parks of Washington, D. C., and adjacent areas is the largest metropolitan park system in the world.

HARRY C. STEARNS

Funeral Director

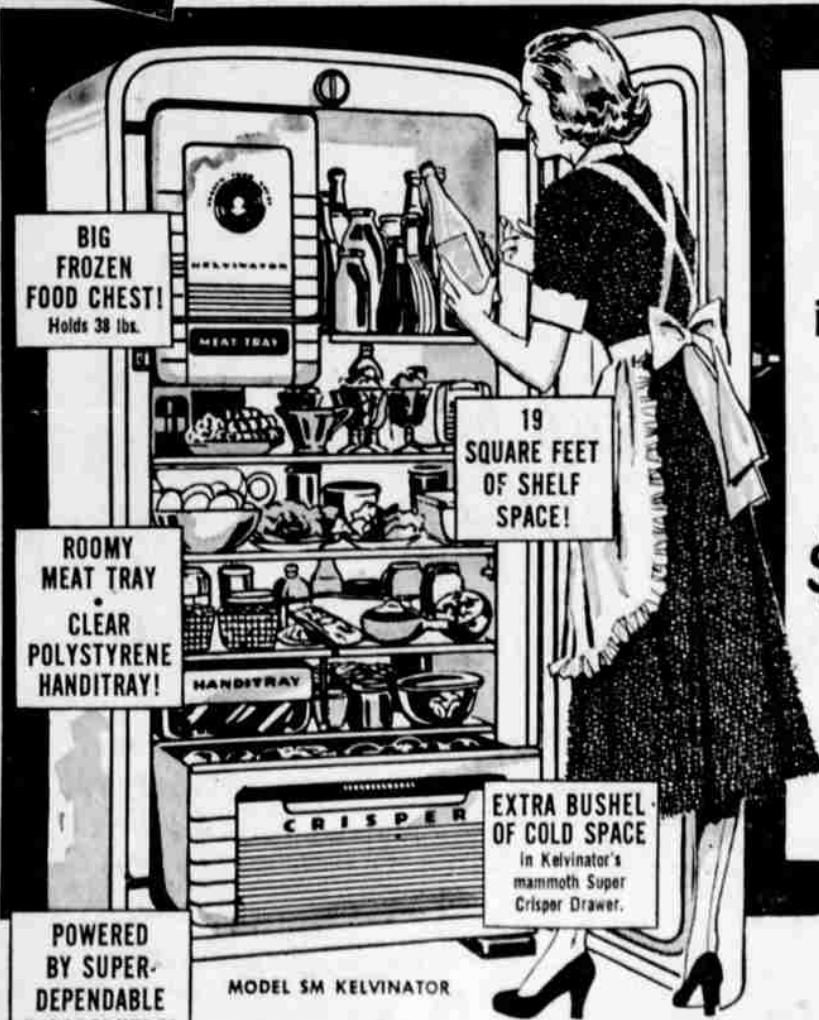
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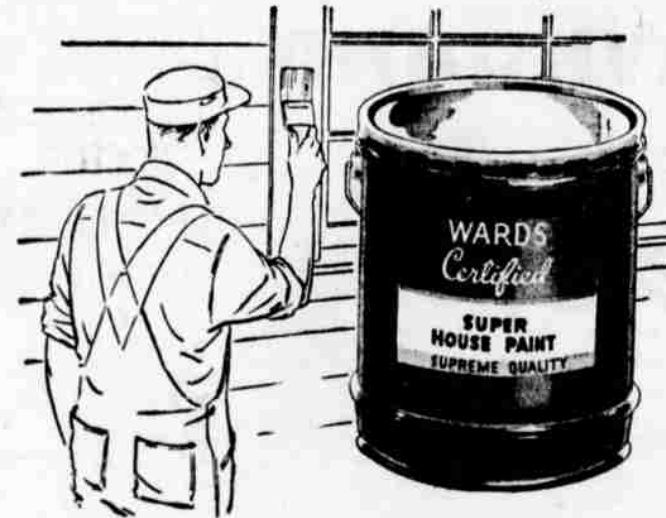
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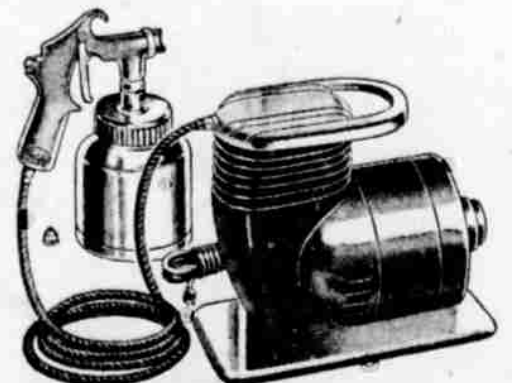
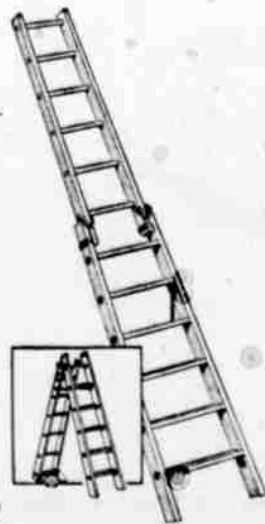
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