

# Fear Living Costs Will Climb Due To Steel Price Increase

## Truman Aids Warn of Wide Effects on U. S.

Claim Moral Victory In Economic Battle

By CHARLES H. HERROLD

United Press Staff Correspondent  
WASHINGTON, July 30 (U. P.)—President Truman's top economic adviser said today the new steel price increases would be felt "all the way through" the nation's economy.

They conceded that Mr. Truman had lost his battle to stall steel and coal price boosts at this time. But they claimed a moral victory.

They said the hikes could have been higher—and would have been except for Mr. Truman's "moral suasion" campaign from April to his mid-year economic report last week urging that prices be kept down.

The \$5 a ton steel boost announced yesterday by the two giants of the industry, U. S. Steel and Bethlehem, sealed Mr. Truman's defeat. Most of the other big steel producers and almost all of the major coal operators had already raised tonnage rates.

Hope for Moderation

"These increases will raise almost every cost of production," one White House source said. "They will go all the way through the economy. We can only wait and see and hope that moderation will be the rule so that some of the rise will be absorbed."

This informant disclosed that Mr. Truman had no plan to establish a new defense line at the manufacturing, distributing, retail or consumer level to halt price rises.

Government economists hoped the price wave will spread slowly. They said higher steel prices would probably affect construction of big commercial buildings first. They thought automobile producers might absorb all or most of the higher cost with some holding true for producers of hundreds of other consumer items using steel in lesser quantities.

**Living Cost to Rise**

One economist felt the inflationary lift of the steel price rise would communicate itself to non-related items. He predicted it would push the cost of living still higher.

Chairman Edward G. Nourse of President Truman's council of economic advisers said that his three-man board would have no comment on the steel price boosts. Mr. Truman told congress last week that "price boosts now in pivotal areas of the industrial field can only add to inflationary forces."

"Another general surge of price inflation would have only one result—the sharp recession which it is to everyone's interest to prevent," he added.

Mr. Truman's advisers are said to feel, however, that the rise is much less than it could have been. If it spreads slowly and in moderation, the nation may get much needed time to run at top production before another wage-price round brings another crisis.

Most big labor contracts have been signed and have six to eight months to run before they can be reopened on wages, it was pointed out.

Chairman Irving S. Olds of U. S. Steel's board of directors said the new price rise does not allow for higher wages to coal miners. If these were figured in, he said, it would increase steel production costs another \$1.50 a ton.

**THE WEATHER FOTOCAST via ACME TELEPHOTO**

VIEW OF U. S. WEATHER BUREAU, DEPT. OF COMMERCE FORECAST--PERIOD ENDING 7:30 AM EST 7-31-47



T. M. RIGG PATS PEND CORP 1947 EDW. L. A. WAGNER. ALL RIGHTS RESERVED.

**NATIONAL 24-HOUR FORECAST SUMMARY:** Residents of the Northeast can look forward to sweltering, sticky weather for the next couple of days. Weather Bureau forecasters point out a warm, moist southwesterly air stream off the Gulf of Mexico will cause uncomfortable conditions from Texas to Florida and northward to Maine.

Low temperatures will be in the humid uncomfortable 70s from southern New England to Florida and Texas. Minimum readings will be in the 60s in the central Rockies tomorrow morning. It will be comfortable in the northern Plains and the Far West as cool dry northerly breezes push down into these sections. (See air mass and air flow arrows.)

Forecasters say the month of July will end with thermometers recording temperatures of 90 degrees or higher over most of the U. S. Highest readings will be in the 90s from southern New England to Texas and Florida, also in the northern Plains. The mercury

## Legionnaires Plan Torchlight Parade

Procession Begins At 8:30 P. M. Saturday

The 29th annual convention of the Indiana department, American Legion, will include a torchlight parade of the Forty and Eight through downtown streets Saturday at 8:30 p. m.

Gilbert Gehausen, Evansville, is the unopposed candidate for the office of grand chef de gare of the Forty and Eight. The election will be held at the convention which will open Saturday. Joe F. Lutes is grand parade marshal and James C. Ahern and Ray Grider, co-marshals. Mr. Gehausen, when elected, will succeed Harold Hanes, Cedar Lake.

**Candidates Listed**

Candidates for other posts are: Fred Patterson, Lafayette, for chef de train, north, and William Connors, Vincennes, for chef de train, south. For cheminot, Arnold Hunt, Greenfield; Harry Barr, Rockville; Harold Tibbals, Garrett; George Hayes, Marion; San Pence, Goshen, and Walter Stansbury, South Bend.

