

The Washington Merry-Go-Round

by DREW PEARSON

STEEL CARTEL FILES

WASHINGTON.—Dozens of G.I. investigators have been working since the shooting war stopped to help win another war. This is a war against international big business, which recognized no national boundaries, which used countries only as market divisions for its products, and which at one time aided Hitler, Mussolini and Hirohito just as much as it did France and England.

What the G.I. investigators have uncovered in Germany is a tribute to Nazi thoroughness and to the gullibility of American big business. For what it amounts to is a world plan by which Germany expanded its industrial capacity for war while simultaneously curbing the industrial capacity of this country and other potential enemies.

And the names of the same men who have been dickering with Truman over steel—Ben Fairless, Eugene Grace, et al.—have turned up in European files as part of the cartel which unwittingly played into the hands of the Nazis. It is a story which the leaders of the steel industry would like to forget. But the justice department hasn't forgotten it.

American participation in the steel cartel was decided upon as late as 1937—when there was no longer any doubt regarding Hitler's warlike intentions. By that time he had already invaded the Rhineland, showed his hand by sending arms to Franco, and boasted openly in speech after speech that Germany would dominate Europe.

The steel cartel files, seized in Luxembourg, reveal that S. M. Bash of Bethlehem Steel and A. G. Mundle of U. S. Steel took the initiative in binding their companies to the cartel. Four months later an agreement to divide up world markets was reached.

ANTITRUST ACT

The steel barons were careful about the Sherman antitrust act, however, and the minutes of the June, 1937, meeting reveal that no written agreement regarding U. S. markets was concluded.

In February, 1938, a delegation of European steel men, came to the United States.

"Our representatives," the Luxembourg files showed, "obtained a very clear declaration of responsibility for the agreements from" Messrs. Eugene Grace of Bethlehem Steel, Ben Fairless of U. S. Steel, Rufus Wyrone of Republic Steel, Frank Purnell of Youngstown Sheet and Tube, M. Hackett of Jones and Laughlin Steel, Charles Hook of Armco International, William Holloway of Wheeling Steel, Robert Wolcott of Lukens Steel, and Ernest Weir of the National Steel corporation (Weirton and Great Lakes steel).

Also included in the American group were Inland Steel, Newport Rolling Mills, Pittsburgh Steel, Otis, and the Allan Wood company.

RACE FOR WAR

What the steel barons agreed to was not only a division of markets but arrangements for price-maintenance. Quotas were set regarding the total production of each participating company, with fines levied against the firm if it exceeded its quota.

However, here is the pay-off. The Germans always exceeded their quotas, after which they politely paid their fines and then kept on speeding their output of steel in the race for war. Meanwhile, American and British firms stayed within their quotas and kept down their war machine.

In contrast with the Germans, American firms, when they exceeded their quotas, were contrite and apologetic. For instance, here is an item from the steel cartel minutes of April 18, 1939, which read:

"In regard to a recent shipment by the American group to Belgium, i.e., a home market, the American representative stated that he was taking this matter up with his group in order to avoid a recurrence."

How the cartel worked is also illustrated by a cable sent by Eugene Grace of Bethlehem Steel to Sir Charles Wright in London, dated January 12, 1939, which read:

"Glad to have your message and talk with Elliot. I feel sure there will be no question about performance of member companies. Our only difficulty will come from outside and uncontrolled interests. It will be our hope to protect prices and bring all influence possible on uncontrolled interests."

CAPITAL CHAFF

Bob Hannegan will soon launch an all-out drive to get the President's legislation program passed on Capitol Hill. Hannegan's first target will be the minimum wage bill increasing minimum wages to 65 cents an hour. . . . President Truman has begun a major shake-up of the White House staff. The first to go was George Allen who becomes an RFC director. Next will be another Mississippian, the President's naval aid, Capt. James Vardaman Jr., who will become a member of the Federal Reserve board.

Veterans' SERVICE BUREAU

EDITOR'S NOTE: This newspaper, through special arrangement with the Washington Bureau of Western Newspaper Union at 1616 Eye Street, N. W., Washington, D. C., is able to bring readers this weekly column on problems of the veteran and serviceman and his family. Questions may be addressed to the above Bureau and they will be answered in a subsequent column. No replies can be made direct by mail, but only in the column which will appear in this newspaper regularly.

