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MEMO from COPE

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Economy Crumbles Into Recession

While President Nixon's world continues to crumble around him, the economy continues to crumble around the rest of us.

For those interested in large-scale matters, the Gross National Product has dipped in each of the past two quarters, a performance that spells "recession" according to most economists, and which mocks President Nixon's State of the Union promise of "no recession".

But it's more understandable when couched in human terms—like the situation of an auto upholsterer, with wife and four children whose plight was described in a recent weekly news magazine: "Today, despite a substantial pay raise last autumn, despite his wife's taking two part-time jobs and despite his free-lance upholstery work at night, the family is losing ground to inflation."

With a combined annual income of about $13,000, the family savings account has dwindled from $700 a few years ago to $7.75 today, and the family is "up to our ears" in debt. Grocery shopping for the wife has "become a three-hour-a-week ordeal of price comparison and bargain hunting".

The only meat the family eats is hamburger at 99 cents a pound. The 50-cent school lunches have become "too expensive". There are no vacation trips.

That's the plight of a fairly young family.

On the other end of the age scale, the *Wall Street Journal* describes the problems of a retired couple in their 70s, whose annual income totals $5,684, slightly better than the average for retirees. They buy "spotted apples, bruised tomatoes and other damaged but edible foods at a discount". Price rises drove ham and pork chops and other meats off their list.

Clothing purchases are made only at a local flea market, and, because of high gas prices, they use their auto only when absolutely necessary.

These are "mini-horror" stories of average Americans that can be multiplied a million-fold. For poor Americans, it is even worse.

Texaco Profits Up 98% for First Half

From News Dispatches

Texaco, Inc., and the Sun Oil Co. yesterday reported vastly increased profits for the first half of the year, following an industry-wide pattern.

Texaco, the nation's second largest oil company, reported a 98 per cent jump in profits for the first six months of the year. The company said net income totaled $1.05 billion ($3.86 a share) in the January-June period of 1974, compared to $531.56 million ($1.95) for the first half of 1973.

Second-quarter 1974 earnings totaled $460.36 million ($1.69), compared with $267.54 million (98 cents) in the 1973 period, a 73 percent advance.

Big American Corporations' 2d-Quarter Profits Rose 28%

NEW YORK, July 25 (UPI)—Profits of major American corporations for the second quarter of 1974 so far are running 28 per cent ahead of last year, First National City Bank reports.

Once again, profits enjoy huge climb as rest of us see price boosts wipe out wage increases

Prospects for improvement are as dim as a two-watt bulb. Latest wholesale prices are expected to show a 3.5 percent jump in the month of July, equal to a yearly rate of 40 percent, and farm prices will be among the primary reasons.

This boost will show up at the supermarket soon, sending food prices soaring again, making pork chops as precious as platinum.

Meanwhile, the over-all Consumer Price Index jumped another one percent in June, according to the Bureau of Labor Statistics.

A companion report found that the average workers' real spendable earnings—take-home pay adjusted for inflation—dropped another three-tenths of one percent from May to June and was down 4.5 percent over the year.

That marked the 15th consecutive month in which real spendable earnings were below the level of a year earlier and left the average worker about where he was in 1965. The June decline dropped real spendable

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