

THE WORLD THIS WEEK

U.S. Holds Initiative in Creating Atom Power Pool

How Big Should Big Business Be?

By J. M. ROBERTS JR.
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SIGNS are blowing up of another argument in this country pretty soon over "big business."

The business community has recently broken into a rash of big mergers.

The automobile industry has led the way with Studebaker and Packard, Nash and Hudson, Kaiser-Frazer and Willys, five of them among the oldest in the business, forming three new combines in the hope of competing with Ford, Chrysler and General Motors.

There has been a broader but less sensational trend of the same type in the textile industry, where business has been spotty and in some cases downright bad since the war. Textile workers in some parts of the South were among the first to take wage cuts in order to keep their mills open when the "recession" started. And bigger concerns there which were not so affected have been protecting themselves against competition and buying new markets by merging with northern and eastern companies.



Word that Bethlehem, second largest steel producer, and Youngstown, sixth, were planning a marriage served to set off an upward movement in the stock market recently.

Trend Being Watched
These are just examples. The Justice Department has announced that it is watching the trend. The question is whether or not it is merely reducing competition or whether it makes for improved efficiency which can be passed on to the consumer in the form of better goods or better prices.

The department says it won't interfere with business merely because it is big, but only if competition is affected.

The Brookings Institution, a privately endowed organization for research into economic and social practices, has just produced a report showing the subject had been attracting attention for some time.

Its conclusion was that the nation's economy is still dynamically competitive, with big business both a threat and a spur.

Fierce Competition
Right now, it said, big business is forced into the fiercest competition by market conditions. (This has been the obvious force behind the automotive mergers.)

Constant developments of new products and processes to beat one another's time result in progress and improved services to the public.

The Brookings report emphasizes that someone in an industrial society has to coordinate things so that individual efforts and resources can produce a collective result, and that if it is not done by business it will have to be done by government.

In the automobile business the little fellows have been ganging up to fight the big ones. Many mergers, however, result in the little fellows being rounded up just to eliminate competition. There have been times when a little manufacturer would be bought merely so that his product, a perfectly good one, might be withdrawn, leaving the market under control of the big fellow.

Recent figures indicate that, while some of this may have been occurring, the net gain of small businesses and factories in this country has recently been at the highest rate in years.

Question of Big Business
The question of how good is big business, however, remains in the background of American life even when it is not an active issue.

Both Roosevelt presidents made a great issue of it. Ever since the Civil War, when "big business" consisted largely of operations by individual families or restricted business groups, politicians have usually been able to raise a hue and cry by references to malefactors of great wealth, or some such, and all too frequently they were able to prove it.

Big business now, however, operates largely with hired managements in a curiously impersonal fashion. In many ways it is strangely responsible to its stockholders, in many ways strangely independent of them.

A new upsurge in the row over whether it is good or bad could carry the participants into some strange byways.

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Quotes

Thomas E. Dewey, 52, governor of New York for 12 years and twice Republican candidate for the presidency: "After the most thorough and even painful consideration, I have concluded the time has come for me to return to private life. I shall not under any circumstances be a candidate for any public office this fall."

Prime Minister Winston Churchill: "Declarations of war may themselves have become unfashionable in the era of science and hatred, of levity and foreboding, through which mankind is steadfastly making its way."

Autos

New Ones Coming
The big bright hope of the auto industry right now is consumer reaction to its 1955 models.

The sleek new cars, most of them reflecting drastic changes in engineering and style, should start rolling off assembly lines around Nov. 1. They are being counted upon to pep up consumer demand, pull auto retailers out of the red, and quench the current buyers' lust for bargains.

No. 1 problem facing the industry at the moment is getting inventories of unsold 1954's out of the way before the 1955's hit the showrooms. Major efforts are being made to solve it. Production is down to its lowest levels of the year; some manufacturers are shut down tight.

At the retail end, price concessions and high trade-ins are still pretty much the rule; some dealers are giving away an electric stove or a television set with each new car sold. The alert buyer can almost always find a bargain.

Production of 1955 models will mean an upsurge in employment. The present slowdown has meant temporary layoffs for many thousands of auto workers, but most will be back on the job in about six weeks.

November 1954 Peak
By November, industry payrolls are expected to reach a new 1954 high. People who usually make good guesses say the boom will continue through January at the very least, and well into the new year if the 1955's go over as anticipated.

