

SCANNING THE WEEK'S NEWS of Main Street and the World

"Cease-Fire" Talks Should Follow Unusual Pattern of Korean Events

PEACE—LIKE THE WAR—PUZZLING—With the confusing Korean conflict little more than a year old, the prospects for peace suddenly became brighter than ever. For the average citizen on the Main streets of America, however, the promise and the possibilities of an end to hostilities seemed just about as puzzling as ever.

American government and military leaders at first took a dim view of the "feelings" for cease-fire negotiations. With understandable caution, they mistrusted the sincerity and purpose of Red China and those pulling the strings of the puppet from behind. But UN and American leaders would not miss a chance for a just peace. Truman sounded the keynote: "We are ready (to negotiate), as we have always been."

As America, and then the world, watched with abated breath, the peace campaign followed the pattern of war—aggressiveness and then reticence on both sides. Appropriately enough, thin-lipped Jacob Malik made the first overture—suggesting a cease-fire and withdrawal behind the famed 38th parallel as the "first step." After some half-silent political parrying, negotiations began through normal diplomatic channels in Washington and Moscow. Then wires hummed between Tokyo, Peiping and Pyongyang.

Anxious to save lives, Ridgway declared himself ready to talk to the Reds as early as July 5th. They, however, wanted a preliminary meeting on the 8th and a meeting of the top brass later. Ridgway concurred, and the first meeting was held in a once-rich home in the "no-man's-land" of Kaesong. The UN sent three colonels, one a South Korean. The Reds dispatched a like number, but included "receptive personnel."

The first meeting, merely a preparing for the real negotiations, was tense, and held in utmost secrecy. American officers returned tight-lipped to their stations, but said the meeting had been "harmonious."

Tuesday the top brass began to get at the core of things. As they did, American officials pointed out to the folks at home that a cease-fire order would not be an assurance of peace, and that the approach to this one seemed fraught with trickery. The statement, intended, no doubt, to ward off optimism, was not necessary.

Generally, the American belief was that the Communists wanted to quieten the Korean scene in advance of a new outbreak somewhere else. The only optimists were those who thought the quest for a cease-fire meant the Russians were desirous of shifting main efforts to the diplomatic struggle in Moscow to get in line for his job, and so the Reds needed more time to devote to the home front. One of the most logical ideas was that Red China wanted out while it still could "save face" and say it had not lost the war. Factually there was less truth than speculation everywhere. Only the Reds knew why the peace movement originated.

Keener U.S. observers marked the week the beginning of peace in Korea. Yet, they were quick to point out that, if peace comes, the hypochondriac world would be rid of one headache, and then could turn attention to many other ailments. A peace in Korea might be fuel for a colder war.



Joy That Is Real, If Premature

Patients at a hospital in Korea let their spirits rise after word of the possible "cease-fire" negotiations reached them, hoist nurse upon their shoulders. For most of them, the war is already over—their joy is for comrades on the front lines.

SHIFT INTO REVERSE—As the anxious world watched the move for peace in Korea, the business world reluctantly checked reverse gears to see if it was in working order.

Business analysts knew that cessation of hostilities would lessen the feeling of urgency and military spending would fall short of projected plans. Once the last shot had echoed in Korea, business could expect two things. First, the government would drastically cut down on quantities ordered. World War II stockpiles taught Washington a lesson. Second, delivery dates would be strung out over longer periods, with a few "rush" orders.

Future policy of business: to cease producing all-out and still remain ready for all-out production.

INFLATION PROFILE—During the year of Korean war, wholesale prices increased 20 per cent; retail prices about 10 per cent. Although restrictive measures had curbed the rise, and even dropped a few items down, defense spending and cutbacks in civilian production point to a strong inflationary trend, unless strong controls are applied.

Price director Michael Di Salle faced newsmen with these words, "We will need every bit of price control we have had" to combat inflation. He pledged to keep up the fight for more and stronger controls, said the public was beginning to get on the controls bandwagon.

IN THIS CORNER—While Di Salle spoke to the newsmen, congressmen on the hill were getting squared away for their own battle royal over prices and controls.

The administration was fighting gamely uphill, with two major sore spots: (1) An amendment sponsored by the agriculture committee to prohibit all price rollbacks on farm products, rescinding even the live beef cut of 10 per cent already in effect. (2) A proposal by the labor committee to revise the makeup of the wage stabilization board so as to give public members control and to take away WSB's authority to handle labor disputes.

UNDAUNTED DEFENSE—The President's trouble-shooter, W. Averell Harriman, spoke in support of the President's \$3.5 billion dollar foreign aid program, warned congress that any relaxation now in the defense program "can lead only to disaster."

