

Truman Message Calls For Inflation Controls; Offers Reduced Budget

By United Press

The House and Senate today listened to one of the longest presidential messages ever written.

In his combined state of the union and budget message, President Truman called for reduction of the national debt and the extension of many wartime economic controls to fight inflation. The president also repeated his appeal for congressional enactment of many important measures—including the creation of fact-finding boards, a full employment bill, a health insurance program, universal military training, merger of the armed forces and many others. The presidential message devoted much time to current strikes and the problems of business, labor and industry in converting to a peacetime economy.

Mr. Truman said the present walkouts in major industries are a cause of deep concern, and he warned that continuation of labor-management strife will seriously check the reconversion program.

In an appeal to Congress to enact legislation creating fact-finding boards, the president said industrial wage disputes must be settled by collective bargaining with government assistance but not by government compulsion.

Major points in President Truman's 32,000-word message to Congress:

DOMESTIC PROBLEMS

STRIKES—Cause "deep concern"; again urged statutory fact-finding and cooling-off periods; 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, nine out of 10 men who were in service on V-E day will be out.

INFLATION—"Is 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.

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. Price control needed on sales of old and new houses.

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.

WORLD AFFAIRS

WORLD PEACE—"We want to 'build and preserve a just peace.' This can be done only on a basis of justice for all nations. **UNITED NATIONS ORGANIZATION**—"Our ultimate security... requires that we begin now to develop UNO as the representative of the world as one society... a great voice to speak constantly and responsibly in terms of world collaboration and world well-being."

ATOMIC ENERGY—Favors mutually-effective safeguards through UNO that will permit fullest international control.

INTERNATIONAL FINANCE—Lend-lease settlements on basis that will not encumber world trade; continued foreign loans to stimulate U. S. trade. U. S. in next 18 months will put \$5.3 billion into Export-Import bank loans, British loan, and participation in world bank and stabilization fund.

THE PAST AND THE FUTURE

"We have won a great war—we, the nations of plain people who hate war... In the test, we found a strength of unity that... crushed the power of those who sought by force to deny our faith in the dignity of man. I doubt if the tasks of the future are more difficult. But if they are, our strength and our knowledge and our understanding will be equal to those tasks."

FINANCIAL PICTURE

This, in brief, is the financial picture Mr. Truman presented for the 1947 fiscal year which begins July 1 this year:

SPENDING—\$35,860,000,000.
INCOME—\$31,513,000,000.
DEFICIT—\$4,347,000,000.

The president proposes to meet the deficit by dipping into the treasury's cash balance—its supply of ready cash already on hand.

He intends to use the same source for funds to retire nearly \$8,000,000,000 of the national debt in this next 18 months. This would cut the national debt from more than \$279,000,000,000 now to \$275,000,000,000 by June 30, 1946, and to \$271,000,000,000 by June 30, 1947.

It would cut the treasury's cash balance down from \$28,000,000,000 at the start of this calendar year to \$3,200,000,000 by the end of June, 1947.

Predicting his budget on existing and proposed legislation, the president particularly warned that there must be no further tax reductions if the government's income is to reach the budgeted amount. It was the first time that anticipated spending not already authorized by Congress had been included in the budget.

PLANE REPORTED IN FLAMING FALL

Indio, Cal., Jan. 21—(U.P.)—An unidentified plane was reported to have crashed in flames today in the rugged San Bernardino mountains 12 miles north of here, the sheriff's office said.

Herman Walker, Oklahoma City, said he saw the plane go into a flaming dive as he was driving along the highway. His wife corroborated his report.

Officers said that a twin-engine plane was missing on a flight from Burbank to Las Vegas, Nev., via Palm Springs.

PROSECUTION RESTS IN HOMMA'S HEARING

Manila, Jan. 21—(U.P.)—The prosecution rested its case today against Lt. Gen. Masaharu Homma and the defense was granted a week's recess to prepare its case for the former Japanese commander in the Philippines. Trial will be resumed Jan. 28.

