

President Asks Belt-Tightening Of Nation in '52

Highlights Listed
In Economic Talk

WASHINGTON—(AP)—Here are highlight quotes from President Truman on major points of his annual economic report to Congress:

TRAGIC NECESSITY—"It is the tragic necessity of our time that we and other peace-loving peoples must devote so large a part of our resources to building up our military strength . . . if . . . another world conflict should come, the cost would be beyond description. If we succeed in the effort for peace, our productive ability will enable us to achieve a material well-being never before known."

UNITY—"This effort for peace finds the people of the United States substantially in agreement . . . but our foreign policy cannot succeed if there is excessive division on domestic matters . . . without agreement on economic fundamentals at home, group conflicts or political conflicts could weaken our ability to withstand the Communist threat."

ECONOMIC STRENGTH—"The growth of production during the past few years now enables us to carry the security program without undue impairment of the rest of the economy . . . we should hold fast to the principle of an expanding economy . . . it will give us even greater strength to meet any aggressor . . . and if we succeed in attaining a durable peace, our expanding economy can double our standard of living within a generation."

STRATEGY—" . . . for the time being, and perhaps for a long time, we must sail a middle course in an uncertain sea. The whole mobilization effort is based upon the economic strategy of following this middle course . . . We are making allowance for the possibility that war could come suddenly. But we are also making allowance for the possibility of a long period of international tension without total war."

HARDER JOB AHEAD—" . . . the most difficult problems will be within the next 12 months . . . In order to accomplish what we cannot afford to do without, we must give up many of the things that we can afford to do without . . . We cannot have business as usual, consumer enjoyments as usual, or government programs and services as usual."

COST OF SECURITY—"Total budget expenditures by the end of the fiscal year 1953, ending on June 30, will be running at an annual rate between 85 and 90 billion dollars. The security effort . . . will comprise roughly 85 per cent of total expenditures . . . for the fiscal year 1952, the total of federal expenditures is estimated at approximately 71 billion dollars, and receipts at about 63 billion."

FALSE ECONOMY—"A balanced budget, achieved the easy way by sacrificing the defense program and putting the balance of world power in the hands of the Kremlin, would be false economy. The sound course in these times is to base outlays upon essential national needs, and then obtain the funds to cover these needs by current taxation insofar as possible. But if the only choice is either to run a deficit of limited size and duration in the federal budget, or to run a deficit in our national security effort, by far the lesser hazard now is to run a deficit in the budget."

CIVILIAN CUTS—" . . . Housing starts . . . will have to be reduced to 850,000 units or less . . . less than 4 million new passenger cars will be made . . . household appliances, radios and television sets must also be cut back . . . these are not large sacrifices in view of the dangers against which we must protect ourselves."

FOREIGN AID—"Our foreign policy objectives require continued provision of both military and economic aid to free nations. Both types of aid are necessary . . . in the final analysis, the free world must be made more secure if we are to be secure."

TAXES—"A budget deficit of about 8 billion dollars is expected for the current fiscal year ending June 30, 1952. This is expected to be followed by a budget deficit approaching twice this size for the fiscal year 1953, unless further vigorous action to raise taxes is taken very soon . . . I urgently recommend that the Congress, as a minimum, provide additional revenues in the amount by which last year's legislation fell short of my recommendations. This can be achieved by eliminating loopholes and special privileges, and by some tax rate increases."

Price-wage controls—"To avoid inflation, we must maintain a firm price policy and a firm wage policy throughout the peak of the defense effort, and we must maintain a fair relationship between the two." (Mr. Truman asked Congress to strengthen price and credit controls.)

Labor—"The (Taft-Hartley) law should be promptly revised to accord the fair treatment to both labor and management which is vital to industrial harmony and steady production . . . to provide more adequate protection against unemployment, I recommend the enactment of legislation to strengthen the present federal-state unemployment insurance system."



BIGGER MIG FOR NIGHT WORK?—This photo of an airborne Russian MIG-15 jet shows the craft now has extra bulges around the nose, virtually confirming Western fears that the Soviets are equipping their Korea-tested fighter with radar. Such equipment would adapt it to night interceptor missions. Picture was taken at East German airport and printed in Aviation Age magazine.

Vets Bonus Bonds Have Better Chance for Okay

SALEM—(AP)—Oregon will try again this week for permission to sell the bonds with which to pay its veterans of World War II the bonus Oregonians voted them more than a year ago.

State Treasurer Walter J. Pearson, speaking as a member of the State Bond Commission, said an application is being prepared to be presented to the federal voluntary credit restraint committee in San Francisco to sell \$40,000,000 of Oregon bonus bonds on the open market.