Still unanswered is the question of whether new car buyers—long accustomed to concessions and bargains—will be willing to pay full list prices.

Dates

Monday, Sept. 13
Schools open in many communities.
Maine general elections.

Tuesday, Sept. 14
Primary elections in New York, Massachusetts, Colorado, Minnesota, New Hampshire, Utah, Vermont, Washington, Wisconsin.
Democratic runoff primary, Mississippi.

Wednesday, Sept. 15
Ohio Republican convention.

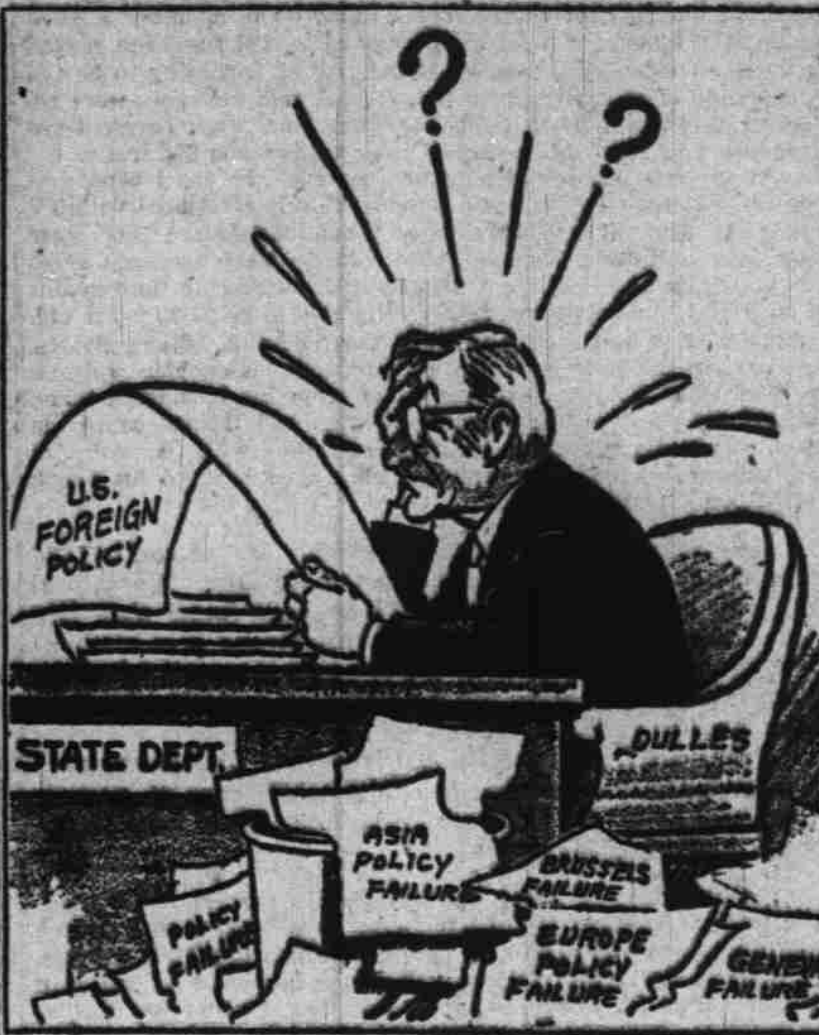
Friday, Sept. 17
Citizen's (I Am an American) Day.



Islands beyond Formosa



Ambidextrous



'Agonizing Reappraisal'



Matter of Viewpoint

Russia Can't Veto Project for Peace

By TOM WHITNEY
Associated Press Foreign Staff Writer

PRESIDENT Eisenhower disclosed that the United States has agreed with a number of other nations to go ahead with the formation of an international body to assist the peaceful uses of atomic energy.

Thus, the President made clear, the United States will not permit the Soviet Union to have any veto over international research on atomic energy for these purposes.

Thus the President struck a heavy blow at Communist propaganda that it is the United States which is preventing peaceful uses of atomic energy and threatening the world with atomic annihilation.

The President's decision to push ahead with peaceful atomic cooperation came nine months after he himself on Dec. 8, 1953, held out the hand of cooperation on research and development in non-military uses of atomic energy to the Soviets in his speech before the United Nations. The Russians accepted the President's offer to hold secret talks. The talks were held. Both sides observed their confidential character.

They fell through because of one major disagreement: the Russians insisted that any agreement of this sort, even one limited in character, must be accompanied by all-out prohibition of atomic weapons. This was the same main Russian point on which other previous atomic discussions had gone on the rocks. It amounted to a vain attempt to return these discussions into their previously fruitless channels.

