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WEEKLY NEWS ANALYSIS

Plan to Remove Food Subsidies; Atom Bomb Figures in Allies' Postwar Diplomatic Movements

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



No longer capable of doing heavy labor, and sick, diseased and dispirited, German prisoners of war released by Russians trek through Berlin on their return to homes in the west.

SUBSIDIES:

Time Removals

Designed to hold down living costs during wartime, government subsidies to food producers and processors will be gradually removed to lessen the impact on the civilian price structure. Stabilization Director John C. Collet revealed.

Tentative plans call for the abolition of subsidies on vegetable shortening by December 1, 1945; cheese, not later than February 28, 1946, and the \$1.30 rollback per 100 pounds on pork not later than March 31, 1946, with the remaining pork payment scheduled to go not later than June 30, 1946. In addition, subsidies on canned and frozen vegetables, dry edible beans, prunes and raisins will be terminated at the close of the 1945 crop year, with dairy production, fluid milk, feeder cattle, beef, sheep and lambs and flour payments expected to be ended not later than June 30, 1946.

With the department of agriculture estimating the cost of food subsidies for the fiscal year ending next June 30 at \$1,798,000,000, payments on slaughter of livestock are expected to total \$535,400,000; dairy production, \$534,000,000; flour, \$190,000,000, and beef cattle, \$40,000,000.

LABOR-INDUSTRY:

Discuss Bargaining

Backed by AFL Chieftain William Green and representatives of management, burly John L. Lewis of the United Mine Workers ripped the CIO proposal to tie wages into the present labor-industry conference in Washington, D. C., and demanded that talks be confined to establishing machinery for settlement of disputes.

In spearheading the opposition to the CIO proposal based upon President Truman's wage policy, Lewis asserted that the problem of pay should be left to collective bargaining and not strait-jacketed by any formula based on cost of living. In granting employees increases and adjusting their price structure, employers will be governed by competition to assure reasonable costs, Lewis said.

Even as the 36 labor and management representatives pitched into their task, trouble brewed in the automobile and steel industries, with the CIO asking the government to intervene following collapse of negotiations with General Motors and U. S. Steel corporation over wage increases to maintain wartime take-home pay.

ARMY:

Step Up Discharges

Mostly European vets originally marked for redeployment to the Pacific, 50-point enlisted men presently home on furlough or on temporary duty in the U. S. have become eligible for discharge, the army reported.

At the same time, the army announced that no enlisted man with 21 or more months of service since September 16, 1940, will be sent overseas for permanent duty except for language specialists, regular army personnel and volunteers.

Also exempt from overseas assignment are officers who have 33 or more months of service, or medical officers with 30 months, except for those who have chosen to remain on active duty, are regular army men or are classed as scarce specialists. Nurses who are 30 years of age or have 12 points will not be sent overseas.

CHINA:

Battle On

Full-scale civil war loomed in China as negotiations between communists and nationalists bogged and the Reds took to the offense in an effort to prevent Chiang Kai-shek's forces from infiltrating into their northern strongholds.

As a result of the outbreak of hostilities, the U. S. decided to withdraw American troops from the scenes of combat, the Yanks having been used to aid nationalists in taking over former Jap-held territory. Removal of U. S. units did not signify any reversal of policy in supporting Chiang, however, with reports that the administration would continue to offer him material aid.

Thus did the threat of civil war, following close upon V-J Day, dampen long-suffering China's hopes for a period of peace and tranquility in which to unify the nation politically and lay the foundation for economic development and modernization.

FINLAND:

Try Leaders

Charged with refusal to mediate differences with Russia and prosecuting war on the side of the Axis instead, eight prominent Finnish leaders were arrested by the new government and scheduled for early trial in the people's court.

In the unprecedented movement of a country to punish former leaders for their official acts, Vaino Tanner, dominant Finnish politico of 1941, was accused of failing to take advantage of a U. S.-British offer to mediate with Russia that year.

Tanner again was named for failure to accept a U. S. proposition to conciliate. Finnish-Russian differences in 1943 along with former President Risto Ryti, Foreign Minister Henrik Ramsay, Prime Minister Edwin Linkomies, Gen. Rudolf Walden, and Finance Minister Tyoko Reinikka.

POLITICS:

No Trend

Continued Democratic domination of the big cities and Republican inroads in small municipalities marked the recent election results and offered little clue to a political trend prior to the all-important congressional elections in 1946.

