

# Strikes, Inflation Threats Are Reconversion Brakes, Truman Tells Legislators

## Proposed Budget May Bring Reduction Of National Debt

WASHINGTON, Jan. 21.—(AP)—President Truman asked congress today to get behind a sweeping program he said will promote greater output of lower cost goods by higher paid workers.

And he cautioned that "voices of disunity" which "are beginning to cry aloud again... must not prevail."

In a 25,000-word document combining for the first time both lawmaking and budget recommendations, the chief executive mixed expressions of optimism over business and job potentialities with fresh warnings against inflation and concern over "major strikes."

In his budget, Mr. Truman pegged government expenditures during the fiscal year beginning next July 1 at \$35,860,000,000—only \$4,347,000,000 above anticipated income.

And, by drawing on the treasury's cash balance, he said the national debt can be reduced for the first time in 17 years—from an expected \$275,000,000,000 next July to \$271,000,000,000 a year later.

He added, however, that he can recommend no further tax cuts at this time.

In the "state of the union" portion of his message, Mr. Truman termed establishment of a "fair wage structure" the "most serious difficulty" in the path of reconversion and expansion, adding:

"The ability of labor and management to work together, and the wage and price policies which they develop, are social and economic issues of first importance."

**Presents Wage Theory**

He said labor and management must establish "better human relationships," and "apparently mindful of his recent fruitless efforts to avert the nationwide steel strike—declared:

"No government policy can make men understand each other, agree, and get along unless they conduct themselves in a way to foster mutual respect and good will.

Mr. Truman said most industries and most companies "have adequate leeway within which to grant substantial wage increases."

Elaborating on his higher wage theory, he said:

"Good wages mean good markets. Good business means more jobs and better wages. . . . Substantial wage increases are good business for business because they assure a large market for their products; substantial wage increases are good business for labor because they increase labor's standard of living; substantial wage increases are good business for the country as a whole because capacity production means an active, healthy, friendly citizenry enjoying the benefits of democracy under our free enterprise system."

**Urges Western Development**

In promoting an increase in supplies at low unit prices, he said resources and enterprises must be developed all over the country, particularly in undeveloped areas of the west and south. He said he was asking the secretaries of agriculture, commerce and labor to explore jointly methods for stimulating new industries in areas with surplus farm labor.

Speaking again of the strike situation, a heading for congressional debate, the chief executive asserted:

"Within the framework of the wage-price policy there has been definite success, and it is expected that this success will continue in a vast majority of the cases arising in the months ahead."

"However, everyone who realizes the extreme need for a swift and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these strikes could put a heavy brake on our program."

**Relieves Domestic Program**

The president called anew for action on his entire domestic program, including his proposal that:

**SEE PROPOSED BUDGET PAGE 3**

## Highlights Of President's Domestic Views

WASHINGTON, Jan. 21.—(AP)—Major points on domestic affairs from President Truman's message to congress:

**Strikes**—Cause "deep concern;" statutory fact-finding and cooling-off periods again urged; most industries should make "substantial wage increases;" business is a public trust and must adhere to national standards in conduct of its affairs;" labor too must show greater responsibility.

**Taxes**—"This is no time for tax reduction."

**Draft and demobilization**—Draft must continue unless more men volunteer; 2,000,000-man army necessary throughout this year; by June, 9 out of 10 men who were in service on V-E day will be out.

**Inflation**—"Our chief worry;" price and rent control must be renewed; price control must be extended to new and old houses; food subsidies must be continued.

**Budget**—Fiscal 1947 expenditures to be \$35.9 billion; receipts \$31.5 billion; deficit \$4.3 billion. Despite deficit, national debt to be reduced from \$278 billion now to \$271 billion in 1947 by cutting treasury's large cash balance.

**War and military costs**—"Will be \$15 billion in fiscal 1947; direct cost of world war II to U. S. now totals \$354 billion.

**Aftermath of war**—\$4.7 billion for veterans payments in fiscal 1947; \$5 billion for interest on debt; \$1.5 billion for tax refunds.

**Housing**—"An immediate emergency" and a major postwar problem;" Stop-gap actions have been taken; production is the real answer. Wage and price adjustments will be made where necessary.

**Full employment**—All the policies of the federal government must be geared to the objective of sustained full production and full employment.