Administration Problems

While the Veterans' administration is still several weeks behind on various phases of its work, it has made tremendous headway during the past two months towards keeping its business current, according to Gen. Omar N. Bradley, director.

This tremendous agency is now handling the insurance, job training, farm, home and business loans, pensions and other features of veterans' benefits for more than 13 million veterans and a potential business of 20 million veterans.

To do this job it is short of office help, in medical help and in staffing its hospitals. Here are a few statistics as of February 1 showing how far behind schedule the administration is on handling its business—out of 500,000 applications for training under servicemen's readjustment act, 91,176 are in training, 258,781 have been declared eligible and the balance are pending; on insurance, the department is about 20 days behind and is now handling direct premium payments on 1,073,712 policies with 10,357,788 policies being paid by allotment; there are more than 2,000,000 disability claims on file with 1,567,000 adjudicated, 1,038,000 allowed and 458,000 pending.

This office has received scores of letters asking when they will receive pensions, when they will receive subsistence checks. To all such inquiries we can only advise patience, since we believe the VA is doing all it can under the circumstances.

Questions and Answers

Q. I have a brother in the army in Italy. He has been overseas 13 months. His parents are 65 years of age and have no one at home with them. Would it be possible to get him discharged because of his parents' age and health? If so, where would I write for particulars?—A reader, East Lake, Minn.

A. Application for a "hardship" discharge must be filed by the soldier with his commanding officer. It might help if the parents also filed all particulars with their local Red Cross, since the army asks the Red Cross to investigate the case eventually.

Q. Where would a person find out the details as to where wives of servicemen overseas are able to make application for transportation to Japan when they are permitted to join their husbands?—Mrs. L. W., Omaha, Neb.

A. The war department says all such applications must originate with the soldier who files his application with his commanding officer.

Q. I would appreciate receiving information concerning civilian occupations which may be comparable to assignments held by officers while in service, particularly that of adjutant.—C. R. F., Long Branch, N. J.

A. Your nearest office of the United States Employment service will have a list of occupations available.

Q. My husband was a World War I veteran. I filled out a blank for pension December 14, 1945. Do you know how long before I will get it? Will I get \$45? How much will my two boys get, one 16, the other 14 years old?—Mrs. P. S., Lilbourn, Mo.

A. You do not give sufficient information. If your husband's death was service-connected, you might get \$50, plus \$15 for the first child and \$13 for each additional minor child; if not service-connected, \$35 plus \$10 for the first and \$5 for each additional child. If you have filed your claim and given all particulars, the Veterans' administration will determine the correct amount in due time.

Q. I am a disabled veteran of World War I with a 15 per cent disability rating. Due to this disability and heart ailment, am unable to work. How can I get this rating raised? It was granted in 1928.—W. J. E., Columbia City, Ind.

A. The VA says you should make application to the regional office where your original rating was granted for a re-examination. If the rating board says you are entitled to an increased disability rating, it will be granted.

Q. I have a son who has been in the army signal corps almost 33 months and my wife and I are all alone on a large farm. We would like to know if there is a possible chance of him getting home this spring, or if we could try to get him home?—H. S. B., Carlton, Minn.

A. I would say there is a good chance for him to be home this spring, since General Eisenhower has said all men with 30 months' service as of April 20, or with 45 points, will be home or on their way home by April 30 this year.



VETERANS MAKE KNOWN THEIR BONUS DEMANDS . . . A shouting but orderly crowd march upon the Ohio capital at Columbus, to demand special legislation for soldier bonus, unemployment compensation for strikers and homes for veterans. Marches on other state capitals is also in progress, while the nation's capital is receiving attention of Chicago veterans demanding the right to operate taxis in the Windy City. The marches have been more orderly than those following World War I, with final outcome still in doubt.



DREAM OF SHANGRI-LA WAC COMES TRUE . . . When a C-47 army transport plane crashed in Shangri-La, hidden valley in Dutch New Guinea, last spring, WAC Cpl. Margaret Hastings, Oswego, N. Y., one of the three survivors, captured the imagination of the world. At left, she is shown shortly after her rescue. Other photographs indicate the extent of her reconversion job, after a few shopping days spent in New York City. Her Shangri-La dream came true.