THE OTHER WAR—As the world watched for peace in Korea, President Truman called on congress to end the state of war with Germany, now nine-and-one-half years old. As he made the request, Britain, Australia and New Zealand ended their state of war with the Germans, and Canada and France were expected to follow suit shortly. India had done so on the first day of the year.

The moves were a definite attempt to bring the German people back into membership among the nations of the free world. Coming at such a time, however, the action seemed part of the jig saw puzzle that is our world of today. Wars, peace, and rumors of both.

LEST WE FORGET—And still another sign of the times came from Washington with the announcement that the U.S., Australia, and New Zealand have worked out a defense treaty. Uncle Sam is not forgetting the Pacific area.

The treaty, which will go unsigned until the Japanese peace treaty in San Francisco two months hence, is expected to state that the United States will consider an attack on Australia and New Zealand from any quarter dangerous to the peace and security of this country. The treaty might well be the nucleus of a future pact embracing all of the Pacific area.

DOWN ON THE FARM

Belief That Truce Not a Cure-All

Speaking at Louisville, Allan B. Kline, president of the American Farm Bureau Federation, said that truce in Korea would not be an immediate cure for all problems.

Kline told a general session of the Southern Farm Bureau Training School that the country had two main objectives—to avoid a third world war and preserve the American way of life.

The farm chief said that the American way is based on "individual initiative with appropriate rewards."

"Inflation has yet to be controlled," he said, "if our way is to be preserved. Even if there is a third world war, we might lose it if we devise a program we can't pay for." He said the bureau favors pay-as-go taxation.

DOING BUSINESS ON MAIN STREET

—A Weekly Newsletter

PRICE CEILINGS

● Stores along Main street and elsewhere are operating under a stop-gap controls law, but nevertheless under price controls. The 31-day extension of the act by congress did not affect many orders of Office of Price Administration. For instance, all merchants pricing under CPR 7, MUST as of July 1 have each item marked with its selling price and MUST display prominently a large sign which tells customers that the store is selling no article higher than OPS ceiling prices. Also, OPS said present slaughter quotas on beef are still in effect; that for firms which were to price under orders CPR 22, CPR 30, CPR 37, CPR 41, CPR 45, and CPR 18, which ceilings were to be effective July 2, prices on these articles are now frozen as of June 30, 1951 until further orders from OPS.

● Charles E. Wilson, boss defense mobilizer, in quarterly report to the President, said: "No one in this nation believes more firmly in our free economy than I do. No one has less liking for controls. But during the defense period, we cannot permit economic forces to operate with their normal freedom. He declared a COMPLETELY FREE ECONOMY IN THIS PERIOD WOULD CAUSE HARDSHIPS AND INEQUITIES MANY TIMES MORE SERIOUS THAN THOSE CREATED BY CONTROLS. He said: "defense mobilization program must and will continue whether or not fighting stops in Korea."

QUARTERLY REPORTS

● Federal Trade Commission first quarter report for 1951 showed manufacturing corporation profits down 8 per cent from 1950 fourth quarter profits, although sales reached all-time peak. Net manufacturing corporation profits, after taxes for first quarter were \$3.3 billions, but despite the 8 per cent decline were 36 per cent above first quarter of 1950. Net sales of manufacturers set a new record of \$53.1 billion for the quarter.

● ONLY SMALLEST SIZE CORPORATIONS SHOWED INCREASE ON STOCKHOLDERS EQUITY. THE SMALLEST SIZE WITH ASSETS UNDER \$250,000 INCREASED FROM 8 PER CENT IN FOURTH QUARTER OF 1950 TO 14.4 PER CENT FOR 1951 FIRST QUARTER.

● Federal Reserve Board report for May and June indicated value of retail sales is being maintained after a considerable decline from January to April. Sales of household durable goods decreased further, while apparel and other soft goods increased. Automotive dealer sales showed little change. June department store sales kept pace with May, while department store stocks were about 30 per cent above a year ago.

● General level of wholesale commodity prices has changed little since mid-May. Prices of grains, fats and oils, cotton gray goods, wool, and tin have declined and a 14-cent reduction in price of rubber to 52 cents a pound was effective July 1. Some carpet manufacturers have reduced prices as much as 11 per cent, but prices of hard floor coverings, in contrast, have been raised further.

— Prepared by the Washington Bureau of WNU Features.

ARMED SERVICES

QUESTION BOX

(Send your questions about the armed forces or any aspect of military service to: Walter Sheard, Armed Services Question Box, 1057 National Press Building, Washington 4, D.C. Answers will be given in this column.)

IN order to be considered full-time students under the GI Bill, veterans in trade and industrial schools must now attend class at least 30 hours per week, the veterans administration has said. This new requirement, adding five hours to the previous time, did not become effective until recently, although Public Law 610, of which is a part, was enacted by congress nearly a year ago. Only full-time students are entitled to full rates of subsistence pay, which range from \$75 to \$120 a month.