Roy Amos, Goshen, is candidate for re-election as treasurer, and Phil E. Clements, Indianapolis, candidate for re-election as correspondant. Mr. Clements has completed his 21st year as correspondant of the Indiana Forty and Eight.

Three bridges on state road 39 over Thompson, Dressler and Emmons ditches in Pulaski county, \$90,417, by Riehl-Riley Construction Co., Goshen, Ind.

Superstructures for two bridges on state road 256 over Muskatuck river west of Austin, \$154,447.35, by Ben Hur Construction Co., Indianapolis.

Three bridges on state road 39 over Thompson, Dressler and Emmons ditches in Pulaski county, \$90,417, by Riehl-Riley Construction Co., Goshen.

Additional repairs to rolling lift bridge on Indianapolis Blvd. (U. S. 20) over Indiana Harbor canal in East Chicago, \$17,994.68, by George Krusek Construction Co., Winona, Ind.

Grading and structures for about 6.5 miles of new State Road 37 from 8 miles north of Bloomington to 3 miles southwest of Martinsville (two contracts), Ralph Myers Contracting Co., Salem, Ind., was low bidder on both at \$485,504.51 for southern segment and \$290,142.86 for northern segment.

Grading and structures for re-location of 2.3 miles of state road 89 from 3 miles north of Carbon to 8 miles north of New Bethel and Shelbyville (two contracts), Middle West Roads Co., Noblesville, Ind., was low bidder on both jobs at \$108,203.20 for segment near New Bethel, and \$106,964.05 for segment near Shelbyville.

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Widening approximately 15 miles of State Road 29, between New Bethel and Shelbyville (two contracts), Middle West Roads Co., Noblesville, Ind., was low bidder on both jobs at \$108,203.20 for segment near New Bethel, and \$106,964.05 for segment near Shelbyville.

Relocating and surfacing 5.6 miles of state road 75 from U. S. 40 to one mile northeast of Coatesville.

Local Firm Gets Bids

Relocating and construction 2.9 miles of U. S. 50 and state road 37 from east fork of White river to intersection of 16th and M sts. in Bedford, Calumet Paving Co., Indianapolis, \$122,860.21.

Relocating and surfacing 5.6 miles of state road 75 from U. S. 40 to one mile northeast of Coatesville.

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## State OK's New Bridges, Highways

\$3 Million Worth Of Bids Awarded

The state highway commission today announced acceptance of low bids on \$3,248,848 worth of bridge and highway construction projects.

Bids on two contracts, calling for paving of segments of road 67 between Red Key and a point near Portland, were rejected by the commission because they exceeded the state engineers' estimates.

Several of the 15 bids approved by the commission still must be approved by the federal public roads administration before contracts are let and all bids are subject to check and verification.

**Projects Listed**

Following is a list of projects and low bids:

Substructure for new bridge on U. S. 36 over Wabash river at Montezuma, \$421,823.55 by Robert H. King, Danville, Ind. Bids on this bridge were rejected twice previously because they were in excess of engineers' estimates.

Two bridges on new U. S. 30 over St. Joseph river and Spy Run creek at north edge of Ft. Wayne, \$316,238.57 by Riehl-Riley Construction Co., Goshen, Ind. It was the first time in three tries that satisfactory bids were received on these structures.

Bridge on state road 13 over Deardorff on state road 13 over Young's creek just west of Franklin, \$49,402.58 by DeBolt Construction Co., Richmond, Ind.

Superstructures for two bridges on state road 256 over Muskatuck river west of Austin, \$154,447.35, by Ben Hur Construction Co., Indianapolis.

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## Death Penalty Of Hoosier Upheld

Iowa Court Says Local Man Must Die

DES MOINES, Iowa, July 30 (U. P.)—An Indianapolis man held little hope today for reprieve from a death sentence imposed for the 1946 slaying of an Iowa reformatory guard during an escape attempt.

The Iowa supreme court upheld the conviction of Louis Hofer, 35, Indianapolis, who is scheduled to be hanged Dec. 10, 1947, for beating to death Guard John Hinz, 49, with a clawhammer, and using Hinz's auto to escape.

The court denied an appeal from the death sentence and ruled that a district judge at Cedar Rapids did not err in submitting to the jury the question of whether certain written confessions were voluntary.

A jury of eight women and four men convicted Hofer on a charge of first degree murder. Hofer's companion, Charles Larson, was convicted on a charge of second degree murder and sentenced to serve 99 years in prison.

Hofer was serving a 25-year sentence for robbery when he and Larson tried to escape on June 12, 1946. They were captured two days later.