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WEEKLY NEWS ANALYSIS

Congress to Probe Diplomacy of State Department; Maneuver to Modify Demands of CIO Unions

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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.)



Although handicapped by an almost complete lack of tools, these German prisoners of war in PW camp at Fowey, England, still managed to turn out this varied collection of toys to help fill Santa's bag for little Britons. The amateur workmen included a former Berlin judge, a doctor from Hamburg and university students.

U. S. DIPLOMACY:

Duplicity Charged

Long under fire for its implementation of American foreign policy in the wake of U. S. victories on the battlefield, the state department was scheduled for congressional investigation following ex-Amb. Patrick Hurley's charge that some of its personnel had worked counter to its efforts to promote the unification of China.

In losing his bombshell on Capitol Hill, Hurley declared that certain professional diplomats were inviting future conflict by siding with the Chinese communist party and the imperialistic bloc of nations in keeping China divided against itself and unable to resist encroachment.

While he worked for a democratic China which could act as stabilizing influence in the Orient, Hurley charged, some state department officials told the Chinese communists that his activities did not reflect the policy of the U. S. and they should not enter into a unified government unless retaining military control.

Agreement to investigate the state department followed the demand of Senator Wherry (Rep., Neb.) for an inquiry to determine whether there was any variance between U. S. foreign policy and the Potsdam declaration and whether the foreign service was interfering with domestic affairs in South America, influencing other countries toward communist government, or clashing with the army and navy over occupation policy.

Meanwhile, Gen. George C. Marshall, ex-chief of staff, prepared to embark upon his duties as special envoy to China in the midst of Chiang Kai-shek's redoubling of efforts to unify the country and open the way for vigorous postwar economic expansion. In announcing his program to modernize the country, Chiang declared the No. 1 goal would be the improvement of transportation to facilitate an exchange of materials between the various regions.

LABOR:

On Defensive

Heretofore on the offensive with its demands for higher wages to maintain high wartime pay, the CIO was suddenly thrown back on the defensive with the Ford Motor company's proposal that the United Automobile workers pay a \$5 a day fine for workers involved in unauthorized strikes.

Ford asked for this protection against production losses as officials continued negotiations with the UAW, whose leaders have maintained that the industry can afford 30 per cent pay boosts without raising prices because of large reserves and promises of substantial profits from huge postwar output.

While UAW immediately challenged the effectiveness of a fine in curbing wildcat walkouts, Ford officials insisted that the union could exert sufficient pressure on its local government to prevent unauthorized strikes, slowdowns and controlled production.

Meanwhile, General Motors, reverting a previous stand, agreed to consult with government officials concerning resumption of negotiations with the UAW after the union government in its demands for a 30 per cent wage increase. With the company holding out for a modification of terms, the UAW declared that it would seek no wage increase

necessitating a rise in prices.

With the work stoppages in G. M. plants threatening to paralyze practically all of the automobile industry because of its dependence upon G. M. for parts, a further menace to reconversion was posed in the United Steel workers' vote for a strike if leaders deemed one necessary to enforce demands for a \$2 a day wage raise.

OPA refusal to grant steel manufacturers price increases until the conclusion of the year's operations permits closer study of their profit also has hardened company resistance to the UAW demands. To the union's assertion that the industry could well pay the increase out of alleged "hidden profits," management has replied that government findings have classified the so-called "hidden profits" as reasonable business reserves assuring future expansion.

WAR CRIMES:

Pleads Innocence

First major axis personage to be brought to trial for war crimes, Gen. Tomoyuki Yamashita, erstwhile "Tiger of Malaya" and Jap commander in the Philippines, flatly denied charges of countenancing rape, pillage and murder and then rested his case.

As the Allied military tribunal pondered the case, Yamashita considered appeal to the U. S. Supreme court in case of conviction on grounds of illegality of the proceedings. Previously the Philippine Supreme court had refused a similar protest, with the demand the defendant be freed for trial before civil authorities.

In taking the Gen. Yamashita stand to deny charges against him, the squat, browned Jap general declared he ordered none of the atrocities related by scores of witnesses or contained in hearsay evidence admitted by the court. To the accusation that he had planned the extermination of the Filipinos, Yamashita declared that common sense indicated the impracticability of killing 18 million people.

The case against Yamashita was complicated by the apparent division of command in Japanese ground, naval and air forces in the Philippines. While as ground commander Yamashita said he had ordered the withdrawal of his troops from Manila for warfare in the mountains, Nipponese naval detachments remained within the capital for the fighting which heavily damaged the city and exposed civilians to danger.

Meanwhile, the trial of 20 top Nazis proceeded apace in Nuremberg, with the U. S. prosecutors drawing from voluminous evidence to prove charges of German conspiracy for aggressive warfare.