**Agriculture**—Food prices must be held to present levels, subsidies continued; government will make good on price-support commitments; farmers can be confident of another good year or two.

**Social security**—Congress should extend benefits to those not covered; provide prepaid medical care, with sickness and disability benefits.

## Federal Power Policy Restated

WASHINGTON, Jan. 21.—(AP)—"We shall continue our plans for the development of the Missouri valley, the Arkansas valley, and the central valley of California," President Truman told congress today.

In his message to congress, the chief executive stated that the rivers of America offer a great opportunity in the management of national wealth.

"By a wise use of federal funds, most of which will be repaid into the treasury, the scourge of floods and drought can be curbed, water can be brought to arid lands, navigation can be extended, and cheap power can be brought alike to the farms and to the industries of our lands," he stated.

Citing the Columbia river as an example, the president said that development of that basin's water resources is creating a rich agricultural area as large as the state of Delaware.

"At the same time," he added, "we are producing power at Grand Coulee and at Bonneville which played a mighty part in winning the war and which will be found a great peacetime industry in the northwest. The Tennessee valley authority will resume its peacetime program of promoting full use of the resources of the valley."

## House Committee Approves USES Bill

WASHINGTON, Jan. 21.—(AP)—The house labor committee approved legislation today in line with President Truman's recommendation that the United States employment service remain under federal control until July 1, 1947. The vote to send the measure to the house floor was 13 to 3.

## Weather

**U. S. Weather Bureau Forecast:** Eugene and vicinity: Cloudy with occasional rain Monday, Monday night, and Tuesday. Little temperature change. Oregon: Same, with moderate southerly winds of coast.

**Local statistics:** Highest temperature Sunday, 62 degrees; low Monday morning, 40 degrees; 24-hour precipitation ending 10:30 a.m. Monday, 3.18 inches; total rainfall for month, 3.18 inches; normal rainfall for month, 5.42 inches; total rainfall since Sept. 1, 25.14 inches; stage of Willamette river at 7:30 a.m. Monday, 0.0 feet; wind direction and velocity at 11:30 a.m. Monday, south southwest, 12; prevailing wind direction and average velocity Sunday, south, 8.

**Sunrise and Sunset (PST):** Tuesday, 7:40 a.m. and 5:10 p.m.; Wednesday, 7:40 a.m. and 5:11 p.m.

**SUNSHINE SIDES**

High 4:10 a.m. 7:0 a.m. 3:37 p.m. 7:30 p.m.  
Low 10:30 a.m. 2:4 a.m. 11:30 p.m. 6:00 p.m.

## Snyder Warns Of 'Economic Pearl Harbor'

WASHINGTON, Jan. 21.—(AP)—Reconversion Director John W. Snyder declared today the threat of inflation must be met by price controls and rising production to head off an "economic Pearl Harbor."

Production for civilian use already is at an annual rate \$20,000,000,000 greater than four months ago, Snyder said in a year end report to the President and congress. But the time cannot be foretold now when industry will come abreast of the soaring public demand for goods, he added.

Snyder urged strongly that the price control act be extended beyond its scheduled mid-year expiration.

"It would be foolhardy not to recognize that the excess demand over supply throughout the economic system may continue far beyond June 30."

**More Jobs Than Expected**

Unemployment and inflationary pressure may hit their peak simultaneously early this spring, Snyder said. However, joblessness will be below former estimates. It now is around 3,000,000, compared with the 5,000,000 or 6,000,000 government agencies had expected.

"The basic need at this particular time to meet both situations is more production," the reconversion director declared.

"We must race to expand our output. We must smother inflation with a steady stream of goods. We must speed up the wheels of industry to create the jobs our workers and veterans need."

**Summary of Expectations**

In 73 pages the report forecast what 1946 would bring in these vital fields:

**Food**—Americans may eat more than in the record year 1944, when consumption was 11 per cent above the pre-war average.

**Housing**—"One most serious shortage." Private building will start "the fastest upswing in its history." But demand will be several times greater than the new construction supplied.

**Jobs**—Business cannot expand quickly enough to absorb in the near future the 500,000 veterans to be freed in the next half-year, along with newly discharged government and war plant workers.

