

# Japan Premier Works Hard To Halt Slipping Economy

By JIM BECKER

TOKYO (AP)—Japan in the past three months has slammed the brakes on the downhill plunge toward bankruptcy and social chaos. The long skid toward disaster has not stopped for the nation which President Eisenhower this week called the "Key to the defense" of the Western Pacific. But the pace of the skid has slowed. If the drivers keep their nerve—and the nation stands the strain—they may get Japan's careening economy under control and avoid the twin catastrophes of runaway inflation and a billion dollar foreign trade deficit.

The hands at the controls belong to hard-bitten Prime Minister Shigeru Yoshida and his conservative-minded Liberal party. Already government economists see a little hope.

Eisenhower in a speech to the National Editorial Assn. said Japan must have help and the chance to trade if it is to be kept out of Red hands.

Japan is trying to help itself with an "austerity" program.

In the past three months Japan,

which must trade to live, has begun to sell more abroad while holding down on things it buys. It is the first trade upturn for Japan in years.

As a result, shaky businesses are tumbling and the man in the street is finding it harder to make ends meet. But the government insists "austerity" is the only way to pull this teeming island empire back from the brink of disaster.

This is Japan's economic problem: It is buying products, mostly raw materials for factories and food for the people, from other countries at the rate of \$2,300,000,000 a year. But Japan is selling abroad only about \$1,200,000,000 a year.

U. S. military spending here amounts to about 70 million dollars a year, but this is dwindling since the truce in the Korean War. Now Japan has only 800 million dollars in foreign currency in reserve to buy the things she needs from abroad.

To halt the alarming drain, the government first tackled inflation by reducing the budget and the supply of credit. This will help increase exports by cutting prices of things Japan sells.

It also helps to cut imports by taking from circulation the money people would use to buy luxury goods.

"We have not tried hard enough to sell our products overseas," says Nobuhiko Ushiba, chief of the Trade Bureau of the Trade Ministry.

First to be cut were imports of luxury items. The streets of Tokyo are crammed with sleek, new expensive American automobiles. This prosperous facade covered a crumbling economy.

While some U. S. observers call the government program "too little and very late," Ushiba said that "we have stabilized our imports at around the two billion dollar annual level."

"We must now strive for exports at the two billion dollar level in the next few years," he added.

That goal is not regarded as impossible since it would be but 80 per cent of Japan's prewar trade.

Government economists, architects of the "austerity" program, see an increase in unemployment and propose a social security program of unemployment insurance and the like to ward off unrest.

Eisenhower said Japan also must be allowed to trade with Red China—its ancient market. But government economists believe this trade would be only a fraction of Japan's total even if all restrictions are lifted.

Instead Japan is concentrating on building up industries where it can best compete in the free world—optical equipment, cameras, textiles, machinery, toys, canned fish and plastics.

The economic story being written today seems to be that the Japanese are going to draw their belts tight and very possibly pull through their blackest postwar period without large-scale help from the outside.



**ROYALTY AT ROTARY** — Friday, June 25, when the local service club entertained the Round-up Court at lunch at the Willard Hotel. Making Queen Darlene (center) a member for a day is her uncle, Delos Mills (at the queen's left) and the club president, Bob Ellingson. Princesses are (from left) Marcia Wilson, Fort Klamath; Donna Anderson Stover, Tulelake; Jean Reinmiller, Merrill; Beverly Scott, Malin; Liz Sexton, Bonanza.

# Election Held In Germany

BONN, Germany (AP)—Chancellor Konrad Adenauer's supporters claimed a fresh mandate Monday from the German people for his pro-American foreign policy following the nation's first political test of 1954.

But the opposition Socialists claimed Adenauer's Christian Democrats suffered a political setback in the election Sunday of a new 200-member parliament in the state of North Rhine-Westphalia, home of the industrial Ruhr.

The Socialists based their claim on the fact that the Christian Democrats and their partners in the coalition state government, the Zentrum (Centrist) Party, fell two seats short of an absolute major-

ity.

To increase their voting strength of 90 CDU deputies and 9 Centrists, Adenauer's party was expected to enlarge the coalition to include some of the Free Democrats, their partner in the national governing coalition who won 25 seats in the state parliament.

The Christian Democrats rolled up 2,855,872 votes, or 41.3 percent of the total of 6,921,739 valid ballots.

The Socialists, bitter opponents of Adenauer's European unity policy, polled 2,387,069 votes (34.4 per-

cent) and won 76 seats. The Communists, who had held 12 seats, lost them all.

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# Oregonians Visit Cordon

WASHINGTON — Around the office of Senator Guy Cordon the other day, the impression got around that Oregonians were coming to Washington by way of the Detroit automotive industry.

At first, it didn't seem particularly unusual when Herman C. Jochimsen, the Salem druggist, dropped by the Cordon office with his red-haired wife and three red-haired daughters, Sally, Sandra and Susanne, and announced he had first stopped in Detroit to buy an automobile.

It wasn't more than coincidence a few minutes later when Robert S. Patterson, Grants Pass resident and Glendale sawmill company partner, came in with his wife and two daughters, Jeannie and Patsy, and advised he too had bought an automobile in Detroit.

The long arm of coincidence began to stretch an hour or so later when Paul Angstead, Klamath Falls teacher, came in with his wife and two daughters, Judy and Kay, and reported he likewise was a Detroit purchaser. Angstead was attending a convention here.

The final touch was when Edwin Norbeck of Milwaukie arrived with his wife and two children, Janice and Edwin Jr., and revealed he too was the proud possessor of a new automobile purchased in Detroit.

Senator Cordon, whose duties in Washington have been so pressing that he couldn't go to Detroit if he wanted to, rejoiced with all his constituents, and had them as his guests in the Senate galleries.

# BORDER CLASH

JERUSALEM (AP)—A Jordan broadcast heard here Monday said a "great force" of Israeli soldiers armed with mortars crossed the Israeli-Jordan border near Kalkilyeh Sunday night and attacked an Arab Legion base. It said four legionnaires were killed and several injured.

# DEATH

NEW DELHI (AP)—A member of the Austrian Himalayan expedition died May 31 of pneumonia contracted while climbing Saipal mountain, in the Karakorum range of the Himalayas, the Austrian legation here announced Monday. The legation identified the climber as Karl Reiss, 29, of Vienna.

# French Wounded Arrive In Japan

TOKYO (AP)—Ninety-nine Frenchmen wounded in Indochina fighting — many in the lost battle for Dien Bien Phu — arrived Monday in a melancholy drizzle, completing the second leg of a mercy flight to France in American military planes.

They are the first of five groups of approximately 100 each who will be evacuated from Indochina by the U. S. Air Force.

They walked or were carried down the steep ramp of the huge pot-bellied C124 Globemaster that brought them from Indochina via the Philippines. Some waved stumps of arms blown off in the fighting. Others were swathed in bandages. Thirty were litter cases.

The 99 were taken to an Air Force hospital near Tachikawa air base where their plane landed. They will rest overnight and resume the flight Tuesday to Hickam Field, Hawaii; Travis Air Base, Calif.; Lakeland, Fla.; Westover, Mass., and on to France.

# Vacation Tips For the Man Going Places

**HOSPITALIZED**

FRANKFURT, Germany (AP)—American Evangelist Billy Graham, who got up from a sickbed to preach to 75,000 Germans in Berlin, entered the U. S. Army hospital here Monday for a medical checkup and treatment.

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