PAPER DOLL . . . Ericka Hanka Gorecka, New York City, makes paper dolls for department stores. They are life size and usually represent some modern personality or character of the gay nineties or "bicycle built for two" era. This is all done with paper and scissors by Miss Gorecka.



TALL BOXER . . . Trainer Mickey Woods, former lightweight wrestling champ, looks up at Ted Evans, 7 feet, 5 inches, Britain's newest hope of winning the world's heavyweight boxing title. Evans weighs 300 pounds.



JAPANESE IMPERIAL FAMILY RAISES CHICKENS . . . This rare photo shows members of the Japanese Imperial family as they feed some of the palace chickens, maintained on the grounds during the war for family use. They are, left to right, Princess Takanimiya, 18; Princess Suganomiya, 8; Princess Yonomiya, 18, and Empress Nagako, 43.



SWEDISH LAWMAKERS KEEP IN TRIM . . . By way of keeping themselves in good physical condition, members of the Swedish Riksdag (Parliament) have started their own gymnastic club. Above you see some of the members going through their paces. The oldest, Gustaf Hillbacken, in winning floor arguments

NEWS BEHIND THE NEWS

By PAUL MALLON

Released by Western Newspaper Union.

STASSEN DUE TO LEAD PRESIDENTIAL POLLS

WASHINGTON.—Politics is warming up. The young men and women are coming back from foreign fields plainly displeased at the way things are going. Some tell me Uncle Sam is known in many foreign nations as "Uncle Sugar." They tell of waste, inefficiency, or throwing our money around, and talk of getting into politics. The ballot lists this fall will contain a lot of veterans who think they can do something in congress, if they get home in time. Certainly the group displeasure of this 12 million voting mass, now fairly well congealed in ideas, threatens a complete overturn of existing legislative personalities—if not the whole political complexion of affairs.



Dewey

REPUBLICANS ORGANIZE FOR CONGRESS SEATS

Scenting opportunity, the Republicans are getting busy. The national committee has, for the first time, assumed responsibility in the congressional campaign (committees of congressmen usually head the effort). The staff at headquarters has been about trebled to create 11 departments, one of which has started a monthly newspaper with a circulation to date of 230,000. A state quota system of raising money (like the Red Cross) has been started, and a small contributions mail campaign has been launched, in order to take financing away from the gentlemen of bulk contributions, known in the political trade as "fat cats."

All this has been done by Governor Dewey's man, Herbert Brownell Jr., the committee chairman, who says his drive is to "elect a Republican congress."

I hear, incidentally, Dewey has told friends he is not in the running for 1948. He points out to them that Republicans have never in history nominated a defeated candidate, which was news to me. Dewey would like the nomination apparently, but does not expect it. Personally I expect much will rest on whether he is re-elected governor this year. Last time he won against a split, and it is possible he will have more formidable opposition this time. If he wins, it will be said no one could have beaten Roosevelt in a war year, and he will be back in the running.



Bricker

SUPPORT BEING GIVEN STASSEN CAMPAIGN

The Stassen grasp for leadership is finding form, in the way of organization and money. A St. Paul man is on the road traveling for him. The same man was high in the Willkie entourage, and there are further indications that the New York crowd which backed Willkie already has its hand in pocket for the former Minnesota governor to be next President. They have been conspicuous at the speakers tables where Stassen spoke. A weekly magazine has published a report that the ex-Lord and Taylor executive, Walter Hoving, who was active in the last Dewey headquarters, will eventually play Hanna for Stassen. The Cowles brothers, publishers, appear to be running the invisible bandwagon so far, particularly brother Mike in Iowa. My Republican sources say he has been hiring people.

All this inside activity has caused many who have observed it to surmise that Stassen will keep on his speaking tours (he has not yet taken a job that I have heard), the organizing will increase in tempo and when the Gallup polls start, Stassen will be on top. Many think he will remain there.

My own opinion is he will have his main trouble keeping in the limelight without a political office, now that he has started so early. Willkie killed himself doing it.

Bricker is a good bet to come to the senate this year, the in-knowing Republicans agree. With Stassen he is at the top of private party polls now. His '44 difficulty was that he tried to run a campaign with Ohio friends who had not been active in politics. The Dewey people had the New York know-how. With the best of publicity success in his senate race or later in that forum, his chances will depend on whether he can get an organization to match the one now quickly congealing behind Stassen—or which Dewey may set up if events this year warrant.