**Clothing shortages** will persist. Demand for cotton goods will top supply by 20 to 50 per cent.

**Transportation**—The 1939 total of \$40,000,000,000 in sales, and thus far exceed the 1945 record.

**Automobiles**—The industry expected "before the strike" to make 4,000,000 cars this year, and has laid the physical basis for such a volume, topped only in 1929.

**Agriculture**—To safeguard farm income, congress should authorize "direct payments to farmers where necessary" instead of the present method of supporting prices.

## Communists Bid For Post De Gaulle Left

PARIS, Jan. 21.—(AP)—The communist party made its greatest bid for power in France today by demanding that its leader, Maurice Thorez, be named president to succeed Gen. Charles De Gaulle, who resigned last night.

The communists issued a communique demanding election of Thorez to the De Gaulle post after a noontime meeting of communist deputies. Thorez is secretary general of the party.

Jacques Duclos, communist party secretary, announced after conferring with the popular republican party leaders and later with socialist leaders that the communists were demanding the president's post in a new coalition government.

The communists are the largest political party in France, but they are too weak to form a government without joining a coalition with at least one other major party, probably the socialists.

Excellent informed political observers believed the communists would fail in their efforts to capture the presidency.

The consultative assembly was expected to meet at 3 p.m. Tuesday to hear De Gaulle's resignation letter read officially. Heads of all political parties will speak in the debate leading to election of a new president.

Communist tactics seemed to be an attempt to form a purely left-wing government with the socialists and radical socialists, headed by a communist. This would be virtually a revival of the 1936 popular front.

Duclos said such a government would be logical, since the communists were the largest party.

If the socialists refuse to accept a communist president, the leading choices for president of a left-wing coalition were former Premier Edouard Herriot, radical socialist, and Vincent Auriol, socialist minister of state.

De Gaulle definitely will retire from politics for the present, observers believed, despite forlorn popular republican efforts to change his mind. Many astute observers believed he would remain aloof from politics until the nation grows weary of squabbling and demands his return, presumably after the June elections.

## Lane To Get \$129,000 From O and C Lands

Lane county is scheduled to receive \$129,997.87 as its share of payments in lieu of taxes on Oregon and California reversioned lands, according to Otto C. Krueger, O. and C. chief forester at Eugene.

For the fiscal year ending June 30, 1945, a total of \$856,375.97 has been certified to the claims division of the general accounting office for payment to the counties in which the reversioned lands are located. The total amount will be divided among the so-called land grant counties in proportion to the valuation of the railroad lands in these counties at the time title reverted to the federal government.

When Lane county receives its share for 1945, it will bring the total payments to this county in lieu of taxes on reversioned lands since 1917 to approximately \$2,823,564.75. This amounts to an average annual payment of \$97,364.30 to Lane county since 1917, said Krueger.

"Under the U. S. department of interior program for the sustained yield management of the reversioned railroad grant lands, it is anticipated that perpetual forest crops on the lands will continue to produce substantial revenues for the counties. As none of the lands are being sold, the principal source of revenue is derived from sale of mature and over-mature timber, with additional revenue coming from grazing leases on lands where forest growth will not be retarded by regulated grazing use."

## Vanport City Fires Still Being Set

PORTLAND, Ore., Jan. 21.—(AP)—Vanport City's incendiary fires are still continuing—although a boy who police said confessed to setting several of the blazes is in jail.

Deputy sheriffs reported a \$3000 incendiary in two housing projects apartments Saturday night. Vincent W. Hunt, 17, Vanport City, was in jail at the time.

**'Mac' Orders First  
Jap Reparations**

TOKYO, Jan. 21.—(AP)—The first reparations demanded from Japan were ordered seized by Gen. MacArthur's headquarters today in a directive placing under allied military control nearly 400 Japanese aircraft plants, army and navy arsenals and war materials laboratories.

The action destroyed the last vestiges of Japan's ability to make war.

## Greece Under Martial Law After Uprising

ATHENS, Jan. 21.—(AP)—The Greek government imposed rigid martial law in the southern Peloponnese cities of Kalamata and Sparta today and dispatched motorized forces to subdue an uprising by the monarchist "X" organization that has cost 60 lives.

Prime Minister Themistocles Sophoulis ordered establishment of courts martial with powers to carry out sentences immediately. Arrest of the "X" leaders in the two cities was expected.