NEW AIR RECORD

New York, Jan. 21—(U.P.)—A Pan American Airways Clipper, a four-motored Constellation, held a record today after flying 3,425 miles from New York to Lisbon in nine hours and 58 minutes. Previous record for a commercial trip across the Atlantic was 12 hours, 37 minutes established on a Washington to Paris flight Dec. 4, 1945.

War Cost U. S. \$354 Billion

Washington, Jan. 21—(U.P.)—President Truman today placed the direct cost of World War II to the United States at approximately \$354,000,000,000.

That is the sum of military expenditures, lend-lease, and related direct war costs from July 1, 1940, when the war emergency began, to June 30, 1947.

It does not include billions of indirect war expenses—payments to veterans, interest on debt, etc. Such indirect costs will total about \$11 billion in the coming fiscal year alone.

Authorizations for direct U. S. war expenditures went as high as \$431 billion, but billions of this were not needed when the war ended. Mr. Truman estimated actual sums paid out for direct costs would total about \$354 billion when most of the bills are liquidated in 1947.

Junked Equipment Will Be Returned From Germany Only

Washington, Jan. 21—(U.P.)—The War department today announced its policy on return from overseas of junk metal from scrapped airplanes, guns and equipment.

The army won't bring back iron scrap from anywhere but Germany, except where it can be used as ballast in ships. It hasn't made up its mind about whether it is worth while to bring junk iron back from Japan.

Lead and tin bearing scrap will be brought back to help ease shortages in the United States.

WEATHER

Northern California—Generally clear today, tonight and Tuesday; except morning fogs interior valleys and most cloudy extreme northern part; slightly warmer southern San Joaquin valley today; gentle variable winds off coast.

Truman May Take Florida Vacation

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Press Secretary Charles G. Ross added that plans for the trip are still "quite tentative."

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The president said that the decline in food prices expected after the end of the war has not appeared and is not likely to occur for many months to come.

COMMISSION FOR ATOMIC CONTROL FAVORED IN UNO

Moscow Resolution Unanimously Adopted By Political, Security Committee

London, Jan. 21—(U.P.)—The UNO political and security committee adopted unanimously today the Moscow resolution for establishment of an atomic energy commission.

The resolution was adopted 46 to 0. The Philippine commonwealth delegate was the only member present who abstained from voting. The Philippines raised the only objection to the composition of the proposed commission.

Some of the small nations pleaded for a delay in the voting, but they were overruled. The vote came unexpectedly today after the big powers had appealed for quick action.

Committee action on the atomic energy resolution was tantamount to final approval. The resolution still requires formal approval by the full assembly before the commission can actually be created.

UNO officials meanwhile were considering how to handle Iran's complaint against Russia, which was submitted officially on Saturday.

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

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STEEL STRIKE GREATEST BLOW TO INDUSTRY - 1,680,000 IDLE

HERRIOT, AURIOL CANDIDATES FOR DEGAULLE CHAIR

Former Premier and Minister of State Would Succeed French President

Paris, Jan. 21—(U.P.)—Former Premier Edouard Herriot and Vincent Auriol, minister of state, were the leading candidates today to succeed Gen. Charles DeGaulle as president of France in a coalition government.

DeGaulle's sudden resignation last night precipitated intense maneuvering by the three political parties to find a man with sufficient political and popular support to fill the post he has held since its creation.

Action Final

The resignation of DeGaulle was described officially as "final and irrevocable." Cabinet Director Gaston Palewski said DeGaulle would retire "definitely from political life."

The reported ready to propose their leader, Maurice Thorez, as the new president at the head of a three party coalition with the socialists and popular republicans.

In event of a coalition of communists, socialists and the more conservative popular republicans, the socialist Auriol seemed a likely choice.

The official reason given for DeGaulle's resignation was said to be his refusal to accept a 20 per cent cut in military expenditures demanded by the left-wing parties.

Fundamentally, the resignation was based on a much deeper rift between DeGaulle and the left-wing organizations.

