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WEEKLY NEWS ANALYSIS

Allies in "Big Heave" Seal Off Ruhr Valley Production Center; Clay to Rule Occupied Reich

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(EDITOR'S NOTE: When opinions are expressed in these columns, they are those of Western Newspaper Union's news analysis and not necessarily of this newspaper.)



German dead litter road as British Tommies drive toward Berlin in rout of enemy forces on 21st army front.

EUROPE: Last Great Arsenal

The last great source of Germany's supply of war material had been sealed off as tanks of Lieutenant General Hodges' U. S. 1st army swept before them all resistance in their spectacular dash toward Berlin. The British 2nd army, pounding across the north German plain, had steadily drawn closer and closer to the 1st army. Ruhr valley war production centers had been effectively sealed off.

Typical of the magnitude of the American forces was the one-day bag of 14,000 Nazi prisoners taken by General Patton's 3rd army in its sensational drive eastward.

City after city had fallen into Allied hands under Eisenhower's steam roller. Among the rich prizes were Frankfurt - on - the - Main (546,000), ranking ninth in the German Reich, Mannheim (283,000) which fell to Lieutenant General Patch's 7th army, and Essen which led all Europe in the production of munitions.

Clearly the final doom of Nazi power was sounding. Prime Minister Churchill of Great Britain declared he believed the "hour of success" was at hand. Still some military authorities pointed out that a final Nazi stand might be made in mountainous southern Germany buttressed by defenses in northern Italy and the industrial resources of Czechoslovakia.

Spring rains and fog had kept the Italian front quiet, but observers had expected Gen. Mark Clark's armies to begin massive smashes northward.

Relentless Reds

In the East, Russian armies had kept up their relentless pressure on Berlin and elsewhere with armored divisions sweeping over the Austrian border from western Hungary and closing ever closer on Vienna.

Marshall Rokossovsky's 2nd White Russian army battered deeper into Danzig.

Once unconditional surrender was achieved, civil affairs in Germany would be under direction of Maj. Gen. Lucius D. Clay, who had had charge of material procurement for the army service forces when War Mobilization Director Byrnes borrowed him last December as his deputy in charge of the war program. The appointment, the White House said, was made by Gen. George Marshall, army chief of staff. Clay was appointed deputy to General Eisenhower.

PACIFIC:

Worst to Come

Already feeling the sting of heavy U. S. aerial bombardment, Japanese found no comfort in Gen. H. H. ("Hap") Arnold's announcement that America would bring the full weight of its tremendous air power to bear upon the Nipponese once the war in Europe ended.

As Arnold spoke, the strategic Ryukyu islands stretching between the Jap homeland and Formosa became the latest target for American assaults, with carrier planes teaming with warships in blasting the 500-mile-long chain preparatory to ground attacks.

In declaring that the U. S. planned to use every plane against the Japanese after Germany's fall to hasten their defeat, General Arnold said that not only would American air power smash the enemy's industry, but it would also shut off his communication lines to bring about his collapse.

RATIONING: Smaller Supplies

Already warned of a 12 per cent reduction in meat for the next three months, civilians took the first big hitch in their belts for the current quarter with the announcement of an increase in the point values of pork, sausages and canned meat products.

While news of the tightening of these and other controls over fats and oils occupied the home front, it was announced that all babies' leather shoes would be rationed after April.

In raising the point values on pork, sausages and canned meat products, OPA said that there would be 5 per cent less meat available during April, but the decrease in supplies would hit civilians harder in May and June. Coincident with the new controls over the aforementioned meats, it was announced that point values also would be boosted on lard, along with shortening, margarine, and salad and cooking oils.

Hit Shortages

Discussing the meat shortage, the national livestock committee of the American Farm bureau charged that low price ceilings retarded increased production of beef, and said assurances of minimum returns would lead to greater pork output.

The committee's report came even as congress conducted hearings on the tight meat situation, with representatives of all branches of the industry calling for an upward revision in ceiling prices.

In establishing ceilings on grade AA and A beef, the committee said, OPA assumed that the last 200 or 300 pounds a steer gained in the feedlot was mostly fat later wasted in the kitchen. On the other hand, the committee declared, fat of a steer is distributed through its meat. Speaking of pork, the committee stated that farmers cut hog production at the government's request, and would raise it again if guarantees were forwarded against market breaks.