## Flood Control Group Meet Here Monday

The Amazon creek project and other flood control measures will be discussed at a dinner meeting Monday at 7 p.m. in the Eugene hotel.

Representatives from nine Willamette valley counties will be present to hear Col. G. J. Zimmerman, district engineer for U.S. engineers, Portland, and others speak on the subject.

## Fraser Accuses Nations Of Balk On Trustee Plan

LONDON, Jan. 21.—(AP)—Prime Minister Peter Fraser of New Zealand today accused France and South Africa of treating the United Nations trusteeship charter as a "scrap of paper" by trying to keep their old League of Nations mandates from control of the new world organization.

Fraser was cheered and applauded loudly as he told the UNO general assembly that both France and South Africa have clearly implied that they intended to annex the mandates given them by the league rather than turn them over to UNO trusteeship.

His statement apparently was also an implied rebuke to the United States which has indicated it intends to retain strategic control of the Pacific island mandates wrested from Japan by American forces.

**Moscow Plan Adopted**

The trusteeship issue came to the fore after the UNO's political and security committee had adopted the Moscow resolution for establishment of an atomic energy commission.

The resolution still requires formal approval by the full assembly before the commission can actually be created. But the same early action appeared assured, since all 51 United Nations were represented on the committee.

British Foreign Secretary Ernest Bevin led the campaign for quick action. He said the resolution had been circulated for 16 days and no nation had proposed an amendment. If there were further delay, he said, the world would not understand.

"The people of the world may think we are not as serious about this important subject as we should be," he said. "This commission should be set up as soon as possible to begin grappling with its serious problems."

**Connally Supports**

Sen. Tom Connally (D., Tex.), opened the debate before the committee with an appeal for quick ratification of the commission. He said the Moscow resolution provided the necessary safeguards from atom bomb secrets "at every stage."

UNO officials, meanwhile, were considering how to handle Iran's complaint against Russia, which over the Moscow resolution provided the necessary safeguards from atom bomb secrets "at every stage."

The security council probably will receive the protest at its next regular meeting.

## Social Democrats Win In Germany's First Free Election

FRANKFURT, Jan. 21.—(AP)—A final tally on Germany's first free elections since 1933 revealed today that the left-wing social democratic party scored a three-to-two popular victory yesterday over the rightist Christian Democrats in the heavily Catholic Rhineland.

Early returns put the Christian Democrats well out in front in the 17 Hessian counties where township councilmen were being elected in communities with populations of 5,000 or less.

The social democrats came back strongly in the late balloting, however, and finished up with a popular vote of 146,508 against 99,591 for their principal opponents. The communists trailed badly in third place with 16,608 votes, although they held a three-to-one margin over the extreme right-wing liberal democrats who tallied 5,662 votes.

Neither the communists and liberal democrats entered complete slates in all the electoral districts.

The final count showed that 83 per cent of the electorate voted in the counties where balloting was scheduled.

Voters in other townships, outside Berlin, with populations up to 20,000 will hold similar elections throughout the American occupation zone next Sunday.

## President's Message Brings Filibustering Solons Respite

WASHINGTON, Jan. 21.—(AP)—Filibustering southern democrats gave their throats a welcome rest today while a clerk read President Truman's 25,000-word state-of-the-union and budget message in the senate.

They agreed to the reading, however, only after receiving assurance that the interruption would not jeopardize their filibuster against a bill to create a permanent fair employment practice commission.

John C. Rankin, 81-year-old senate reading clerk, began reading the message a few minutes after noon. Twenty republicans, 13 democrats and Sen. Robert M. LaFollette (Prog., Wis.), were in their seats at the time.

**Delay For Quorum Call**

In the house, reading of the message began at 12:06 p.m. and was interrupted a few minutes later by a demand for a quorum call.

Rep. Robert F. Rich (R., Pa.), rose after one page of the message had been read.

"I want the President's message to be heard by the house," Rich said. "I make a point of order

## Strike Total 1,680,000 With Steel Workers Out

Government Seizure  
Meat Plants Seen

United Press

Outs in steel mills from coast sent the number of strike-idled American to a new high of today.

mightiest strike blow in U. S. industry, estimated 750,000 steel went off the job in plants located in 30

30,000 workers went on the farm equipment members of the CIO union out on the International company in 11 plants.

