

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

Threat of Inflation Increases As Price Index Hits a New High

INFLATION THREAT—With the government's report that the consumers' price index rose to a record level last month, the dangers of inflation took first place in the week's news.

The bureau of labor statistics reported the index figure went from 185.2 to 185.5. This means the retail prices of goods and services bought by moderate-income families averaged 85.5 per cent higher than the average between 1935 and 1939. This is 9 per cent above the level before the Korean war.

It also means that more than 3,000,000 workers who have cost-of-living escalator clauses in their contracts will receive automatic raises of approximately 1 cent per hour.

Industry member of the wage stabilization board, who recently approved escalator clauses in union contracts, warned when the new index figures were announced that the arrangement is not based on sound economic principles. "Putting all workers, manufacturers, farmers and merchants on escalation may easily prove the first step to national bankruptcy," the group warned.

The average home towner seems to have the feeling that runaway inflation is dangerously near. If each group in the nation's economy continues trying to get ahead of every other, then the economic situation may explode into a mad race that can lead to ruin.

Food and rent prices are credited with pushing the index figures to the new high. Food prices averaged 12.1 per cent higher than in June, 1950, just before the Korean war. There are indications of further increases. Large dealers are reported demanding boosts of 1 to 6 cents an item for well known brands of flour, breakfast cereals, canned fruit and vegetables, vinegar, mayonnaise and spaghetti.

PRICE CONTROLS—While the average home towner views the price picture with increasing fear, President Truman asked congress for three major changes in the new price controls law.

The President asked repeal of: (1) The provision requiring that price ceilings reflect rises in business costs that have occurred since Korea. ("An economic booby trap," Truman called it.); (2) The amendment giving wholesalers and retailers their customary percentage markups; (3) The amendment banning the OPS livestock-slaughter quotas, under which each slaughterer was told how many animals he could handle.

No one can predict how congress will react to the President's requests, but the average small town American, whatever his political views and his beliefs concerning the cause of higher prices, wants something done about it. He realizes the nation is in as much danger today from its internal economic picture as from external enemies; he feels it is time for personal interests and politics to take a back seat to the nation's welfare.

WESTERN POLITICS—Democratic party representatives from 15 midwest states, as far east as Ohio and as far west as Wyoming, the great farm belt that came to President Truman's rescue in 1948, met at French Lick, Ind., to discuss possibilities for 1952. Their conclusions were startling to the average home towner.

Briefly, they concluded that President Truman will be a candidate for reelection and that he can defeat Sen. Robert Taft. Should Gen. Eisenhower seek the office he could have had in 1948, then Mr. Truman's chances would not be so good.

As a basis for these startling conclusions, the democratic leaders believe the President would get a large farm vote as he did in 1948 because farm prices have been high during his administration. A continued high level of domestic prosperity without inflation would also add to his chances, they concluded.

They also pointed out that Truman was denied New York's 47 electoral votes by the candidacy of Henry A. Wallace and those of four southern states by the Dixiecrats. This is unlikely in the 1952 campaign. The big question, of course, is Gen. Eisenhower. The general is a midwesterner, and it would not be difficult to sell a national hero to the people in the home towns.

THE NEW FEAR—The latest news from Korea would indicate the Chinese Communists are beset with a new fear, that of world condemnation for breaking off the Kaesong peace talks. It is the only reasonable conclusion since the Reds announced the talks can continue if the Allies will admit a plane tried to murder the Communist delegates by dropping explosive bombs and jelled gasoline near their quarters.

Gen. Matthew B. Ridgway, who previously rejected their charge as a fake and a fraud, is unlikely to accede to their demand. Ridgway has informed the Reds that their neutrality-violation charges are nothing more than malicious lies, deliberately manufactured for propaganda effect and unworthy of reply.

As long as both parties maintain this attitude there is little hope for a resumption of talks. And even if they should be resumed, other incidents will be manufactured by the Reds to further their propaganda aims. Peace in Korea will not be restored until one side or the other is thoroughly and completely defeated.

