

# The Washington Merry-Go-Round

By DREW PEARSON

Washington, D. C.

## POULTRY BLACK MARKET.

WASHINGTON. — The black market in eggs and poultry is so bad that the War Food administration is seriously considering the freezing of all eggs in storage. Meanwhile J. Edgar Hoover's G-men have been quietly probing the poultry black market in the Delaware-Maryland area with startling results. Their findings will reach high into Delaware state politics and perhaps into the Washington headquarters of the War Food administration and OPA.

Already Clifford Shedd, Delaware WFA official, has lost the authority to release poultry for civilian consumption from the army's set-aside, but his chief in Washington, Gordon Sprague, says he is taking full authority for anything that might be found wrong with Shedd's administration. Sprague has taken over direct charge of all poultry releases, but claims that he knows of no irregular action by Shedd.

Meanwhile, black market operations along both the West and the East coast are so serious that legitimate poultry and egg dealers are being forced out of business. The situation in New England, New Jersey and North Carolina is especially bad.

Tim Stitts of the War Food administration told Congressman Anderson's food committee that OPA should suspend all price ceiling on eggs in an effort to channel eggs back into the legitimate market. This immediately caused dealers to hold on to their eggs for a price rise.

But what they did not know is that Stitts has not requested OPA to suspend or even raise the price ceiling on eggs. OPA, under the price control act, cannot raise these ceilings without formal request from the War Food administration, and this request has never been made.

Finally, the WFA may be forced to freeze all eggs in storage, permitting the army to take what it wants of them and release the rest for civilian market. Hundreds of thousands of cases of eggs are in private storage this year while their owners play for an eventual price rise. The black market on those eggs which do not go into storage is so bad that while creameries in Minnesota cannot get eggs, eggs from Minnesota farms are going via illegal channels as far as New York City.

## U. S. PRESTIGE ABROAD

Hardboiled Republican Congressman Everett Dirksen of Illinois had a secret meeting with his GOP colleagues in a house lobby the other day following his 30,000-mile trip around the world. He gave them plenty of food for thought. Among other things, Dirksen said:

"Here's something you fellows may not agree with, but I want to tell you that the OWI (Office of War Information) is doing a great job for us abroad.

"I went into Turkey where 83 per cent of the pictures in the Turkish newspapers and 40 per cent of the lineage is supplied them by the OWI. In other words, they are telling the Turks what this country is like—selling the United States to Turkey.

"They're doing a great job and if it wasn't for OWI, American prestige wouldn't be half as high as it is today.

In India, for instance, I met with a group of political leaders who began asking me about the Tennessee Valley Authority. I was surprised that they would know anything about it, and asked them how it happened; they replied that they had seen an OWI film showing TVA.

"I came to the conclusion," Dirksen said, "that OWI is something we've got to keep after the war."

## RUSSIAN RELATIONSHIPS

Unless something unforeseen happens to upset it, Harry Hopkins has won a resounding victory for improved relations with Russia by ironing out the main points of the Polish dispute.

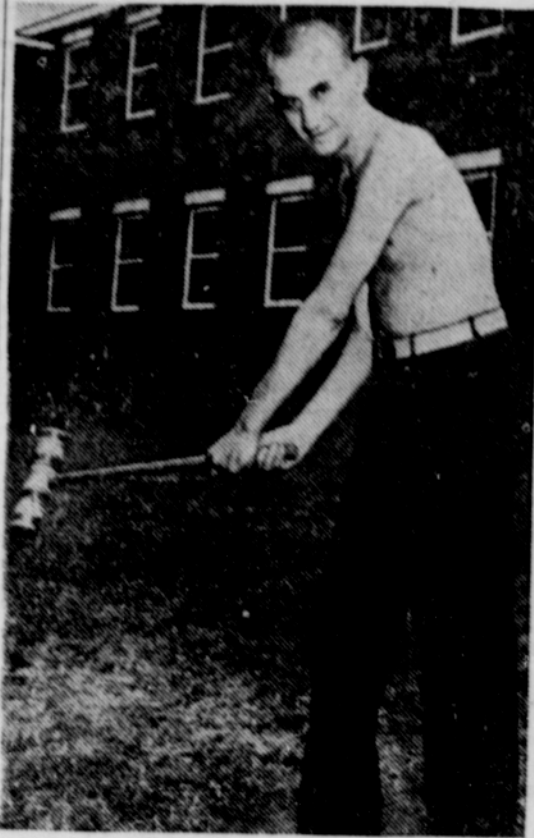
The agreement, hammered out in several intimate talks between Hopkins and Stalin, provided for an immediate meeting by three groups of Polish leaders in Moscow to set up a new Polish government representing all factions. This will include Premier Mikolajczyk of the London government, who has been kept closely informed of all phases of the Kremlin discussions and has approved them.