ARGENTINA: On Band-Wagon

With Germany's collapse imminent, Argentina was quick to jump on the Allied bandwagon with a declaration of war against the Axis, but in so doing, she carefully pointed out that her policy was governed by the desire to cooperate with other inter-American countries and participate in the United Nations' peace parley in San Francisco.

By taking this action, Argentina ended six years of hemispheric isolation, during which time the coun-

Rising in Britain's house of commons, Laborite Ivor Thomas asked Foreign Secretary Anthony Eden: "Would it be the duty of a British soldier who seeks Hitler to shoot him or try to bring him back alive?"

Replied Eden: "I am content to leave that to the judgment of any British soldier."

try professed a willingness to cooperate in inter-American affairs, but maintained an independent course in foreign relations.

Final determination to play a full and important part befitting her position in inter-American affairs led to the decision to declare hostilities against the Axis, with ardent nationalists and some army leaders, however, resisting the move to the last.

LABOR-MANAGEMENT:

Postwar Charter

Recognizing management's control over its own business and labor's right to organize and bargain, Presidents Eric Johnston of the U. S. Chamber of Commerce, William Green of the AFL, and Philip Murray of the CIO signed an agreement looking toward good relations between employer and employee in the postwar world when lower production might lead to unrest.

In effect, the agreement proposes the establishment of voluntary ma-

William Green (left), Eric Johnston (center) and Philip Murray center on labor-management charter.

chinery for the peaceful settlement of disputes and continuance of production in the postwar period, to take the place of present wartime government controls regulating relations. Toward this end, creation of a special arbitration board appeared likely.

In reaching the agreement, the parties tended to relieve management's fear that an oversupply of workers might be led into a violent left-wing movement after the war, and labor's apprehension that companies might deliberately hire surplus help to break unions.



Notes of an Innocent Bystander:

When Lowell Mellett, former aide to FDR, was asked why the President is a great executive, Mellett said: "Because he is never too busy to work!" ... Add towns you should be glad you didn't name: Rising Sun, Ind. ... John B. Kennedy, the news commentator, says now that the Nazi prisoners of war over here got their own newspaper—the next thing they'll probably demand will be pensions!

Sudden Thaw: Say! Could the war department's request for Mr. Byrnes' curfew be a move to offset the war's interference with the birth rate? ... When one night clubman gripped about "his investments" a newspaperman said: "This is a total war—meaning total for everyone and everything. This is your part in the war—to sacrifice more than others. For some people the war means to go blind. For others—to go broke. Which would you rather?"

Congressman Dickstein aimed a well-deserved blast at Rankin. The chip on Congressman Rankin's shoulder—is a cinder in the public eye. ... The Allied War Crimes commission announced that Hitler and company would be tried for their war crimes. It is about time! To repeat a query: But what is holding up the trial of Hess?

Sec'y of Commerce H. Wallace will be named "Man of the Year" by the Churchman at its annual banquet. Willkie and Baruch were so honored.

What we'd appreciate learning from Justice Byrnes is what he has done about the defiant Washington, D. C., stay-up-late joint which (at last reports) remains open all night? ... That Toledo theatre manager who kept open all night, too, what about him? Can't he be drafted to help pick up the wounded and dead?

General Patton, so the story goes, was holding a meeting with his staff officers when the telephone rang. ... Thinking it was a friend, the voice at the other end of the wire inquired, "Hello, is that you—you old sonovabear?"

Undisturbed, Patton looked around the room and then spoke into the phone. "Which sonovabear do you want?" he inquired.

Strange Bedfellows: John L. Lewis, Sewell Avery and Fiorello La Guardia — Americans who defied their government during the war.

One was recently remarked: "Now that the war dep't has stepped into the curfew controversy, the Little Flower of New York hasn't a pot to bloom in."

Telegram from Miami Beach: "What those magazines (which rapped Miami Beach) neglected to add was that since December 7, 1941, Miami Beach gracefully cooperated with a midnight curfew. But it was your mayor who was first to violate it. Have you any comment to make about that?"

Taking the words out of our mayor's mouth, he once confessed: "When I make a mistake—it's a beauty!"

When General Eisenhower visited Paris after his liberation, he and several officers inspected the Eiffel Tower. ... At the top, Eisenhower leaned over the rail and viewed the city. ... After a silence of several minutes an aide said: "A penny for your thoughts, general." ... Eisenhower, visibly impressed, turned and said: "Isn't this a wonderful place to hang Adolf?"