U.S. Has Initiative
So the Russians, it would appear, have handed the initiative in this important field to the United States.

The President made one thing clear: the door is not to be closed to the Russians or to other nations which wish to cooperate in the future.

For the present, he explained, Britain, Canada, France, South Africa and Australia have been consulted and Belgium will shortly be drawn into the plans.

The United States is prepared, he indicated, to make available its experience, knowledge and resources in the effort to exploit the atom for power and other peaceful uses.

Offhand it would look as if the Soviets had made a mistake. How they will attempt to retrieve it is not yet clear. One thing is obvious. Mere slanderous attacks on the new Eisenhower atoms for peace plan will not be enough to negate its effect on peoples benefitting from it.

EDC Left Vacuum
In Europe this week the big powers began to accustom themselves more and more to life without the European Defense Community, killed by the French Parliament under leadership of Premier Pierre Mendes-France.

The consequences were just about what might have been expected. Among other things, West German Chancellor Konrad Adenauer delivered himself of some pretty bitter words about the French premier.

The gap between West Germany and France appeared to be increasing, and American support for Western Germany was being questioned.

It was becoming clearer that the end of EDC also means the probable end of hopes for any kind of a truly international Western European military force.

London Parley Sept. 14
These were the circumstances in which the British government, disturbed by the situation, issued a call for a nine-nation parley on trying to patch up some solution for Western European defense. The session was to convene in London Sept. 14, according to London's press. It was hoped it would work out some solution whereby Western Germany could rearm without an open break with France and without any necessity for a French Parliamentary ratification of the measure. In prospect was consideration of a proposal whereby West Germany would become associated with NATO without actually becoming a member—by means of a pact with several important NATO members including the United States and Britain. The French appeared to be unhappy even about this.

SEATO Pact
SEATO—the Southeast Asia Treaty Organization—turned out to be rather less military in emphasis than political and economic.

The new accord, patterned after ANZUS, the mutual defense pact of Australia, New Zealand and the United States, provides for common action against aggression. The treaty area comprises all of Southeast Asia and the Western Pacific, with the exception of the Chinese Nationalist stronghold on Formosa.

Eight powers were represented in Manila: the United States, Britain, France, Australia, New Zealand, the Philippines, Thailand, and Pakistan. Of these only the last three represented native Asiatic peoples. Other Southeast Asian countries such as India, Burma, Indonesia, and Ceylon were absent and hostile. These facts obviously limited the importance of the new pact to establish a front against aggression in this part of the world.

A U.S. Navy plane was shot down by Soviet planes. Statements of the opposite sides had an echo of familiarity: the Russians claimed the American craft was inside Soviet territory; the Americans claimed, and probably correctly, that it was well outside Russian borders—44 miles at sea.

Great heat was generated in Washington over the case. In the emotion of the moment one thing was being overlooked, or so it seemed. The American plane was very close to Soviet territory. The Soviets are extremely sensitive to this as they have shown in repeated previous plane incidents. The Soviets could ask what attitude America—government and people—would take toward a Soviet plane flying within a few score miles of Pearl Harbor or San Diego.

In Short . . . SCHOOLS: Eyes on South Sidelights

Won: By Victor Seixas, 31, of Philadelphia, the men's national tennis championship at Forest Hills; the women's national tennis title, by Doris Hart.

Named: By Gov. Byrnes (D-SC), Charles E. Daniel, 30, president of a construction firm, to fill the unexpired term of Sen. Burnet R. Maybank who died of a heart attack Sept. 1.

Forecast: By the U.S. Department of Agriculture, that next summer world coffee production should move ahead of consumption—removing a prime reason for high coffee prices in recent months.

Killed: Maj. John L. Armstrong, 32, Air Force pilot during a speed test at the National Air Show at Dayton, only three days after establishing a new world speed mark of 849 m.p.h. for the 500-kilometer closed course.

Died: Glenn S. (Pop) Warner, 83, one of the nation's foremost football coaches; and Harry Conaway (Bud) Fisher, 68, creator of the cartoon "Mutt and Jeff."

Announced: By the Air Force, plans to start rotation of fighter-bombers and troop-carried squadrons from the United States to Europe.

Demonstrated: By psychological tests on front-line troops in Korea, that superior combat fighters are more intelligent than other soldiers.