Citing a statement of diplomat Franz Von Papen that southeastern Europe was Germany's hinterland and must be brought within the political framework of the Reich, U. S. Prosecutor Sidney Alderman quoted documents to show that Hitler had delegated Von Papen to develop a program of Nazi infiltration into the Austrian government to take it over after the aborted putsch of 1934.

PEARL HARBOR: Kept Top Secret

Because of a desire to keep secret the U. S. breaking of the Japanese code, the intercepted messages revealing Jap political and military moves were known only to nine top officials, Maj. Gen. Sherman Miles, former head of army intelligence, told the congressional committee investigating Pearl Harbor.

Along with President Roosevelt, others possessing knowledge of the decoded messages included Secretary of War Stimson, Secretary of State Hull, Lt. Gen. L. T. Gerow, head of the war plans division, Secretary of the Navy Knox, Admiral Stark, chief of naval operations, Col. R. S. Bratton of the army intelligence staff, Gen. George C. Marshall, chief of staff, and Miles.

Though Maj. Gen. Walter Short and Rear Adm. Husband Kimmel were not apprized of the breaking of the code, Miles said, they were kept informed of the course of events. However, with officials anticipating an attack in the far east, Short and Kimmel were advised to take only such action as they deemed necessary at Pearl Harbor and guard against sabotage.

When asked what significance was attached to a decoded Jap message of Sept. 24, 1941, asking espionage agents in Hawaii to advise Tokyo of the disposition of the American fleet in Pearl Harbor, Miles replied: "Taken alone, it looks exactly like what we know now it was—a plan for bombing Pearl Harbor. But unless we look on it with hindsight, it was only one of a great number of Jap messages seeking information on our warships. It was perfectly normal for them to be doing so."

Loses Half of House

When the town of Silver Lake, Minn., decided to widen Center street, the village council attempted to induce Mrs. Clara Caspryk, 44, to move her five-room residence, extending 16 feet into the area required for the expansion.

Not only did Mrs. Caspryk refuse a proposition for the town to move the building back and pay her \$800, Mayor Frank Bades said, but she also ignored a court order to relocate the structure, leading to the judge's permission for the village to remove that part of the property blocking the improvement.

After a crew of carpenters virtually saved the building in half, Mrs. Caspryk was left with only one bedroom intact, the living room having been completely shorn and the kitchen, dining room and an upstairs bedroom bisected. Because she had no other place to live, Mrs. Caspryk, who is crippled by arthritis, returned to make her home in the one remaining bedroom after a brief stay with her brother-in-law.

GERMANY:

Review Rule

With French obstruction to Allied plans for a central administration for Germany resulting in the economic breakup of the Reich and difficulties for a restoration of normalcy, the U. S. was asked to study the advisability of revising the Potsdam declaration pledging this country to its present course.

In urging a re-examination of U. S. occupation policies, Byron Price, former director of the office of censorship who undertook a special mission to Europe for President Truman, declared that the German people were nursing old and new hatreds with increasing bitterness as their sufferings increased and disposing themselves to whatever new leadership desperation may produce.

With German agriculture and industry seriously impaired during the closing stages of the war, Price said the U. S. must also decide whether to deliver foodstuffs to the country to prevent starvation and epidemics this winter and help remove some causes for unrest.

LABOR-INDUSTRY:

Meet Lags

Started with high hopes, the labor-industry conference called in Washington, D. C., slowly ground toward its conclusion with indications that no important new machinery would be constructed for the speedy settlement of employee-management disputes.

In seeking orderly procedure in drawing up an original contract, the conferees recommended collective bargaining first, then conciliation, and finally voluntary arbitration. In cases of grievances under existing contracts, the delegates resolved that pacts should incorporate provisions for settlements without resort to strikes, lockouts or other interruptions to production.

As the conference faltered toward its end, with neither side apparently disposed to surrender any of its bargaining advantages, labor-industry representatives approved a proposal to meet for consultation whenever they saw fit.



Tale of the Town:

NBC's Ben Grauer reports that Albert Einstein, the top mathematician and atomic bomb authority, likes to relax with a violin. Recently he invited the renowned pianist, Arthur Schnabel, to his home for a musical week-end.

They were running through a rather involved Mozart sonata and Einstein was having some trouble playing. Finally, after several explanations, Schnabel got irritated. He banged his hands down on the keyboard and groaned: "No, no, Albert. For heaven's sakes, can't you count? One, two, three, four."

Ain't It the Truth: On One 5th Avenue, a patron was telling a bartender his views on the atomic world. "Jet planes, sky highways and there'll even be machines as bartenders! These machines will do everything you do!"

"Mebbeso," said the bartender, "but those machines wouldn't last a week. They might mix you a drink and hand it to you—but no machine would ever put up with some of the luses we meet!"