Lipstick Message Blames Drink In Slaying of Woman

Beardstown, Ill., Jan. 21—(U.P.)—The body of Lucille Rife, 30, of Beardstown, was found in a hotel room today. Written in lipstick on the wall was this message: "I killed her while I was drunk."

Ivan de Silva, 21, a Jacksonville, Ill., war veteran, who had registered at the hotel with Miss Rife, was arrested several hours later. Police said de Silva admitted strangling the woman with one of her stockings.

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'ABLE DOCUMENT,' MORSE'S VIEW OF TRUMAN MESSAGE

Oregon Senator Says Congress Should Proceed To Stand Up and Be Counted

Washington, Jan. 21—(U.P.)—Congressional reaction to President Truman's message today divided generally across party lines, with democrats approving his recommendations for cutting government expenditures almost in half and republicans calling for further reductions in federal spending.

House republican leader Joseph W. Martin, Jr., Mass., said "it is good to see the budget heading in the direction of balance," but "it is not what the budget messages say that counts most, but what the score sheet shows when the record is completed next June."

Demo Praises

Acting house speaker John W. McCormack, D., Mass., said the president's communication was an "excellent, comprehensive message."

Sen. Wayne Morse, R., Ore., described the message as being "on the whole, an eminently able" document. He thought "congress should proceed without stalling or delay to stand up and be counted man by man on recommendations." He agreed with Mr. Truman on the "basic principles of labor relations, namely that voluntary, rather than compulsory, procedures should prevail."

Captain Steele Hurt in Crash

Capt. Walter H. Steele of Camp White was critically injured about 1 a. m. yesterday when cars driven by Capt. Steele and Earl Hanson, Eagle Point, collided head on near the intersection of Crater Lake Highway and Hilton Road.

Hanson and Capt. Steele were brought to the Community hospital, the captain later being transferred to the hospital at Camp White. Hanson suffered only slight head injuries and was to be discharged from the hospital today.

State police are investigating the accident.

Philandering Wife Feeds Vet Poison

Los Angeles, Jan. 21—(U.P.)—Mrs. Virginia McElhinney, 28, confessed today she fed her late husband anti poison in her coffee so he wouldn't learn of her unfaithfulness while he was overseas, police announced.

She was booked on suspicion of murder after a coroner's autopsy revealed arsenic in the blood of McElhinney, 28, who died Dec. 30 in veterans' hospital, west Los Angeles.

JEWEL TERRORISTS STAGE NEW VIOLENCE

Jerusalem, Jan. 21—(U.P.)—Saboteurs blew up a coast guard station at Givat Olga, halfway between Tel Aviv and Haifa, last night injuring 14 British soldiers and one British policeman, authorities announced today.

The new violence, blamed by police on members of the Jewish resistance movement, occurred while troops and police still were investigating outbreaks which caused four deaths in Jerusalem Saturday.

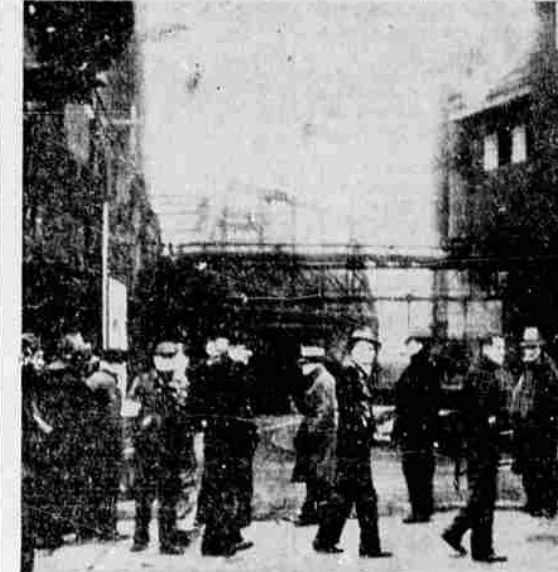
JUNEAU HAS FIRE

Juneau, Alaska, Jan. 21—(U.P.)—Investigators are probing the snow-drifted ruins of the Juneau's Coliseum theater, searching for cause of the blaze which last night gutted the motion picture house and the 26 apartments above it. Regular firemen and hundreds of volunteers manned 30 hours of battle to save the main block of Juneau's business district.

