

TRUMAN ABANDONS TAX BOGS

In The Day's News

By FRANK JENKINS

As these words are written, I've just finished reading the news summary of President Truman's long-awaited economic report to the congress. Out of it, I get the impression that, like fabled King Canute, the little man from Missouri is learning that there are forces too powerful to be arbitrarily controlled by mere man's commands.

THE stubborn Canute, according to legend, was trked by the incoming tides. So he undertook to handle the situation by decree. He took his stand on the beach and ordered the tide to quit coming in. According to the story that has been handed down to us, the tide kept right on coming and Canute had to move back up the beach to keep from getting his feet wet.

President Truman was annoyed by the creeping tide of inflation, which threatened to upset our apple cart. Also, he was considerably set up by his generally unexpected landslide election. So, like Canute, he said in effect:

"I'll fix this inflation business. I'LL ORDER IT TO STOP. I'll tell it that if it doesn't stop I'll jack up taxes and I'll crack down on prices and wages. That'll fix it, clock."

SO he made his pitch. He called for the higher taxes. He demanded his price and wage controls. But the inflationary tide wasn't bluffed. It kept right on creeping up the beach until it reached the stage of flood and then it began to recede—acting just as the tide did in the case of Canute.

PRECIDENT TRUMAN has acted precisely as King Canute did. He has retired back up the economic beach to keep from getting his feet wet. He says in his message this morning:

"No major increase in taxes should be undertaken at this time." He adds: "We can not expect to achieve a budget surplus in a declining national economy."

UNFORTUNATELY, legend fails to tell us what King Canute did after he retired up the beach to keep from getting wet. Privately, I suspect he shrugged the situation off and changed the subject. Maybe he started another war to take his followers' minds off his bones in the case of the tide. Canute didn't have to face the voters at some inevitable future election. Kings had a lot of leeway in those days.

OUR President Truman is in a tougher spot. He does have to face the voters—at least his party has to, which amounts to the same thing. But he does this morning what Canute probably did. He changes the subject so as to get people's minds off unpleasant things. He says no crisis action is needed because our economy is STRONG AND HEALTHY.

He adds: "Our economy CAN HIT A SOARING ANNUAL OUTPUT OF WELL ABOVE \$50 BILLION DOLLARS IN A FEW YEARS."

THINKING of the 300 billion dollar income we're going to have in the golden future, we can be expected to forget about the troubles of the immediate present.

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POLIO DEATH
LITTLE ROCK, July 11 (AP)—Another polio death was reported in Arkansas over the week-end when the total of cases for the year reached the 223-mark.

WITH BEETLES AND CHIN-WHISKERS, DOC STILL JAUNTY AFTER MOUNTAIN RESCUE
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Klamath and Lake Counties News

PRICE FIVE CENTS KLAMATH REGON, MONDAY, JULY 11, 1948 Telephone 8111 No. 3823

Mediator Seeks Steel Agreement

Philippines, China Join Against Reds

BAGUIO, Philippines, July 11 (AP)—President Elpidio Quirino and Generalissimo Chiang Kai-shek tonight called for a union of the countries of Asia and the Pacific to "contain and counteract" the threat of communism.

The joint statement of the Philippines president and retired president of nationalist China was issued at the conclusion of two days of talks here. It said, "A preliminary conference of the authorized representatives of those countries desiring to participate in the formation of the union shall be convened at the earliest possible moment to devise concrete measures for its organization."

More Hoped For
"It is our hope that other countries in Asia and the Pacific will eventually respond to the highest aims of the proposed union."

Chiang said, "Although I have come to the Philippines upon the invitation of President Quirino to confer with him in my private capacity, I shall as (head) of the Kuomintang (nationalist party) undertake to advise and request the Chinese government to give its full support and to take steps to implement the agreement announced in the above joint statement."

Rain Breaks 49-Day Dry Spell In East
By The Associated Press
Thirsting crops in eight north-eastern drought-stricken states had their first real beneficial rain yesterday in 49 days.

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No Quail Hunt Here

Klamath and Lake counties will have no valley quail season this fall, if rules tentatively set by the state game commission go into effect.

The game commission reported this morning from Portland that it considered the kill by severe winter weather "excessive" in this area and that there were few quail left.

Northwest Forest Fires Under Control
By The Associated Press
Pacific Northwest forest fires were reported under control today as a thin cloud cover began moving in from the Pacific ocean, bringing moist air and lower temperatures.

Estimate Of Crops Shows Wheat Down
WASHINGTON, July 11 (AP)—The agriculture department today forecast this year's corn crop at 2,530,185,000 bushels and the wheat crop at 1,184,000,000 bushels on the basis of July 1 conditions.

Leathernecks Swipe Plane; Forced Down
LAS VEGAS, Nev., July 11 (AP)—Two young marine recruits swiped a private plane in San Diego and were winging toward their homes in Oregon when engine trouble forced them down into the hands of the law, Sheriff Glen Jones reported today.

