

Truman Blends Optimism And Caution In Economic Report; Demands Controls

WASHINGTON, Jan. 14 (AP)—President Truman declared today that American prosperity is riding a "wave of inflation" toward the peril of a "serious" business slump.

Keying his second annual economic report to a renewed plea for legislative power to cope with soaring prices, the chief executive told the republican-controlled congress: "The American people are keenly aware that inflation is the dominant problem in our affairs."

Mr. Truman used urgent words in demanding once again the full ten-piece kit of anti-inflation tools which the lawmakers refused him during last fall's special session. He asserted that standby price, wage and rationing authority are "needed, needed badly, and needed promptly."

In addition to congressional action, the president called upon business to cut prices wherever possible, "foregoing a quick and dangerous excess profit in favor of long-run stability."

And he urged labor to be "moderate" in its third round wage demands.

Nor did he yield any ground on taxes.

No Tax Cut
He insisted that the \$7,500,000,000 treasury surplus now in sight for next June 30 must be used to lower the national debt, not cut tax rates as the republicans are determined to do.

And Mr. Truman repeated his proposal for a \$40 a person "cost of living" income tax cut to be made up by higher taxes on corporations.

After reciting record-breaking gains during 1947 in nearly every phase of economic activity, the chief executive forecast "another year of splendid achievement."

But he took alarm as well as pride in the advances.

"Unless we as a nation show an ability to impose restraints upon ourselves and to utilize the machinery of our representative government to devise well-considered regulatory measures, we stand in great danger that runaway prices, over-extended credit and unbalanced developments will lead to an economic recession."

"We cannot be sure that such a recession would not be severe and recovery slow and painful."

More income for consumers will be needed, Mr. Truman said, to keep production up when exports fall off, when credit shrinks, and when savings are reduced, and "more consumer income must be accompanied by better income distribution."

He continued:

"Within ten years, maximum employment will mean 64,000,000 jobs or more."

Thus blending optimism and caution, the president gave this review of the 1947 economic record:

Income Gain
Consumer income reached a new high rate of \$1264 a person a year, compared with \$1074 in early 1946, but the buying power of the con-

sumer's income dollar dropped nearly eight per cent. Savings were smaller and consumers "drew increasingly on credit."

Consumer credit—which Mr. Truman wants brought back under wartime controls—also reached a new peak—\$13,300,000,000 by year's end.

Corporate profits before taxes rose to \$28,000,000,000, or one-third higher than in 1946; profits after taxes were \$17,000,000,000 as compared with \$12,500,000,000.

Business investment reached a record level of \$25,000,000,000, but "some part" of the increase lay in higher prices of building and equipment.

Housing units completed were nearly double the 1946 number "but high costs raised the question whether this rate could be continued."

Exports hit an annual rate of \$20,000,000,000, then declined. The future balance of trade will depend much "on the size of government aid and private credits extended."

The gross national product, which measures all goods and services produced in current dollar values, reached a \$237,000,000,000 a year rate in the last half of 1947, compared with \$204,000,000,000 in 1946.

Erosion Damage Cuts Wheat Acreage

PORTLAND, Jan. 14 (AP)—Prospects for a record 1948 winter wheat crop in Oregon have been lessened by rain erosion damage in the Columbia basin counties during the past several weeks.


Evan Green, district fieldman for the U. S. production and marketing administration, said heavy washing of winter crop fields, particularly in Morrow, Gilliam and Sherman counties, would reduce the winter crop estimated earlier at 22,250,000 bushels.

Green said 250,000 acres in the Columbia basin area of the state suffered "moderate to severe" damage.

At least half of the state's total 1,600,000 acres of wheat land was believed damaged to some degree by erosion during storms that followed a period of heavier than average rainfall.

Classified Ads Bring Results

"A Wise Suggestion"



PERTUSSIN FOR BAD COUGHS
(CAUSED BY COLDS)
Thousands of Doctors prescribed PERTUSSIN for years. It acts AT ONCE to relieve such coughing.