Quiteso, Quiteso: Marie MacDonald, just arrived for the premiere of her latest film ("Getting Gertie's Garter"), was asked if she wasn't bored with people who keep calling her The Body.

"No," said Marie, "I found out that in Hollywood a gal can't get anywhere by being referred to as The Brain."

Ariens Francis relays the one about the Hollywood producer who squawked when he got an estimate depicting Civil war scenes. It was for \$1,000,000. "Why, you money wasters!" barked the producer. "The battle between the North and the South didn't cost \$750,000!"

"The original battle," snapped an accountant, "was a flop."

Boo, Y'sell! Boris Karloff met Bela Lugosi the other middle-of-the-night and compared notes. "I had a wonderful day," said Karloff, "I picked up three more corpses!"

"Y'don't say!" said Lugosi. "That's wonderful. You must come to my house some time and see my bathtub full of blood!"

"I'd love to," exclaimed Boris.

"What's your phone number?"

"Call me any time," giggled Bela.

"I'm at PLazma 9-2259."

A Hollywood star and a West Coast "Dorothy Parker" haven't talked for years. They met at a party the other day, and the actress purred: "The critics all say my latest picture is a must."

"That makes two in a row," said the other. "You mused up the last one, too!"

New Yorkers are talking about President Truman's very good friend from Missouri, who recently went to the White House for a favor. "My boy is overseas, and his old mother may not live. Can you help me bring him home right away?"

Mr. Truman obliged. . . . A few weeks later the same old pal went to see the President for another "break." . . . He hoped Mr. Truman could arrange the transfer of some factories (in the reconversion manner) for him. "It would put me on Easy Street," said the old pal. . . . "Now look here," said Truman sternly, "helping get your boy back to see his ailing mother was human. Don't ask me to fix anything in which money is involved. I'm not going to be part of any Harding administration!"

New Yorkers are talking about the headaches Paul McNutt will inherit when he lands in the Philippines. . . . Blanche Faye's new understudy role (to G. Nissen) in "Follow the Girls," a funny show. . . . The digest mag which expects to have a circulation of forty million one day. If Russia permits it there. . . . Greta Garbo's spurning of the leading role in "Bella Donna" because, she said, she will never again play the part of a sinful woman. . . . The exciting Warner short titled: "Hitler Lives?"

The record night at a midtown spot: \$10,000 (on the Sat. night of the army game). . . . Burl Ives and Helen Payne, who cancelled their merger plans recently, deciding to wed in the next fortnight. . . . Playwright Lillian Hellman switching producers after all those successful years! . . . The backers of a flop show who complained to the D. A. Saturday about the alleged misuse of their monies. A producer and associates will be investigated. . . . The fact that if you dial the letters MAE WEST on your phone (tee-hee), you always get a busy signal.



Millions of veterans, like Sgt. Walter Osburn of Detroit, who was wounded in Normandy, want homes of their own. Most of them have considerable savings, and are ready to build if prices are within reason.

OPA Struggles to 'Hold that Line' As Building Costs Threaten to Zoom

By AL JEDLIKA and WALTER SHEAD

Released by Western Newspaper Union.

WITH a huge postwar building and realty boom in the offing, sentiment in the nation's capital favors both government and industry working hand in hand to combat the dangers of an inflationary spiral resulting from the tremendous pent-up demand for housing.

Already empowered to regulate costs of materials and services, the Office of Price Administration has sought the additional authority to control the sales price of finished homes and used buildings. Unless granted such permission, the agency argues, its check over the industry would be imperfect, and untrammelled speculation would undo the benefits obtained by the other regulations.

Bitterly resisting OPA recommendations, private builders asserted that further controls over the industry would result in a diminution of prospective construction, while the problem is one of stimulating more. Rather, the industry argued, OPA and other government agencies should concentrate upon the increase of supplies and manpower to provide a basis for all-out construction.

In the midst of the controversy, Reconversion Director Snyder stepped in to announce that the administration favored a program embracing present government regulation of materials and services, with no supervision over prices of finished homes and used buildings unless proven needed.

Burden of Mortgages. In arguing for authority over pricing of final sales, OPA pointed to World War I records, which not only showed a decrease in construction as costs rose, but also emphasized the serious mortgage problems later growing from the original overvaluation of homes.

According to OPA figures, building material prices showed a 218 per cent increase from 1914 to 1920, with more than half of the rise occurring after the armistice. At the same time, total construction costs mounted 189 per cent from 1913 to 1920, with three-quarters of the boost coming after the end of hostilities.

As a result of the inflationary spiral, OPA said, actual home construction toppled from the peak figure of 405,000 units in 1919 to 247,000 a year later. While prices automatically fell with the drop in building activity, they remained relatively high, with another recession setting in around 1926.