JAPANESE TREATY—On Tuesday 34 nations gathered at San Francisco to sign the proposed peace treaty with Japan. Russia is represented, but no one expects her to sign the document which is sponsored by the United States. To the contrary, she will do everything in her power to wreck the treaty negotiations and eventually will present her own versions of a pact.

The big news as the conference opened was India's boycott of the meeting. That country's denunciation of the treaty was in direct line with Moscow propaganda and will have many repercussions in this nation's foreign aid program. It may lead to a tougher U.S. policy toward India and a reduction in aid given her in recent months. It may also mean that a number of other countries will suffer as a direct result of India's stand.

From now until the conference closes, the people in the home towns of the country can expect a flood of Soviet propaganda against the treaty. In fact, one of the greatest propaganda slanders the world has ever seen is about to begin.



Eva Peron, wife of President Juan Peron of Argentina, often called the most powerful woman in the world, has been nominated to be her husband's running mate as Vice-President in the November 11 elections. The election is only a formality under Argentina's dictatorship. She would be the first woman in history to hold such a high office in the Americas.

THIS IS CHINA

Peiping Demands Life Data on Everyone

The Communists in China have demanded a combination confession and autobiography for millions of persons in the country whom the Reds find necessary to re-educate in the new attitudes of Chinese communism. It is a complete record and reputation of the past life of the individuals concerned.

The document serves as a domestic passport that must be produced whenever the possessor seeks a new job, wants to move from one part of the country to another, or from some other reason, comes under official scrutiny.

The person under examination may have made money on the stock market or gone to a U.S. university. Whatever it is, these must be confessed and branded as bad and wrong.

DOING BUSINESS ON MAIN STREET ---A Weekly Newsletter

For benefit of consumers who patronize Main Street business firms, smart shoppers will buy needs now, this month and next. Reason: under new controls act prices will be higher than under 1950 laws. New regulations will permit retailers and wholesalers their customary markups in margins, but based on higher prices from manufacturers. In a couple of months prices are bound to be higher for household durables. With higher prices will come another flood of wage increases. New regulations permit wages to catch up with living costs. There goes the inflation spiral again.

MAIN STREET WAS NOT REPRESENTED

Main Street business apparently was not represented when congress considered new controls. This applies to retail business especially. In areas where wages are tied to cost of living indexes, consumers may grumble, but can get by. In small towns, however, where wages are comparatively static and there is, or has been terrific slide in farm incomes, retail merchants may be forced to cut profit margins to bone or consumers will not be able to meet price increases. This means lower living standards for Main Street consumer and the Main Street businessman.

Of interest to small business, particularly to small manufacturers, is "pricing practices bill" passed by the senate. Nowhere is reference made to "basing points", "freight absorption" or "delivered price." This bill is effort to nullify U. S. supreme court decisions on "basing points" case and scuttle Robinson-Patman act, considered bulwark of small business against monopolies.

KEFAUVER LED FIGHT AGAINST PRICING BILL

Sen. Estes Kefauver, who led the fight against the bill, declared: THE BILL IS A FURTHER EFFORT PRESENTED ON BEHALF OF CERTAIN MONOPOLISTIC INTERESTS TO WEAKEN THE ANTI-TRUST LAWS OF THE NATION, TO SCUTTLE COMPLETELY THE ROBINSON-PATMAN ACT, TO MAKE POSSIBLE THE ESTABLISHING OF A MULTIPLE BASING POINT SYSTEM AND TO ENABLE LARGE SUPPLIERS TO DISCRIMINATE IN FAVOR OF LARGE PURCHASERS, TO THE DETRIMENT AND DESTRUCTION OF SMALL BUSINESS.

REFUSES TO SLASH AGRICULTURE FUNDS

Despite bi-partisan move led by Douglas and Dirksen of Illinois, senate refused to cut materially appropriations for department of agriculture. Senate authorized \$120,832,000 more than the house approved, or total of \$1,098,578,130. Dirksen and Douglas sought to slash conservation, crop insurance, production and subsistence loans by several millions.