## CAPITAL TALK

Chicago's Mayor Ed Kelly still runs the most impressive servicemen's center in the world, has taken care of more than 15,000,000 G.I. visitors and served them more than 3,000,000 meals.

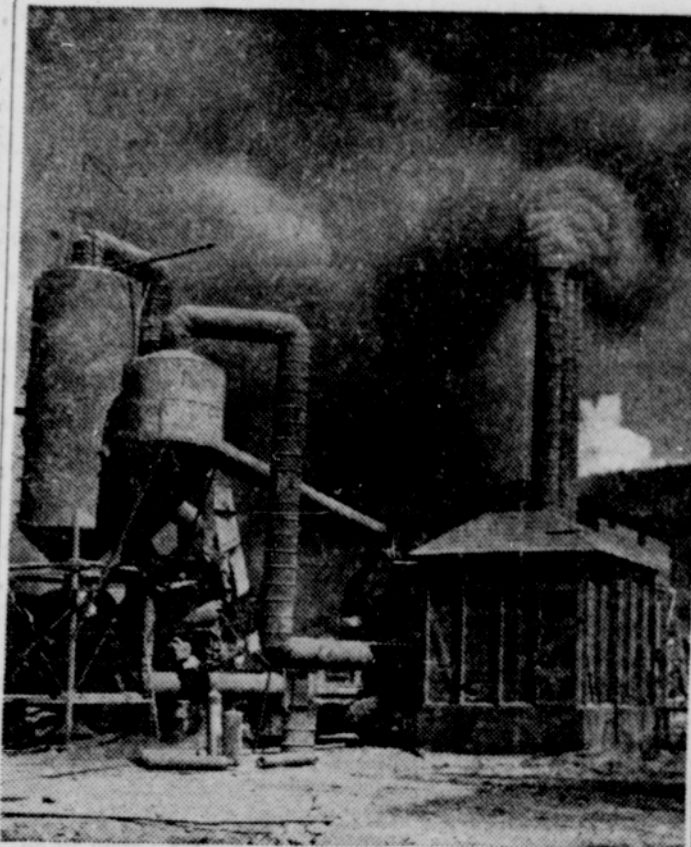
The state and interior departments both have their eyes on the Philippines. State's budget carries a salary allowance for a U. S. ambassador to the Philippines. Interior's budget carries a salary for a high commissioner. If there is independence, there will be an ambassador; if not, a commissioner.

## Returns From a German Prison Grave to Health



You would never think that Pvt. Joseph Demler of Fredonia, Wis., shown above as he appears (left) at the Kennedy General hospital in Memphis, was the same man who is shown at right, a bag of bones, as U. S. troops found him when they captured a German prison camp where he was held. He weighed 70 pounds on March 29, 1945. On June 7 he weighed 124 pounds. He was fed a planned starvation diet while a prisoner.

## Drums Furnish Home and Industrial Convenience



How empty oil drums are being used in the Pacific area is shown by these photos. Left, the drums were used in asphalt plant, as stacks, etc. Center, household use, wash sinks made from drums. Upper right, view of one of the oil drum farms. Lower right, used for barbecue. Other uses include bomb shelters, gateway arches, legs for water tanks, incinerators, sewer pipes and reflectors on light poles.