Savings of several million dollars a year on personnel travel costs are expected to accrue to the government as a result of recent agreements between the department of defense and representatives of rail, motor, air, and water carriers in the continental United States. These agreements cover all passenger traffic of the military services traveling on government transportation requests over a majority of the nation's rail, bus, scheduled and non-scheduled airlines, and certain water carriers.

Q. I am an automobile dealer. When veterans come in for cars which they claim are essential to their jobs, what should I tell them about getting GI loans to finance their purchases? G.L.S., Forestville, Md.

A. You should tell them first to find a lender and come to an agreement as to terms of the loan. Veterans, in most cases, need not visit their VA offices because the lenders are generally able to handle the entire process. VA cannot, however, approve car loans unless the auto is essential to the conduct of the veteran's business.

Q. I have an NSLI policy. What would happen to it if I were to die during the 31-day grace period, owing VA for a month's premium? A.G., Albuquerque, New Mexico.

A. Full settlement would be made to your beneficiaries, except for a deduction of any unpaid monthly premium, because the insurance remains in force during the grace period.

Q. I quit school some time ago under the GI Bill because of unsatisfactory progress. I would like to start in again before the July 25 cut-off date. What must I do? J.S.B., Owensville, Ky.

A. You must establish the fact that the unsatisfactory progress was not due to your own misconduct or negligence or lack of application and you must also undergo advisement and guidance so that VA can determine whether you have a good chance of successfully completing the course you now want to take.

Q. Does the July 25 cut-off date apply to World War II veterans? E.B.W., Russellville, Ala.

A. No. The cut-off date, with a few exceptions, does apply to those discharged from service on or before July 25, 1947.

New Compass Issued Forces in Korea

American forces in Korea have received two new types of compasses designed to assist ground forces in reconnaissance and navigation, and for aiding forward observers in directing fire control, the department of the army has announced. These new instruments are able to withstand the most severe conditions of combat for a long time, and are an improvement over the type used during World War II.

In the first year of military operations in Korea the military sea transportation service of the department of defense carried to the Far East more than 90 per cent of all United States military supplies, nearly all American personnel involved, and troops of seven United Nations members. The service is operated by the navy and was formally organized less than nine months prior to the start of hostilities in Korea.



TAKES PRICE PROBLEM TO SHOPPERS . . . U.S. Economic Stabilizer Eric Johnston and manager of a New York food store, Caesar Ottolina (right), confer in the latter's store as Johnston discusses price rollbacks with interested customers. Johnston warned that a ban on price rollbacks in the new controls law would add a dollar a day to every household budget. Strongly backed by President Truman, Johnston made his plea for strong wage-price legislation as an unfriendly house opened debate on an amendment-riddled controls bill that the administration feared would hamper the inflation fight.



NEWARK BLAST LOOKS LIKE A-BOMB EXPLOSION . . . An aerial view of the spectacular fire in Newark, N. J., as one of the tanks of the Warren Propane Company goes up in an explosion resembles that of a miniature atom bomb. Some of the unexploded gas and oil tanks are in the foreground. All were expected to blow. The city of Newark may be seen behind the smoke pall created by the burning propane. The fire raged for many hours and cost approximately five million dollars. All available Newark fire fighting equipment was put to work to combat the flames and the fighters had to call in helpers from New York City.



VEEP'S GIRLS OFF FOR EUROPE . . . The Misses Jane and Anne Hadley, stepdaughters of Vice-President Alben Barkley, wave just before they sail for Europe on the S.S. Veendam. The two girls are members of a group of students from the University of North Carolina, Chapel Hill, N.C., going over to see how the other half of the world lives. They will spend several weeks in European cities before returning to the United States.



GREASY THUMB'S SON . . . Charles Guzik, son of reputed gang boss, Jake, sneaks into Chicago with a handkerchief over his face and a snarl for reporters after release from Phoenix jail on \$87,500 bond on vice den charges.



AVIATION ACHIEVEMENT . . . Douglas Rocket is carried to height of 35,000 feet above Murco, Calif., by another plane, a B-29 bomber, and dropped for successful assault on all known speed and altitude records. Craft was suspended from the belly of the B-29 and carried from Edwards air force base. The Douglas Rocket was flown by test pilot Bill Bridgeman. After release from the bomber, he flew plane at undisclosed heights and speed.



MALIK'S DAUGHTER . . . Svetlana, 7, daughter of Yakov Malik, Soviet U.N. delegate, is carried aboard the S. S. Gripsholm in New York as she sailed with her parents for Russia. Malik is going home for a vacation and convalescence.