ARMED SERVICES QUESTION BOX

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

AIR national guard fighter squadrons are now being equipped with improved, later model aircraft. All squadrons in the continental United States now flying F-47 Thunderbolts, a conventional fighter used during World War II, will be equipped with modernized F-51 Mustangs. Under the present schedule, the conversion should be completed by the end of field training this fall. It is planned that eventually the Air Guard will be entirely equipped with jet aircraft. Most of the squadrons which had already converted to jets were among those called to active duty following the outbreak of the Korean conflict.

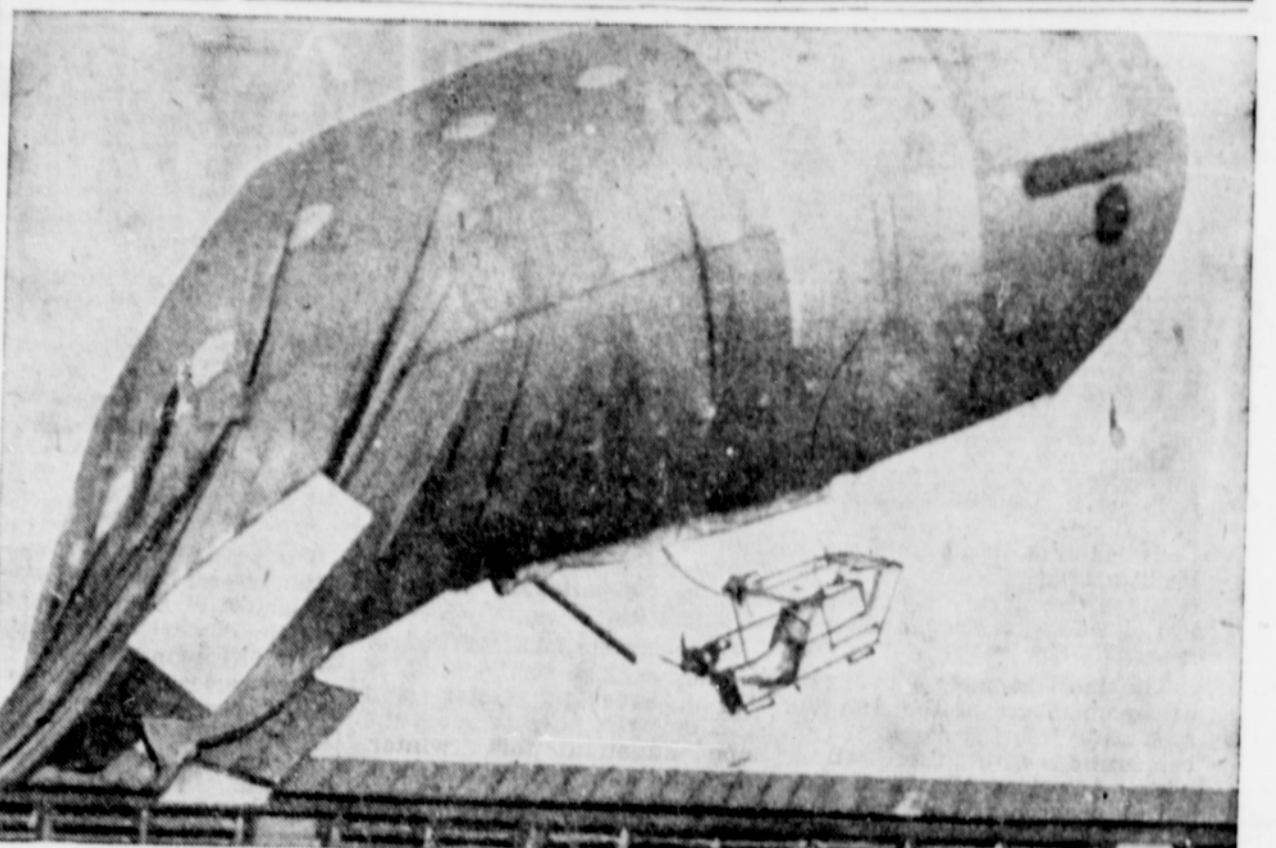
A rapid cure for malaria may be provided by a new drug, primaquine, now being tested extensively in the field, the army has said. Tests already conducted indicate that primaquine may be a far more effective treatment for malaria than any other drug now in use. If field tests of the drug prove satisfactory, its use should greatly accelerate the recovery of military personnel returning from Korea who have contracted malaria in that country. However, further research is necessary to determine whether it will prove as effective against the strain of malaria found in Korea as it has against experimental strains.