## Coaches One-Armed Ball Players



Amputees at the Walter Reed hospital, Washington, watch Pete Gray, one-armed ball player of the St. Louis Browns, demonstrate how he can catch a ball, shake off his glove and throw the ball with the greatest of ease. Left to right are: Pvt. Steve Lawrence, T/5 Anthony Motyka, Pfc. Peter Brennan, Sgt. John Gallagher and Cpl. Harry Waters.

## Army's Experimental Helicopter



What the helicopter of tomorrow may look like is pictured by this new army model. Seen in flight in Upper Darby, Pa., it looks like a giant bumble bee with its stubby fuselage. The craft is an experimental model and has been undergoing tests since August, 1944. Early tests indicate that it has merits not found in previous models.

## New Veterans' Head



Gen. Omar Bradley appointed head of the veterans' administration. "If I had a son I would like him to go to Bradley or Ike for advice," the late Ernie Pyle once said. Servicemen are backing the choice.

## Nelson Wins Again



Byron Nelson shown as he won the 72 holes of the \$10,000 Canadian Open Golf tourney. He finished 16 strokes better than Jug McSpaden, the second man.



The HOME TOWN REPORTER in Washington

WALTER A. SHRAD WNU Correspondent

## This Concerns Every Citizen

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WASHINGTON today is a vast stage upon which events of national and international moment crowd themselves with lightning rapidity and with kaleidoscopic clarity. They are events and proposals which have ramifications affecting the lives and destinies, one way or another, not only of our own people in the cities and hometowns in America, but of people everywhere.

And we criticize our congressmen . . . gripe at our governmental agencies freely and often, but, as a matter of fact, it is amazing that with the quickening and increasing tempo of affairs here, the men and women in government keep abreast of the times and the responsibilities with which they are faced as well as they do.

Just within the last few days . . . Victory for the Reciprocal Trade extension in the house and its defeat by a senate committee . . . the overwhelming vote of confidence in world cooperation by the house action of Bretton Woods . . . the streamlining plans for the Veterans administration by General Bradley . . . the President's victory in the Russian empassé at San Francisco . . . the Truman proposal for temporary unemployment compensation during the reconversion era . . . the modernization of the governmental set-up as planned . . . the Murray-Wagner-O'Mahoney full-time employment bill . . . all these are a few examples. And now the Wagner - Murray - Dingle bill which will affect the lives of every man, woman and child in every hometown and rural community in America.

It completely overhauls, enlarges and federalizes the present social security law, bringing under its provisions an additional 15,000,000 farmers, farm laborers, domestic employees, small merchants, professional men and women, seamen and employees of non-profit organizations.

## BILLIONS INVOLVED

The new measure, a bulky, 185-page document, carries with it appropriations which will run into billions of dollars. The section on hospitals and health centers alone calls for \$950,000,000 over a 10-year period. That it will meet with determined opposition is a foregone conclusion, for it attempts to nationalize all provisions of the present act, except medical and public assistance, taking over old age and survivors insurance and unemployment compensation from the states and placing those features exclusively in the hands of the federal government.

Rates to employers are increased from the average of 3 1/4 per cent they are now paying to 4 per cent to finance all the insurance features, and employees would pay approximately 3 per cent more than they are paying under the present law but are given greatly expanded protection.

The farmer is entitled to all the provisions of the bill except unemployment compensation and temporary disability insurance. He would get medical aid, old age and survivors insurance and disability insurance for which he would pay 5 per cent on his net income up to \$3,660. He would make his payments quarterly or semi-annually. If the farmer has a hired hand, he would deduct 5 per cent of his net income for transmittal to the government, and records would be kept through the use of stamps to be issued for the purpose, eliminating any book-keeping.

The same method would be used by the small business man. He would pay on his net income up to \$3,660 at the same rate, and if he has one or more employees not now receiving benefits of the social security law, he would deduct their percentages and issue stamps to the employees to eliminate bookkeeping. In some states from one to eight employees are not now covered by the social security law.

