

The WASHINGTON MERRY-GO-ROUND

By DREW PEARSON

Opinions expressed herein are those of the writer, not necessarily those of the publishers of this newspaper.

WASHINGTON. — Many senators believe that the confirmation row over charming Ed Pauley as Under-Secretary of the Navy has taken on new significance now that Senator Harold Ickes has offered Ralph Davies the job of Under-Secretary of the Interior.

It happens that Davies and Ed Pauley are bosom friends. Both are oil men. Both have followed the policy of "scratch-my-back-I'll-scratch-yours." This is important.

Recently, Secretary Ickes, who has a crusading record for guarding the nation's resources, recommended to President Truman that naval oil reserves be transferred from the Navy to the Interior department. It was just such a transfer by Albert K. Fall in the Harding administration that resulted in the Teapot Dome oil scandal.

No motive is attributed to the Ickes proposal except that of safeguarding oil. In fact, some people consider it significant that his proposal happened to coincide, by luck or otherwise, with the formation of oil man Pauley to be Under-Secretary of the Navy.

But what senators consider important is that, with Pauley's friend Ralph Davies offered the job of Under-Secretary of the Interior, the Navy's oil lands, no matter where they are located—in Interior or Navy—will be partially under Pauley or a friend of his.

Mexican Oil Deal.

Relationship between Davies and Pauley has been extremely close. Davies was executive vice president of Standard Oil of California, Pauley sold him his own independent oil company. Later, Pauley brought Davies to Washington, introduced him to Ickes, following which Davies became Ickes' deputy oil administrator. He did a good job.

However, State department officials say he continued to look out for Ed Pauley.

When Pauley was trying to lobby by his high-octane gasoline plant through the government, it had to pass the hurdle of Secretary Ickes' petroleum administration. Davies okayed it—not only okayed it, but pushed it vigorously. At first Ickes also gave it his blessing. The State department, however, was vigorously opposed.

Showdown came in a secret session between Ickes, Davies, a Davies aide, and the Assistant Secretary of State Dean Acheson. The full story of this session was never really told at the Senate hearing. Acheson opened by giving Ickes a very careful diagnosis of why the Mexican high-octane gas plant should not be built by Pauley. He took up point after point, his main argument being that the Mexican government would have to pay such a high price to Pauley that it would sour U.S.-Mexican relations.

After Acheson had finished, Ickes turned to Pauley's friend, Ralph Davies, and asked:

"Why didn't you tell me these things?"

"I didn't know them either," replied the red-faced Davies. Then, turning to his aide, he alibied:

"Why didn't you tell me these things?"

Ickes immediately reversed himself, threw his weight against Pauley. That is the real inside of how the Pauley octane plant for Mexico was stopped. Davies, of course, is an able, intelligent operator, too intelligent not to have known the main points of the Pauley plant. Pauley is equally able. He would be a good executive almost anywhere. But some senators want to think twice before putting these oil twins near the head of two departments, controlling the oil reserves of the nation.

Tax Gravy.

Senator George of Georgia, who has more to say about setting U.S. taxes than any other man except Tax Lobbyist Ellsworth Alford, whose advice he follows, has called a unique tax hearing for today.

He wants the internal revenue bureau to explain why it hasn't paid more money back to corporations under the carry-back provisions of the tax law.

Some people have a less kindly way of expressing it; namely, that Senator George will ascertain why internal revenue hasn't done a better job of financing the present strike. For it is an unquestioned fact that the tax law written by Senator George's committee is a gold mine which puts many corporations in a position where they don't care too much whether they are strike-bound.

The internal revenue bureau asserts that some of the claims made by corporations for tax refunds are fantastic. So it has had them up for closer study. Senator George, however, doesn't seem to think they are being paid fast enough. He has called a joint committee meeting to investigate.

Already business has submitted claims for a cool \$3,000,000,000 and a total of \$8,000,000,000 may be drained out of the federal treasury through this neat clause lobbied through Congress when nobody was looking. U. S. Steel's Windfall.

Here is an illustration in the case of U. S. Steel, as to how it works.

For the first time in history, U. S. Steel last week issued a "five-year consolidated report" which won't make it easier for the average reader to understand its tax windfall.

SECRETS AT YALTA MIGHT AS WELL BE REVEALED NOW

WE SEE again that a policy or principle advocated by President Woodrow Wilson, that is, "open covenants openly arrived at," has never been favored by the career boys or by any administration's representatives. There was a secret pact at the Yalta conference of President Roosevelt, Marshal Stalin and Winston Churchill. Why keep it quiet any longer?

According to the South Bend Tribune, President Truman might well have asked British-Soviet permission to make public the entire Yalta agreement many months ago. The "military security" excuse given by the late President Roosevelt was completely nullified when the war ended with the Japanese surrender last August. Mr. Truman's personal willingness to end the secret is belated but appreciated by thoughtful Americans. The recent revelation that President Roosevelt agreed in the Yalta conference to permanent Soviet possession of the Kurile islands was merely an addition.

"Nobody would deny now that Mr. Roosevelt was a party to a secret deal of gigantic import in the series of war-time conferences and that he made commitments of profound long-term importance to Americans as well as to people elsewhere in the world. Nothing that might be added to the fund of public knowledge by publication of the Yalta agreement now would be completely surprising. What has been learned so far has prepared us for virtually any type of revelation as to the Roosevelt secret diplomacy. Possibly all the major terms have been revealed.