Orderly

Strike was orderly, hours after it started there was a report of a disturbance was at Cincinnati non-striker was arrested with a pistol at pickets.

Strike started officially at Philip Murray, president of the steel workers and of said it was 100 per cent Murray said the next up to the company in over the union's wage

Strike Fronts

Government reportedly was a strike of nearly 25 per cent of normal, in on strike since last

ble. Labor Secretary Schwellenbach called a tomorrow with off the Westinghouse and Electric companies and Electrical Workers whose 200,000 members on strike since last

ork's vast transportation was threatened as CIO workers' officials announced that a date would be sought for a strike of 32-way, streetcar, bus and workers.

ke Effects

Production Administration. D. Small in Washington the steel walkout a "national emergency" and that stories would be forced over or curtail operations of steel, adding still more to the nation's strike

places, supervisors and employees were passed picket lines by mutual of the management and

government official said appeared the only course the six-day meat strike

ing supplies, already 25 per cent of normal, date had been fixed, it might come tomorrow

number of strikers in all-time high, congress to act on top-priority labor and other reconversion

The house labor committee tomorrow on President's request for fact-machinery to prevent

en Andrew J. May (D., house military affairs said the "sentiment of tion is getting much for action. He warned committee would start labor bills if the labor failed to act.

## Kimmel Terms P. H. Attack Jap Mistake

WASHINGTON, Jan. 21.—(AP)—Rear Admiral Husband E. Kimmel testified today the Japanese made their "greatest mistake" by attacking the American fleet at Pearl Harbor and failing to put the base itself out of commission.

In his sixth day before a senate-house inquiry committee, the former Pacific fleet commander, said it was probable no attack would have been attempted if the American ships had been sent back to the west coast.

Rep. Gearhart (R-Calif) noted that Kimmel's predecessor, Admiral J. O. Richardson, had sought unsuccessfully to take his ship back to the west coast to prepare them for war but was told by Washington officials that the fleet was to be kept in Hawaii as a deterrent to Japanese aggressive moves.

Gearhart said there had been "a studied effort—almost a frantic effort on the part of some committee members to develop the idea that the presence of the fleet in Hawaii was in some way a deterrent to Japan."

Was it such a deterrent on Dec. 7, 1941, he asked.

"They made an attack, sir," Kimmel replied.

Gearhart expressed belief that the youngest ensign in the Japanese navy would not have been so foolish as to counsel an attack on the fleet if it had been on the west coast.

"The Japanese did a lot of foolish things in the war," the witness said. "Their greatest mistake was the attack on Pearl Harbor."

He added that the Japanese might have caused more effective damage if they had destroyed the Pearl Harbor base. He said damage was "negligible" to permanent installations, used to repair damaged ships and keep the other units operating.

He said the slow battleships hit at Pearl Harbor were not of much use early in the campaign because they couldn't accompany the fast striking forces of carriers, cruisers and destroyers, and that the most useful units escaped damage.

## Ordered Hel's "Suicide"

BERG, Jan. 21.—(AP)—Marshal Erwin Rommel, "Desert Fox," drank an alternative to trial against Adolf Hitler's agents in allied hands today.

Personally ordered Field Marshal Keitel to arrest Rommel for complicity in the 1944 bomb plot against

## Bladder Park Due Tuesday

of the trailer houses to in Sladden park are ex-start coming in by Tuesday.

Wagner, manager of project, reported work on getting the ready for occupancy is as rapidly as possible, and it is hoped that they in shape in about three

for the houses have in fast, but applic- said. Applications should at the United States em- in Eugene for the office can be set

## Gen. Washington's Cannonball Makers Hit First Labor Snag

HIGH BRIDGE, N. J., Jan. 21.—(AP)—The steel strike has shut down the Taylor-Wharton Iron and Steel company, oldest munitions factory in the nation and supplier of cannonballs to Washington's armies during the revolution.

"For the first time in 204 years Taylor-Wharton has been closed by labor trouble," George R. Hanks, president of the firm, said today as pickets of local 1077 of the United Steel Workers of America (CIO) marched in front of the steel plant where 650 were on strike.

The company has boasted "continuous operation since its founding in 1742."

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