## DOMESTIC HELP AIDED.

Domestic help would come under the same provisions. If you have a maid, a cook, a washwoman, you would deduct the proper percentage from her pay on pay-day and present her with stamps for her book issued for the purpose. Professional men such as doctors, lawyers, dentists, veterinarians etc., also become eligible for the benefits under the law with a cost of 5 per cent on net income up to \$3,660.

Briefly, the provisions of the new bill provide:

1. A program of federal grants and loans for construction of hospitals and health centers especially in rural areas.
2. It broadens the present federal grants - in - aid for public health service up to 75 per cent of amounts expended by the states.
3. Expands the community-wide maternal and child-health and welfare service, the federal government paying up to 75 per cent of amount expended by the states.

# NEWS BEHIND THE NEWS

By PAUL MALLON

Released by Western Newspaper Union.

## WAR EXPERIENCE HAS DEFEATED SOCIALISM

WASHINGTON. — They say Mr. Churchill blundered when he claimed socialism would bring a gestapo to the British, rob the individual of his rights and make him a slave to the state—at least the political experts say it in chorus here and abroad. As they see it Churchill is "the man who won the war" and should have run for reelection on that platform. I wonder.

The very day he spoke, a British-spirited province in Canada voted on socialism. In Ontario, a straight-out socialist movement, called the Cooperative Commonwealth federation, had won astonishing success last time, gaining 34 seats, more than a third of the provincial parliament. The program was government ownership of banks, insurance companies, railways and certain heavy industries. This was to be the new rising political movement of the postwar Canadian world—but it was nipped far below the bud, and, in fact, frost-killed, when the people of industrial Ontario (where labor is strong) cut its power to an insignificant 6 seats in a parliament of 90 votes.

All Canada is furnishing another test of socialism and you can check the results, but if CCF cannot win in the British labor center of Ontario it cannot hope for much anywhere outside the radical far west farming provinces.

In Britain the Labor party leader, Mr. Atlee, answered Churchill directly, defending the theory of socialism against the ideal of private enterprise for private profit. While Churchill may have taken political license with the gestapo deduction, he did not exaggerate the basic issue, which has been laid; "Do you want socialism or free enterprise?"

The war experience of people has not been favorable to socialism. The lack of competition among sellers has destroyed the interests of the consumers today, and government management has nowhere been satisfactory to the people. Unless a buyer can walk out of a store and go to another to purchase what he wants, he can never be protected as to the quality of merchandise he buys or as to price, no matter how much the government regulates it. Every man and woman has found that out to his great discomfort during this war, not from books or propaganda, but out of his own daily experience in living.

Competition is the only thing which protects the consumers, who are all the people. Government ownership and operation is as non-competitive as a trust, a cartel or a business monopoly. Once any single force gets the power of exclusive operation, the buyer must accept the terms. Where competition is most active, the buyer is best protected. Consider the service the public gets on those western railroads where some are bemoaning the parallel lines. It is much better than upon eastern roads which control a monopoly of travel. This is true of the buying of all goods or services. It is true of hotel accommodations, of buying cigarettes, of renting a house or buying a dress. If one power (government or private) owns all the business, or is in control of the operation for any reason, the public interests are not well served. Of course, they attribute our experiences to a shortage of goods or help. That is true, but the economic effect has been the destruction of competition. The consumer could be told what to buy and at how much. He could not get it across the street, cheaper or better.

In my opinion, government ownership is in the public interest only when it is in itself competitive—competing with private interests to serve the public better. Consider the two Canadian railroads, one private and one government owned. The public gets much better service than if the government owned both and railroading became a business of government bureaucracy, having political directors decide policies.

Economically, socialism cannot generate business-like competition. In a competitive economy, a great portion of business develops from the necessity of one concern to get ahead of another. This stimulates interest in products and sells more of them. The very incentive of competition adds to national income. I suspect Churchill (who was never much of a politician) may have seized upon the most popular valid issue he could present. The labor leaders who took up a proposal to go "halfway to communism" have certainly not chosen the best time.