Segregation Problem
Despite the Supreme Court ruling last spring that racial segregation in public schools was unconstitutional, 10 of the Southern states continued to preserve the old order as school terms opened this month.

The delay is permissible because the court abstained from issuing an order to end the practice, pending an October meeting in Washington of state legal officials on how best to wipe out discrimination.

Some Barriers Drop
School segregation barriers are dropping in some states: Maryland, Missouri, Oklahoma, Arkansas, Kansas, New Mexico, West Virginia and Delaware. Partial integration is taking place in many city schools: Washington, D. C., Baltimore, St. Louis, to name a few of the larger.

But 10 states, headed by Georgia whose governor announced he would resist the court decision if his state had to stand alone, are holding out. The others are Alabama, Louisiana, Texas, Virginia, Florida, South Carolina, Mississippi, Tennessee and Kentucky.

The Mississippi legislature met in special session this week to lay a foundation for circumventing the court decision. The key provision is a constitutional amendment empowering the legislature to abolish public schools.

The measure proposes two methods of abolishing Mississippi public schools: 1. Statewide, by a two-thirds vote of the legislature.

2. Local option, with individual counties and school districts allowed to abolish their public schools and set up private school systems.

Leaders of the Legal Educational Advisory Committee said the amendment would go to the constitutional committee of each house as any other amendment would be handled. The LEAC rejected the idea of asking each house to go into a "committee of the whole" to consider the amendment as soon as it was introduced. Fear of charges of "steam-roller" tactics convinced the LEAC the amendment should go through usual channels.

Aerial
Revolutionary New Jet
Britain has flight-tested an experimental jet "wingless aircraft" which takes off like an elevator from a horizontal position.

Duncan Sandys, British minister of supply, said the new experiments might lead to a revolution in aeronautical development every bit as important as that resulting from introduction of the jet engine.

The test craft becomes airborne vertically by use of downward facing jet streams, Sandys said. The streams can be varied to control the angle of climb and can be provided either by small subsidiary engines or by deflection of the jet stream from the main power units.

"I can hardly call it an aircraft for it really is no more than an aero-engine with a pilot mounted on top," he said. "A few weeks ago this strange contraption, which weighs 3½ tons, successfully lifted itself into the air without the aid of wings or rotors of any kind. It proceeded to circle around under complete control for about 10 minutes and landed again without trouble."

Death Toll Down
Traffic deaths over the long Labor Day weekend touched a six-year low. The final count showed 304 highway fatalities, 98 drownings, 83 from other causes for a total of 539.

The highway traffic toll was the lowest for any Labor Day weekend since 1948, when 293 were killed. It was under the 390 predicted by the National Safety Council.

On the eve of the holiday President Eisenhower appealed to the motoring public to drive carefully and "fool the experts."

National Guardsmen helped police patrol highways in Michigan, Wisconsin and Tennessee.

Michigan's traffic deaths totaled 21, compared with 33 during the Fourth of July weekend. Highway fatalities were 12 in Wisconsin and only six in Tennessee.

● In Boston, the vicar of old North Church—whose Paul Revere steeple crashed at the height of Hurricane Carol, appealed for help in locating part of a weathervane made in 1940. Missing are the big letters N-E-W-S, indicating compass points. The weathervane was found otherwise intact after it crashed to the ground with the steeple.

● In Dallas, an expectant mother tumbled to her death from a third-floor window in a hospital but doctors safely delivered her baby boy minutes later by Caesarean section.

● In Stockholm, Sweden, 49 persons were arrested and four hospitalized with sabre cuts as mounted police quelled another outbreak of "thrill riots." Thrill riots have become a weird weekend pastime in this capital. Similar outbreaks have occurred nearly every weekend this summer as thousands of homebound revelers mill around the city park after attending dancing, restaurants and amusement parks.

● In West Hartford, Conn., Jeffrey Truesdell, 8, had to argue with officials to be allowed to enter a Labor Day community pet parade but walked off with the second prize. His entry: a can of angle worms.

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THE ROAD BACK . . .



WOMEN CAPTIVES of the French Union wade ashore from landing barges at Vietri, near Hanoi, in exchange of war prisoners with the Red-led Vietnam in Indochina.

. . . AFTERMATH OF WAR



AMERICAN HEROES come home from Korea as exchange of war dead between United Nations and Communists starts at Pusan. At right is honor guard of GI's; at left, ROK troops. Diago.