The story in the gazettes that new motor cars may be nameless (after V-E Day) appeared here on July 10, 1944. Mr. Krug is quoted as saying "it is very possible." ... Draft boards have been instructed to order all "swishes" (now classified 4-F) into defense factories as file clerks, etc. Some Broadway musical shows will suffer most.

Before his death A. Woolcott assigned his royalties from the sales of his book, "As You Were," to care for seamen throughout the world. To date United Seamen's service received \$10,778 from the late author's royalties. ... Lt. Roland Hill (he was Archbishop Spellman's sec'y in Algiers) is the first G.I. to run for public office. Has a good chance to be elected mayor of Minneapolis, pals report. He went overseas as a private, and General Eisenhower promoted him with bars made from Spam cans because no lieutenant bars were available in the field.

Bretton Woods Conference Laid Groundwork For a Stable International Monetary System

U. S. Postwar Exports Depend on Soundness Of Foreign Finances

By WALTER A. SHEAD
WNU Staff Correspondent

Stripped of all technical verbiage, the proposals agreed upon by 44 United Nations at the Bretton Woods conference and which are considered an essential part of the world peace plan to be approved at San Francisco April 25, are designed to—

1.—Set up an international monetary fund with a working capital subscribed by 44 nations in gold and member currencies totaling 3.5 billion dollars of which the United States is to subscribe 3.75 billions. This fund is expected to stabilize and safeguard the value of foreign currencies in terms of gold, remove trade barriers in favor of open or reciprocal trade agreements to provide free and open trade among member nations.

2.—Organize an international bank for reconstruction and development with a subscribed capital of 5 billion dollars of which the United States is to furnish 3.175 billions. Purpose of the bank is primarily to facilitate flotation of foreign loans in private capital markets by providing international guarantees and to make long-term capital loans direct to member nations for specific projects of reconstruction and development.

Why the need for these safeguards? Following World War I American investors took a beating, and in the late 1920s were caught in an epidemic of defaults by foreign debtors. Under the Bretton Woods proposals, these foreign loans would be investigated by the bank and then guaranteed as to principal and interest by the foreign government and the bank. Risks then, of international loans, would not fall on investors themselves, nor even on any one country, but upon all of the 44 member countries. Obviously the objective of this guarantee of loans is to encourage a substantial volume of private international investment which is essential to our own economic well being.

Great Need for Rebuilding.

France, Italy, Norway, Poland, Finland, Czechoslovakia, a large area of Russia, the Balkan nations, large sections of England, China, much of India and Burma, plus the Axis nations of Germany and Japan, have been laid waste by the war, their productive facilities prostrate, their currencies depreciated, and many years will be required for them to rebuild their export industries. They will require foreign capital to get under way.

In our own country we have a tremendously enlarged productive industrial plant. Our agricultural production has reached a new high of efficiency. After the war our economic policy will be aimed at full employment and full utilization of our agricultural and industrial facilities. To realize these aims new outlets for the products of farm and factory must be found and these prostrate foreign countries provide a ready market providing that American exports take the form of American investments abroad—good American dollars—for if these nations are to buy a large volume of our productive machinery, our industrial and agricultural products in the immediate postwar period, American investors will have to lend part of the purchase money. Under the functions of the international bank, these investors will have the assurance that these investments are sound and remunerative.

Under the operation of the monetary fund, as distinguished from the bank, for the protection of our investors, currencies in all these countries must be stabilized in terms of gold and at equitable rates of exchange. The United States holds 60 per cent of the world's gold supply. Economists point out there must be elimination of exchange fluctuations, of discriminatory exchange practices, of competitive currency depreciations, if the American dollar is to be protected.

For instance, how can the American farmer be protected in the world market if a sizable wheat producing country such as Russia and Argentina can resort to monetary action which places the wheat producers of those countries in a preferred position with respect to American wheat exporters? If the American farmer is to continue to export wheat or any other commodity, and to receive a fair price in good American dollars for the product he sells



During a lull in the proceedings of the Bretton Woods conference, U. S. Secretary of the Treasury Henry Morgenthau (center) got into informal conversation with the Hon. J. L. Bley, minister of finance for Canada and chairman of that nation's delegation (left), and M. S. Stepanov, chairman of the Russian delegation. These chats helped to iron out many of the smaller problems.

world price of wheat or other commodity in terms of our own dollars, will not be seriously disturbed by large fluctuations in the principal exporting and importing countries.

Stabilized Currencies.