Most significant feature of the balloting was the CIO's failure again to capture the mayoralty in Detroit, Mich., motor car center of the U. S. and United Automobile Workers stronghold. Calling upon the unorganized residents of the city to rally for an impartial rather than a labor dominated administration, Mayor Jeffries won re-election over CIO Candidate Frankenstein by a comfortable margin.

Maintaining their dominance over the big municipalities, the Democrats handily won the mayoralties of New York, Boston, Pittsburgh and Cleveland, while Republicans won back Buffalo, N. Y., and New Haven, Conn., after more than a dozen years.

Sets Air Speed Record

Exciting possibilities for speedy post-war air travel were opened with the record-breaking performance of Britain's jet-powered Gloster Meteor piloted by Capt. H. J. Wilson.

Smashing the former official mark of 481.84 miles per hour set by Capt. Fritz Wendel of the German air force in 1939, Wilson averaged 606 miles per hour in four runs over a 1.86-mile course at Herne Bay, England.

As Wilson's rate of speed, excited statisticians figured that a plane could travel non-stop around the world in 41 hours: from Los Angeles, Calif., to New York City in 3 hours and 59 minutes; from Chicago, Ill., to Panama in 3 hours and 49 minutes, and from Chicago to Mexico City in 2 hours and 46 minutes.

NAZI SPY:

Tipped Off FBI

Asserting that his only intention in accompanying saboteurs to the U. S. in 1942 was to get out of Germany, a Nazi spy disclosed the whole enemy plot for damaging U. S. plants and facilities and terrorizing civilians to the FBI, leading to the early roundup of the entire clique landed by submarine.

Let off with 30 years imprisonment for his disclosure and testimony at the trial resulting in the execution of six of the saboteurs and a life sentence for another, the spy, George Dasch, named the other conspirators and furnished information which enabled the G-men to cover their movements and track them down in New York and Chicago, Ill.

In detailing the saboteurs' mission, Dasch told the FBI that the TVA was marked for destruction along with important industrial plants, the Hell Gate bridge in New York City, Ohio river locks, and important railroad trackage. In addition, the saboteurs planned to terrorize civilians by planting time bombs in depot lockers and crowded stores.



Man About Town:

Marshall Field, again rumored dicker for a New York eve'g paper, probably won't get it. If the Dewarts sell it to anyone, it would likely be upstate publisher Gannett. . . . The Roney-Pleasure (Miami Beach) is open but very little else is. The hammering, painting and banging depressed some too-early birds, who took the first "Champion" back to the Stork Club. But don't ever let anyone ever tell you that sun doesn't erase sinus clouds immediately. Magic for us. . . . The Ford firm will soon announce blanket wage raises up to 15 p. c. to insure complete harmony with the United Auto Workers. That'll leave Gen. Motors and Chrysler holding a large bag unless they ditto.

Kathryn Grayson, the star, had to summon neighbors the other sundown to help her eject a gun-carrying torch-carrier. . . . Chi now has a law which calls for a \$25 fine for any woman driving with a hat that covers one orb. . . . They allege that Einstein told FDR (years ago) that the atomic project wouldn't click. FDR then discussed it with Univ. of Chi's Salzer, who reversed Einstein's opinion.

Juke-box Makers, who anticipated a big market in England pubs, learned they are a flop there. . . . Jacques Diamond, the coast publicist, showed Admiral Halsey's daughter Marion the Hollywood sights. . . . Sun Valley reopens to the public July 1. . . . Kaltenborn and L. Thomas are tiffing. . . . Mag editors are getting squawks from people that prices are too high.

Newsstands hear there will be more than 100 new mags in the next few months. . . . Bill Mauldin, whose book ("Up Front") is dedicated to the wife he is now suing for divorce, is having the dedication changed to read: "Dedicated to Wives Who Have Been Faithful to Their Husbands."

The Magic Lanterns: Diplomats fattening Nazi rodents on legalistic cheese can learn how to build a better rat-trap by viewing the Ruskys release, "We Accuse." This is a pictorial record of the Kharikov war-guilt trials. The Russians provide nooses for killers pronto, instead of giving them enough rope to skip. . . . "Scared Stiff" is frothier than a bubble-bath. Jack Haley's refreshing spoofing keeps it bubbling. . . . "First Yank Into Tokyo" whams across a bing-bang-up meller tailored in the Errol Flynn style. . . . Repeat boost: "Kiss and Tell" comes through in a blaze of guffaws.

Word Juggling: Ma Vilepigue, the 49th St. restaurateur, was recalling when she had that colorful spot at Sheepshead Bay in the race-track sector years ago. One of her regular patrons was Diamond Jim Brady, who not only ate like a horse but also showed some horse sense in his talk now and then. "In patterning your life," Jim once advised a table full of folk, "you have to decide whether you want to be liked by people of wealth or by a wealth of people."