Q. My husband joined the S.A.T.C. in Louisville, Ky., in 1918 and was in at the end of the war. He died in November, 1937. I am now almost 70 years of age and need an income.

Three New Officer Schools to Open Soon

Three new officer candidate schools will soon begin operations as part of a plan to increase opportunities for qualified personnel from both military and civilian life to obtain commissions in the army. The new courses will be offered at the engineer school, Fort Belvoir, Virginia; the signal school, Fort Monmouth, New Jersey; and the armored school, Fort Knox, Kentucky. Courses will be five months long. The officer candidate program is soon scheduled to produce 8,000 officers annually.

The army has recently announced the production of a new armored personnel carrier which will take infantrymen to the front lines along with the tanks, while giving protection from small arms fire and shell fragments. The new carrier is designated the T18E1, and was developed by the army ordnance corps.



R.A.F. BLIMP COMES TO GRIEF... The "Bournemouth," an airship of the Royal Air Force, is shown with its shattered tail entangled in the roof of the R.A.F. station gymnasium at Cardington, England. The big gas bag had been making only its second flight when a trailing rope caught in the roof of the building and dragged the blimp down. Among the occupants of the unlucky craft was Lord Venry, who managed to crawl to safety with crewmen of the big ship along the roof of the gymnasium and then to the ground. Because of the hazard of the escaping hydrogen, smoking was banned for a quarter mile radius.



WARM WELCOME... Five young eastern Europeans, who became the first aliens to be sworn into the U.S. army under the new alien enlistment act, are greeted by Lt. Eugene C. Egg, commanding officer of the alien enlistment section, at the 7720th EUCOM replacement depot, Sonthofen, Germany. They will be sent to the United States for basic training and then classified as to military occupations and assigned to the various military units of the army throughout the world. The five new enlistees include two Czechoslovakians, a Russian, a Hungarian, and a Ukrainian. The new law gives foreigners the chance to fight for freedom in our forces.



UNUSUAL PHOTO... This picture, which appeared in the Ashland (Ky.) Independent, was represented to the newspaper as an actual photograph taken in sky over Korea. A Chicago man was taking a photo of an American and Red plane in a fight. He sent the picture back to a relative in Chicago and a neighbor sent it to a brother in Ashland. Demand for the issue carrying the picture was so great it was sold out. The issue was repeated and it too was sold out.



AMERICA'S WHEATHEART... Miss Liberal, Kansas, Bette Renick, wears banner, "Wheatheart of the Nation, 1951," after she won title at 32nd annual birthday celebration in Perrytown. She wins an expense-paid trip to Havana, Cuba.



BABY BORN IN NIGHT CLUB... Margaret Barstow, Ciro's Sunset Strip night club hat check girl, created quite a stir recently when she gave birth to a baby right on the premises. The former A.A.U. swimming champion had a baby daughter, with a patron, Dr. Bert Tardieu, presiding as medical attendant. Here, she is shown holding the youngster who was born amid the bright lights, while hubby Bruce, a California Tech student, looks on.



NEW DAV CHIEF... Ewing W. Mays, 33, Little Rock, was elected national commander of the Disabled American Veterans during the organization's convention in Milwaukee. He is a double amputee, having lost both legs.