Chances Better
Gov. Douglas McKay, also a member of the bond commission, or Pearson may appear personally before the San Francisco committee to urge approval of sale of the Oregon bonus bonds.

The chances are good that approval will be given now. When the bond commission sought approval several months ago, the voluntary credit restraint turned thumbs down, arguing that payment of the bonus at that time would be inflationary. But when Pearson and Gov. McKay were in the national capital several weeks ago and talked separately with federal reserve officials, the indication was given that maybe favorable action would be made by the Voluntary restraint committee early in 1952.

Average Bonus—\$400
If Pearson or Gov. McKay does not appear personally before the San Francisco board, E. C. Sammons, president of the U.S. Na-

**Soviets Report
On U. S. Bases**

MOSCOW—(AP)—The Soviet press reported Wednesday the United States will have 50 Army, Navy and Air Force bases in Japan.

An article published in the major Russian papers said John Foster Dulles, during his recent visit to Japan, obtained from Premier Shigeru Yoshida a written authorization for that number of American bases in that country.

The article said that in the areas of the bases, all Japanese authorities and population would be under American jurisdiction and all port facilities, railway stations, roads and means of communication would be at American disposal.

**Battle Losses
Now 104,383**

WASHINGTON—(AP)—Announced American battle casualties in Korea now total 104,383, an increase over 299 since last week's report, the Defense Department announced Wednesday.

The casualties include those whose next of kin have been notified through last Friday.

It does not include all casualties through that date because it requires from one of three weeks to notify next of kin.

The total casualties included 17,948 deaths, 73,900 wounded, 10,970 missing, 174 captured, and 1,391 previously missing but returned to service.

First Come, First Served
Hub Saalfeld, head of the bonus division, urged veterans or eligible next of kin to get their applications in promptly, reminding them again that it is a case of first come, first served. The applications as they are processed are numbered, and the bonds will be paid, as money becomes available, in the order of those numbers.

Optimistic Note
Pearson expressed belief that the bonus bonds would get the green light when the new application is presented. He noted that in the past two months numerous states, municipalities and other political subdivisions throughout the nation have been selling bonds on the open market, apparently with the approval of the federal restraint boards in other sections of the county. And he declared:

"Such bonds have been issued for all sorts of purposes. I fail to see where our bonus bonds would be any more inflationary than are these other bonds sold by other states on the open market and handled through authorized bond houses."

Well, veterans, better get those applications in. Prospects for payment are growing brighter.

**Italians Fix
Fashion Plans**

MILAN, Italy—(AP)—Italian fashion designers, fearful of being caught with their plans down, are exhibiting their spring creations at least three weeks before Paris.

Carmine Cialfi, director of Milan's Centro Della Moda, says Italian firms are starting to show their fashion collections in order to beat the French designers, who are scheduled to begin unveiling their creations Feb. 7.

To attract the heavy money—American buyers—Milan designers have created an "Italian fashion service" to help buyers from American firms.

Senator Wants Truman to Run

Humphrey Praises
'Fair Deal' Policy

WASHINGTON—(AP)—Sen. Humphrey (D-Minn.) said Wednesday the Democrats can't win the presidential election unless they nominate a "consistent fair dealer" and a warm supporter of the administration's foreign policy.

The Minnesota lawmaker told a reporter President Truman would fill the bill "better than anyone else because I obviously am talking about the kind of program for which he has fought."

Other Possibilities
But Humphrey added: "We have other good Democrats who could qualify and win the election" if Mr. Truman decides not to seek another term.

Sen. Capehart (R-Ind.) said he believes the President will run again.

"The Democrats in my opinion haven't anyone else who could even make a race of it and I think Mr. Truman knows that," Capehart declared.

Taft Supporter
Capehart is backing Sen. Taft of Ohio for the Republican presidential nomination. But he said he is convinced "any Republican nominated can win this year."

Humphrey conferred with the President Monday and said afterward that Mr. Truman had kept him guessing on his plans.

Humphrey reported, however, that Mr. Truman had told him he "wants a liberal platform, a liberal party and a liberal candidate."

Tax Collections Hit New High

SALEM—(AP)—State income tax collections for 1951 reached a new high of \$59,285,130, the Tax Commission said Wednesday.

Personal income tax collections totaled \$39,349,323, a 31 per cent gain over 1950.

Corporation income taxes rose 47 per cent to \$19,935,807.

The number of personal returns filed last year was 391,513, a 4 per cent increase. There were 5787 corporation returns, an 8 per cent drop.

The commission said the increased collections resulted from larger incomes, rather than from an influx of new taxpayers.

The commission said 1951 is starting off well, too, with withholding taxes running 17 per cent above a year ago.

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