So the purpose of the international monetary fund is to stabilize and promote a balanced growth of international trade by stabilizing the value of all currencies in terms of each other; progressively remove barriers against making payments across boundary lines, such as high tariffs or other trade restrictions; and to provide a supplementary source of foreign exchange to which a member country may apply for the assistance necessary to enable it to maintain stable and unrestricted exchange relationships with other member countries.

For instance, in some countries imports are not permitted to purchase dollars required to buy goods in the United States. In other countries, of which Germany was an example before the war, foreign trade was disrupted by use of so-called multiple currencies, or barter arrangements, and during the war many new restrictions have been devised because of military necessity.

The operation of the monetary fund is intended to remove all these restrictions and set up a standard and uniform practice, currency value and exchange rates so that American business may have the greatest possible freedom in international trade in the postwar era. The same freedom is intended to be provided for business in the other countries, for freedom of business would be meaningless unless these other countries secured an equal measure of freedom to their own people.

There has been criticism aimed at these proposals from some bankers on the grounds that they are contrary to sound and established banking practices. There has been praise and approval from other bankers.

As a matter of record, criticism from bankers, at least some banking groups, has been directed at any departure from established custom, that is, custom and practice established by the bankers themselves. For instance, some banking groups criticized bank deposit insurance. Criticism was aimed at government guaranteed loans on homes and farms; at 20-year loans on homes when the custom had been 3 to 5 years; at 4 and 5 per cent interest rates, when the practice had been 6 to 8 per cent and higher. These practices today, however, are an accepted part of our domestic economy.

Criticism from the larger international bankers has been directed at the Bretton Woods proposals, no doubt because governments will control fiscal and monetary policies on an international scale, and also because interest rates under these proposals will be lower.

U. S. Benefits Most.

Another criticism has been directed at the bank and the fund because the United States is the largest subscriber. It is argued here, however, that from any fair standard, this country should be the largest subscriber because we have more to gain than any other country. We have the money to lend, we have a large part of the world's gold and we have the facilities no other nation has to provide export goods in the immediate postwar period. Lastly, we have been untouched by the ravages of war insofar as our ma-

One of the most important groups to give approval to Bretton Woods proposals is the Committee for Economic Development, headed by Paul G. Hoffman, president of the Studebaker corporation. This group, made up of bankers, economists and business leaders would even give the international bank further power to make loans for long-term and short-term stabilization purposes, claiming that under the present regulations, the bank does not have that clear-cut power.

There have been some suggestions favoring the establishment of the bank, but suggesting that setting up and operation of the monetary fund be delayed until conditions abroad settle down to normality. It is pointed out, however, that the bank and the fund are closely related, both in concept and organization and that membership in the bank is open only to those who are members of the fund. It is also pointed out that the bank is, to a considerable extent, dependent upon the fund for the reason that the fund must first establish values of the money to be loaned by the bank if there is to be a smooth long-range planning and investment program.

While most sound economists agree there must be some system of international control or agreement after the war, the only alternative offered has been a system of bloc agreements. These are regarded by many as dangerous, since such bloc agreements likely would lead to a world divided politically and economically. Eventual conflict between these groups would be likely.

Chance for Leadership.

Pointing to the leadership the United States has maintained during the war, fiscal experts here declare that never before has this nation occupied such a key position or had such an opportunity to take over world leadership in the economic field. Governmental leaders, including Secretary of the Treasury Henry Morgenthau, look upon the Bretton Woods agreements as just as essential to world peace and security as the Dumbarton Oaks agreements. Secretary Morgenthau maintains they are inseparable. Hence his urgent appeal to the congress for legislation which will insure this nation's participation prior to the world parley at San Francisco April 25.

Acceptance by the congress of these agreements before convening of the delegates of United Nations at San Francisco, these leaders say, would be taken as a happy augury of this nation's sincerity. It would give notice to all that the United States, instead of choosing economic isolation, which would inevitably lead to political isolation, is already on record with a determination to do our part toward the attainment of world peace and security.

In a special message to the congress February 20, President Roosevelt, referring to the Bretton Woods proposals, said: "It is time for the United States to take the lead in establishing the principle of economic cooperation as the foundation for expanded world trade. We propose to do this, not by setting up a supergovernment, but by international negotiation and agreement, directed to the improvement of the monetary institutions of the world and the laws that govern trade ... the international fund and bank together represent one of the most sound and useful proposals for international collaboration now before us."

And that is what the Bretton Woods proposals are designed to do ... a product of the best minds of