Against this record of World War I, OPA cited the accomplishments during the present conflict, when government control of material costs held price increases to 31 per cent from August, 1939. Of this total, a 6.7 per cent rise occurred after the issuance of the famous "hold-the-line" order of May, 1943.

Meanwhile, the increase in construction costs totalled only 34 per cent since August, 1939, with only a limited amount of building done to accommodate necessary needs.

Huge Demand, Short Supplies. In contemplating the need for control over sales prices of finished homes and used buildings, OPA

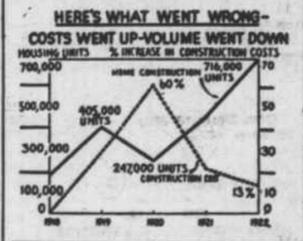
drew the picture of a huge backlog of construction and a protracted period of short supplies in the face of tremendous demand.

In all, the nation has a need for over eight million new homes, OPA figures, as a result of the increase in families since 1940, servicemen marriages, undoubling in crowded quarters, the number of housing units now rated as sub-standard.

Despite the need and the comparative prosperity of the people, however, a recent survey by the architectural forum indicated that 37 per cent of the persons interviewed would postpone building if prices of finished homes should soar above \$1,000 over present prices. Another 12 per cent had not decided what course they would take.

Of the total of 51 per cent that determined to build regardless of a \$1,000 increase in costs, most revealed that they would raise more money, but a sizable percentage declared their intention to purchase a cheaper structure. Most sales would be under \$7,000.

In analyzing the results of the survey, OPA asserted that the indicated deferment of building plans in the



event of a \$1,000 increase in costs would result in a loss of employment to more than 600,000 workers, thereby reducing demand for goods which they themselves could be counted upon to purchase.

Now that private industry will play an important part in the fight to hold sales prices of finished and used homes to reasonable levels, OPA will concentrate on the enforcement of dollars and cents ceilings for materials and services going into structures. The flat prices will cover millwork, lumber, brick and tile, plywood, screens and windows, roofing, siding, insulation, heating equipment, hardware, soil pipe, plumbing supplies, etc.

In addition, services controlled will include painting and paper hanging, renewing of roofs, plumbing installation and other work adapted to supervision.

"Increased Supply Needed." In attacking the OPA proposal to slap controls over the prices of new structures, the National Association of Home Builders, spearheading private industry, declared that the only way to prevent a serious inflation was by increasing the supply to meet the tremendous demand.

"Although swamped with applications for new houses," Joseph E. Merriam, president of the association said, "the home builders cannot complete the large new developments which are needed to ease the housing shortage until they have assurance from the government that manufacturers of badly needed materials and equipment will be aided

in getting into full production immediately.

At the same time, Frank W. Cortright, executive vice president of the association, set out the organization's six-point program for speeding construction and counteracting inflationary tendencies:

1. Continue present price controls on building materials for only so long as is necessary. As rapidly as an item is found to be in ample supply, it should be removed from price control.

2. Inaugurate an active program by the Civilian Production agency, successor to the War Production board, to control the inventory of short items in order to eliminate the possibility of hoarding.

3. Start an active co-ordinated campaign by government agencies to increase the supply of scarce building materials, and, if necessary, grant price and wage increases to break bottlenecks.

4. Builders, realtors and financing institutions will conduct a co-operative program to maintain non-inflationary prices of homes.

5. All segments of the home construction industry will formulate a co-operative program to rapidly increase the supply of homes in all classes.

6. The Veterans' administration, the United States Employment service and other governmental agencies should make immediate provision for the channeling of vets and experienced workers into the construction field.

In the matter of pricing of used homes, close supervision by FHA and private financial institutions will be relied upon to keep costs within reasonable bounds in the absence of ceiling regulations.

Few Old Buildings Sold. Realty activity has been lively since 1939 in the face of the housing shortage, but inability of property owners to find new quarters has served to decrease the supply of old buildings. Even so, 84 per cent of the localities reporting to the National Association of Real Estate boards revealed price increases, averaging 12 1/2 per cent.

Economists have calculated that normally prices of single-family homes have approximated 100 times the monthly rental of purchasers. In July of this year, however, statistics showed that in Denver, Colo., costs of buildings were 95 per cent over this ratio; in Cleveland, Ohio, 65 per cent over; in San Francisco, Calif., 59 per cent; in Chicago, Ill., 47 per cent; in Atlanta, Ga., and New York City, 38 per cent, and in Dallas, Texas, 34 per cent.

With property owners now able to move more freely, and demand for housing exceeding new construction at the start, the turnover of used homes may become greater in the immediate future. To check an inflationary spiral then, finance institutions will have to be careful in appraising the real value of property to prevent burdensome mortgage payments or serious losses in future years.

Having indicated its preference for private regulation of the real estate market, the administration will provide ample opportunity for a real examination of its practical processes in a period of real national emergency. The experiment will be interesting to follow.