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ACCUSED—Shigetsugu Tsunetsugu (above), former officer in the Japanese imperial army appearing as a government witness in the treason trial of Mrs. Iva Toguri D'Aquino (Tokyo Rose) in San Francisco, has been accused by Mark Streeter of Idaho Falls, Ida., as the perpetrator of atrocities against allied prisoners of war at Bunka prison in Tokyo, where Streeter was held.

Hawaii Dock Strike May Be Long One
HONOLULU, July 11 (AP)—Both sides in Hawaii's 72-day-old dock strike agreed today that:

Haynes Eludes Posse, Steals Second Auto
ALBUQUERQUE, N. M., July 11 (AP)—William "Billy" Haynes, 30-year-old desperado, gave a New Mexico posse the slip last night.

Trio Hurt In Car Accident
An automobile accident at Eberlein and Martin 6:30 p.m. Sunday sent Robert C. Lantz, 31, of 1645 Halsey, to Hillside hospital with a badly bumped head and a cut arm.

Rodents Blamed For Canal Break
Quite an area was flooded when a canal break occurred Saturday morning in the main "C" canal near the Sam Wong ranch. A crew dispatched there immediately had the bank repaired by 10 a. m.

Pole Denies He Spied On Britain
MANCHESTER, Eng., July 11 (AP)—Marian Kaczmarek, 49-year-old Pole, pleaded innocent today to charges of spying on Britain—and a U. S. air base near here—for an unnamed foreign power.

Missing Guard Found At Home
MILWAUKEE, July 11 (AP)—One of Walter Reuther's bodyguards, mysteriously missing for 36 hours, was located today at his home in Detroit.

Smoke Overcomes Woman In Room
One woman was slightly injured when she was overcome by smoke in a small fire in her room at the Cascade Apartment hotel early Monday morning.

Sympathy Murder Deaths Probed
PORTLAND, July 11 (AP)—Two elderly brothers died of bullet wounds yesterday in what the coroner's office described as a "sympathy murder" of the older man and suicide by the other.

Hooded Hoodlum Arrests Made
BIRMINGHAM, Ala., July 11 (AP)—A Brookside, Ala., policeman was the first man arrested today on charges by a grand jury which investigated masked mob violence in the Birmingham district.

Mercury Soars To Season High
Sunday was a scorcher with the mercury hiking up to 91 degrees, new season high this year.

Wheat Subs For Landing Lake
MOSCOW, Idaho, July 11 (AP)—When you must land a pontoon plane and can't find a lake, try a wheat field.

WEATHER
Klamath Falls and vicinity: Fair today and Tuesday; high today 87; low tonight 58; high Tuesday 88.
Max. (July 10) 87 Min. 55
Precipitation last 24 hours .80

11-Point Plan Seeks Gain For U. S. Production

WASHINGTON, July 11 (AP)—President Truman today cancelled his call for a \$4,000,000,000 tax increase. He bowed to a temporary deficit spending policy to head off any depression.

"No major increase in taxes should be undertaken at this time," he said in the president's words. Also: "We cannot expect to achieve a budget surplus in a declining national economy."

In a stunning reversal of his stand, Mr. Truman sent to congress a midyear economic report wiped clean of his past demands for price, wage or other business controls.

Instead—stating that unemployment is acute in some areas—he proposed 11 new laws to build up jobs and production, boost consumer income and buying power, and loosen federal lending.

All the ideas were familiar. Most were not drastic. They included public works planning, but not more public works; the Brannan farm plan; expansion of social security and jobless pay; extended GI benefits.

Crisis action isn't needed, Mr. Truman said, because the economy still is strong and healthy. It can hit a soaring annual output of "well above \$50,000,000,000 in a few years," he predicted. That's one-fifth higher than today's national production.

"But there is nothing healthy about more unemployment or less production," congress was told. "Such trends can and must be reversed by positive action, private and public."

"Our own people insist upon the maintenance of prosperity, and will not tolerate a depression."

Optimistic Outlook
The president's council of economic advisers in an accompanying report, was somewhat more optimistic in general tone than Mr. Truman. It found the business outlook reassuring. But agreed that federal action is called for.

"We may have the unique and fortunate experience of liquidating a major inflation without falling into a severe recession," the three-member council reported.

In a sentence certain to win the acclaim of business, Mr. Truman took his stand against any major increase in taxes.

Only estate and gift tax rates should be raised, he said. He added that the transportation tax on goods should be wiped out and the "carry-over" of losses in corporation taxes should be liberalized.

The expected results: (a) better profit for industry; (b) a small net loss in federal revenue, in place of the thumping losses in corporation taxes and income taxes which the president asked in his January economic message and for which he spoke again only a month ago.

Legislators Hit
The president flailed at legislators who insist on government economy to the point of cutting "essential national programs" like defense and foreign aid. "Nothing could represent greater economic folly," he said.