Quotation Marksmanship: Sarah Lorimer: Dignity is the one thing that cannot be preserved in alcohol. . . . Thomas Wolfe: She opened hearts as though they were lockets. . . . Cornelle: The man who pardons easily courts injury. . . . Jessyca Russell: The clay feet of my idols—some day I shall use them—to powder my weeping face. . . . H. G. Wells: What on earth would a man do with himself if someone did not stand in his way? . . . Charles Lamb: Not many sounds in life (and I include all urban and rural sounds) exceed in interest a knock on the door. . . . R. M. Hutchings: Whenever I feel like exercise I lie down until the feeling passes.

The Radio City tailor who displays all the colors of the rainbow for men's fashions. . . . The happy tipsy at the Prometheus fountain in Radio City getting himself splashed. . . . The retired air force lieutenant-colonel running a high speed elevator in a midtown skyscraper. . . . Policemen directing traffic, with the furious wind-swept rains scratching their faces. There must be an easier way of making a living. . . . The misers who spend misery days (such as Monday and Tuesday were in New York) counting up the bonds and G-notes in their safety-deposit boxes. . . . Jacqueline Dalya, the actress, who requests and invariably gets room 711 in the hotel she dwells at from here to Mexico City—"711" because it rhymes with Heaven, she says.

Inflation Threat Will Become a Dread Reality If Everyone Scrambles for Excessive Profits and Wages

Only Controls of OPA Prevented Runaway Prices During War.

By WALTER A. SHEAD
WNU Staff Correspondent

During the war years, if we became peevish with rationing and price control it was the national habit to cuss OPA. During reconversion, people, from the captains of industry on down the line and into the ranks of congress, blame many of our ills on OPA.

There have been ridiculous and oft-time funny jokes cracked about the OPA and the controls instituted for the protection of the American people. And, as is the case in any human institution, the OPA has made mistakes, errors of judgment.

Congress has been deluged with letters from constituents, business men and consumers, concerning real or fancied ills and discriminations which were laid at the door of the Office of Price Administration. And congressmen, being human too, let the blame rest on OPA, passing the buck along. But despite all this criticism, despite verbal beatings which tore to shreds the actions and policies of OPA, congress dared not eliminate the agency, despite strong pressure, and by an overwhelming majority voted to continue OPA and the price control policy until next June. And every poll taken of the American people showed, despite their beefings, their sound common sense prevailed and 75 out of every 100 people favor continuing price controls for at least some months to come.

Only in recent weeks various groups in trade and industry have been increasing pressure in calling for an end of price controls, particularly in the building and housing industry, preferring to let prices find their own level.

As a matter of fact and record, had it not been for the OPA and the policies of rationing and price control, the American people would never have been in the favorable position they are in today to face whatever may come in these months of reconversion growing pains. For price controls have held the line against inflation and rationing controls have seen this country the best fed in its history.

Most folks don't understand inflation and what it means, but most people do understand and resent and fear high prices. The records show that every major war in which the nation has been engaged has been



During World War I prices rose swiftly. After the armistice on November 11, 1918, there was a sudden dip, lasting only three months. Then the upswing was resumed, soaring until midyear of 1920. The price level more than doubled between 1917 and 1920. When prices broke in the later months of 1920, a toboggan slide began that brought ruin to millions.

that the general level of price fluctuation remains steady.

Farming has become one of these specialized industries, relatively, and a great many of the things used on the farm and in the farm home are purchased. Too, many farm investments and obligations incident to the farm business are long term obligations, and so the behavior of the price level means much to farmers. For instance, I was talking to a Pennsylvania dairy farmer in Washington recently. He lives in the potato country of Pennsylvania and when I asked him how his potato crop was he said:

"Well, I didn't plant any. I figured my business is dairying and I let the potato farmers raise potatoes."

What is inflation? There are many long and technical answers to that question. But about the simplest answer this writer can find is that it is a situation which creates an unfair change in the purchasing power of money.

For instance, a farmer who borrowed some money in 1913 could have taken \$5 of that borrowed money and bought 40 pounds of meat, 152 pounds of flour, 91 pounds of sugar or 77 yards of gingham. If he paid back that loan in 1920 during the period of inflation, the lender could have taken the same \$5 and

to be assured that the cost of living or the cost of operating a farm or a business will not be permitted to go up into an inflation spiral. They want price controls continued for the present.