High School News and Comment



By MARY LOU CASE

The 10th annual Lions football banquet will be held tonight at the Willard hotel at 7 p. m. The banquet is given in honor of the KUHHS football team, the Henley High team, and their coaches. Also special guests will be the KU yell squad. Jack Bishop will act as emcee. Speakers will include Joe Peak, Wesley McNea, president of the Lions' club; Mrs. John Donley, giving the mother's viewpoint; John Schubert, giving a father's viewpoint; Max Marvin, Henley High coach; Ed Ryan, KU coach; and Jim Aiken, Oregon University football coach.

In a special Pelicans broadcast, the awards to the most inspirational player of the year, and most outstanding lineman, chosen by their teammates, will be relayed over station KFJL from 8:30 to 8:45. Don Paillette will officiate at the mike.

To manage the affairs of the Latin club for the remainder of this year, and the first half of next, is Bib Hooker, elected at a meeting Tuesday. To assist are: Barton Adams, vice president; Betty Bennett, secretary-treasurer; and Helen Jackson, Krater reporter. These officers will be installed at a banquet, January 22. Retiring officers are Roy Larson, president; Bob Hooker, vice president; and Helen Jackson, secretary-treasurer.

Next week's exam schedule has been definitely decided upon. Conducted as they were last spring, the first period exam will be held Tuesday afternoon, for an hour and a half to two hours. The second period exam will be held Wednesday morning and so on, with the last exam scheduled for Friday morning.

Practice every day for the last two weeks have been the Pep Pepers. Their efforts are directed toward a halftime drill for the Medford-Klamath game this Friday night. Considering all the work that goes into presenting a drill, it should be well worth the watching.

No school will be held on Friday after 10 o'clock.

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Wheat Holdings Show Decrease

PORTLAND, Jan. 14 (AP)—Farm holdings of wheat on January 1 in Washington, Oregon and Idaho were about two-thirds of holdings a year ago, the U. S. department of agriculture reported today.

N. L. Nielson of the bureau of agriculture economics, said holdings in Oregon were about half of a year ago and only 45 per cent of the 10-year average.

Combined farm holdings for the three states on January 1 and a year ago were: wheat, 18,330,000 and 28,907,000 bushels; oats, 10,983,000 and 12,100,000 bushels; hay, 3,819,000 and 4,365,000 tons.

Oregon wheat holdings January 1 were 2,594,000 bushels.

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New Store To Open Saturday

TULELAKE, Jan. 14 — W. D. Welch and R. E. Welch, formerly of Klamath Falls, will open the Welch Furniture company in the new Pat Murphy building near the Bank of America Saturday. R. E. Welch was employed by the Balin Furniture company in Klamath Falls for 15 years.

An electrical appliance department will be added at a later date, the business handling only household furniture at the present time.

In a second room in the building which stands on the site of the Farmer's club destroyed by fire several months ago, the Tulelake Glass company will open within two weeks.

C. H. Lawrence and L. K. Weatherford, formerly owners of the Ventura Glass company, Ventura, Calif., will do all types of glass cutting, mirror resilvering and installation of plate glass windows.

GEORGE'S Cabinet Shop

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STORE FIXTURES
164 E. Main — Phone 7361

Police Doubt Bird Tale Of Murder

CHICAGO, Jan. 14 (AP)—Police Chief Carl Ekman of suburban Evanston and Cook county state's attorney officials said last night that two Benton Harbor, Mich. negro men appeared to have had no connection with the slaying on October 22, 1942, of Mrs. Lillian Galvin, 45, and her maid, Edna Sibilski, 30.

The two men, Lovell Boykins, 37, and William N. Hockett, 23, his nephew, had been named by Jake Bird, convicted axe slayer who is awaiting execution Friday in the Washington state prison at Walla Walla.

Ekman said "their Boykins and Hockett alibis look good, but we want to check them further." Bird had implicated a third negro, William Smith, in the slaying of the women. Smith is serving a prison sentence in Michigan.