FAMILY ESCAPE FIRE

Portland, Jan. 21—(U.P.)—Fire officials report Mr. and Mrs. W. Nash and their three young sons escaped serious injury early today when fire gutted their boat-house home on the second floor of Lee McCurdy's river store and moorage at the east side of the Willamette below the Morrison bridge.

Strikers Walk Out Ahead of Schedule



Members of United Steel Workers (C. I. O.) march before the main gate of Jones and Laughlin Steel Corporation plant at Pittsburgh, Pa., picketing 48 hours ahead of scheduled national walkout.

Filibustering Southern Democrats Get Rest During Truman's Message

Washington, Jan. 21—(U.P.)—Filibustering southern democrats gave their throats a welcome rest today while a clerk read President Truman's 32,000-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. Stennis, 81-year-old senate reading clerk, began reading the message a few minutes after noon. Twenty republicans, 13 democrats and Sen. Robert M. La Follette, Prog., Wis., were in their seats at the time.

In the house, reading of the message began at 12:05 p. m., and was interrupted a few minutes later by a demand for a quorum call.

The roll call was completed at 12:33 p. m. with 303 members present, a quorum. The reading was resumed but Rep. Robert L. Doughton, D., N. C., arose to make a point of order—too noisy, he said.

Members walked in and out as the reading progressed. Others sat in their seats, listening with varying degrees of interest. One republican read a newspaper part of the time. A democrat scanned the Congressional Record.

GREEK ROYALISTS STAGE UPRISING

Athens, Jan. 21—(U.P.)—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.

The royalist forces have been rampaging since Saturday, when they killed 30 left-wing supporters in a cafe fight, then attacked the Kalamata police station and freed 30 of their own men who had been arrested.

Former members of ELAS, the military force of the left-wing EAM movement, were fighting beside the police against the royalists. Police and soldiers guarded the prison where many ELAS men who fought in the 1944 civil war are detained.

FT. LEWIS CLOSE SET FOR JAN. 31

Fort Lewis, Jan. 21—(U.P.)—Army officials report more than 15,000 troops are slated to depart at Tacoma and be cleared through the northwest Fort Lewis staging area before the area is de-activated at the end of this month. The troops will be placed aboard troop trains and sent to separation centers throughout the nation.

The vanguard is scheduled to depart Wednesday when the U.S.S. Shelby arrives from Nagoya with 755 army personnel aboard.

LAST RITES TUESDAY FOR MRS. GOODHEW

Ashland, Jan. 21—(U.P.)—Funeral services will be held at the Little Funeral Home here at 2 p. m. Tuesday for Anna Sophie Goodhew, 57, who passed away here Saturday. Rev. James Vetter will officiate and interment will be in Mountain View cemetery.

The deceased is survived by her husband, John, a son Lawrence of Eagle Point, and a daughter, Lola, of Glendale, Calif. Also surviving are three sisters, Mrs. Mae Rogers, Los Angeles; Mrs. Lillian Hilton, Wenatchee, Wash.; and Della Olson, Harrison, Ida.; three brothers, Henry Johnson, Coeur d'Alene, Ida.; Louis, Wallace, Ida.; and James, Lewiston, Ida.

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LEFT WING PARTISANS WIN RHINELAND VOTE

Frankfurt, Jan. 21—(U.P.)—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.

FARM EQUIPMENT PLANTS ADDED TO ROSTER OF IDLE

International Harvester Co. Workers Walk Out in 11 Factories—Strike Orderly

By United Press

Walkouts in steel mills from coast to coast sent the number of strike-idled American workers to a new high of 1,680,000 today.