All three of the major national farm organizations have strongly supported the price control program. Labor organizations, too, have given unstinting support. The farmers in the older age brackets do not easily forget what happened when what few controls existed were dropped shortly after the armistice in the last war. At first, prices slumped rather sharply in some commodities, but within a few months, after reconversion and workers returned to their jobs in peacetime plants, the downward trend was reversed and within seven months the inflation boom was in full swing. Prices rose skyward; manufacturers, wholesalers and retailers were forced into a wild scramble for inventories. Prices soared higher and higher. Farm prices skyrocketed 100 per cent between 1914 and 1920.

If farmers, merchants, manufacturers can be certain that the costs of things they buy will not skyrocket and threaten a major crash later, they can make long-term plans for large-scale operations and production and full employment. If workers can be certain of this full employment at adequate wages, then they also can feel secure of the value of their purchasing power. . . . will feel free to spend for reconversion goods and this free spending will stimulate more employment.

Farm and City Linked.
On the other hand, if swiftly rising prices make production costs unpredictable, business will not be able or willing to plan ahead, full production will falter and fear of unemployment would make consumers afraid to spend. We have often remarked about the anisagous relation between the farmers' income and full employment in cities, for it is a fact that when income of workers is high, farm income also is high. When there is heavy unemployment, farm prices toboggan.

Price Administrator Bowles has given his word that OPA is going to use every resource at its command to continue an effective job with the ultimate goal of keeping a sound price structure upon which can be built sound prosperity. When danger of inflation is past, then OPA plans to step out of the picture. (The present act ends June 30, 1946.) To do this he plans (1) wherever necessary to continue price controls over goods and services which have been controlled in war time; (2) to set prices on reconversion goods; (3) to work out simple dollar-and-cents ceiling prices for building materials and as many consumer goods items as possible; (4) to require manufacturers to tag consumer goods with easy-to-read retail ceiling prices.

Continued control over tractors, other farm implements and machinery, fertilizer and seeds as long as they are in short supply is on the program. It may be necessary to increase some prices as compared to prewar, but the plan is to keep all prices as near prewar level as possible.

Bowles says that price control alone cannot guarantee prosperity, but he believes that it can help to control inflation by keeping the buying power of each dollar and will enable industry, agriculture and labor, together with government, to work together toward a sound post-war prosperity.

HOLDING THE PRICE LINE



Stable prices for farm products are best for the farmer. Any temporary profits he might make through rising prices would be eaten up by the increasing cost of manufactured things that he has to buy.

accompanied or followed by a major inflation, followed by deflation of equal proportions.

Rise Held to 29 Per Cent.

And for the first time in our nation's history, thanks to OPA, the cost of living, during and immediately following this war, has been held fairly steady. From the outbreak of the war to the end of 1944, living costs, as measured by the bureau of labor statistics, rose less than 29 per cent, and most of that rise came before May, 1943, when teeth were inserted into the price stabilization program. By comparison, living costs rose more than 84 per cent in a like period after the outbreak of the First World war when there was no rationing or price control. Labor unions declare the rise in the cost of living has increased more than 29 per cent, reaching a 40 per cent figure, but even so, if that is true, it does not reach the dazzling heights to which living costs went after the last war.

Farmers, because of the nature of their business, suffer more than any other group from inflation and the crash which inevitably follows. As a matter of fact, it makes little difference what the price level may be, so long as it remains stable. . . . and assuming that the incomes to the various occupational groups are fair and equitable. The more specialized and the more commercialized the business is, the more desirable it is

bought only 21 pounds of meat, 62 pounds of flour, 26 pounds of sugar or 23 yards of gingham. The borrower returned the same number of dollars, but he did not return the same amount of purchasing power.

1 1/2 Million Farms Lost.
Inflation during and following the last war lost to the farmers of this country approximately a million and a half farms. Why? Because prosperous farmers during the war invested their money in land at inflated prices. They went into debt for machinery, for homes, barns and other commodities at inflated prices. Then the purchasing power of the dollar changed and the deflation which followed the inflated values brought about the inevitable crash.

Chester Bowles, the boss of the OPA, is a business man. He was the head of a large advertising agency which was in daily contact with big business. So he knows big business practices and he has become the rock upon which the pressure groups are dashing themselves in an effort to break price control.

Chester Bowles has taken his stand against price inflation and for price control, because his office is flooded with hundreds of letters every week testifying to the fear with which people view inflation or high prices. . . . and these letters come from big and little people alike. . . . from farmers, workers, housewives, consumers, small business men. One theme predominates. . . . they want