The British government, therefore, may sanction publication of it now or in the near future. Moscow permission cannot be counted on in advance in view of the Soviet tactics in many international matters. Anyway the American people already know that the Soviets, then receiving lend-lease to the extent of billions of dollars, demanded and received in the Yalta conference a highly important territorial compensation as their price for agreement to go into the war against Japan eventually.

"As it turned out they contributed nothing to Japan's defeat. That, however, could not be clearly foreseen at the time of the Yalta conference. Then it looked as if a Soviet declaration of war would hasten Japan's downfall by years. Ironically it is not settled, though the doubt is not great, that the United States will be granted control of certain Pacific islands needed for military strategy even as a trustee, although from the military viewpoint, are permanent Soviet acquisitions because of the Yalta deal."

PUBLIC WELFARE MUCH CONCERNED IN ALL STRIKES

REGARDLESS of the outcome as to wages and salaries, the fact that the administration felt it necessary to take over the packing plants emphasizes the relationship of a strike to the general welfare, says the Fort Wayne News-Sentinel.

"Granted that under any bona-fide system of collective bargaining, the right to strike is an accepted weapon, it is still well to realize that a strike against one or more companies is nearly always, in varying degrees, a strike against the welfare or comfort of the people.

During a war, a strike in an armament manufacturing plant hampers a nation's defense, and enough such strikes could bring a country to defeat—as, for example, they helped to do in France. For that reason there was never any argument over granting the government the power to seize struck defense plants, in order that production would not be stopped.

The same principle applies to meat packing; because a stoppage in the habit of abusing the power, the people, whose well-being is at stake, will certainly see to it that corrective steps are taken."

STRANGE AS IT SEEKS

For further proof, address the author, enclosing a stamped envelope for reply.



Latin-American Policy Now in Hands of Braden, Sumner Welles' Successor

Washington.—Latin-American affairs of the United States are now concentrated in the hands of one man—Spruille Braden—to a greater extent than they've been since the days of Sumner Welles.

That's what experienced Latin-American diplomats report in their dealings with the United States government. Some even think that Braden has more authority in Latin-American affairs, and personally played an important role in the development of the "good neighbor" policy with Welles. All three of them, in fact, went to the Buenos Aires conference in 1936.

Welles Long Prominent.

Here is the way diplomats explain the situation:

Welles, who has been closely connected with Latin-American affairs ever since he went to Buenos Aires as Secretary of Embassy in 1917, was certainly one of the most prominent figures in the United States government handling of hemispheric matters for many years.

Every ambassador from Latin-America wanting to transact business with the United States made a trek to Welles' office when he was in the government. Every prominent visitor hoped to be seen to Welles before returning home. Welles was chairman of the Inter-American Economic and Financial Advisory committee, from its creation in 1939 until he left the department. Welles headed the United States delegation to the Panama conference in 1939 and to the Rio de Janeiro conference in 1942. He was a close friend of President Roosevelt.

Braden Named Delegate.

As for Braden, he's been interested in Latin-America all his life. He went to Chile in 1916 as a mining engineer; he married a Chilean girl. He is not a "career man."

These are just some of the things which emphasize the power of the strike weapon, and emphasize, moreover, the necessity for using that weapon with good judgment and fairness.

Once the unions grow into the habit of abusing the power, the people, whose well-being is at stake, will certainly see to it that corrective steps are taken."

PROMISES BRAZIL HONEST GOV'T.



GEN. EURICO GASPAR DUTRA, left, is shown reading his oath of office as he was sworn in as Brazil's first freely elected president in 15 years. The new president promised an honest democratic government for South America's largest country and pledged close cooperation with the United Nations. Shown with him at the ceremony in Rio de Janeiro is Minister Vlademir Valcão, president of the country's electoral tribunal. This is a radiophoto. (International)

WASHINGTON CALLING

By MARQUIS CHILDS.

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WASHINGTON.—In this season of influenza and virus pneumonia, the shortage of doctors needs no statistical proof. It is a grim reality that bears down on patients and overworked doctors.

But the estimates show that the scarcity is certain to be worse in coming year. This means a decline in health standards, a decline in the well-being of the nation.

Figures furnished me by Dr. Harold Diehl of the University of Minnesota medical school put the number of pre-medical students available for entrance into the country's medical schools in 1948 at 2,000. This is one-third of the normal freshman enrollment in medicine. The estimate for 1947 is 2,500 students.

Last year I wrote several columns on what this threatened shortage of doctors meant to the nation. I put the blame on selective service for its refusal, then and now, to defer pre-medical students. This refusal, in the face of pleas from medical authorities all over the country, cut off the future supply of medical students at the source.

In response to my columns came many letters which told another story. They were from students, or potential students, who had been rejected by medical schools because of their racial origin or their religion. While they were, for the most part, of Jewish origin, there were also Italians and Catholics who told the same story.

Some were 4-F's. Some had received medical discharges after combat wounds. Many had applied to school after school only to have their applications ignored or to be told the class was filled.

They were under no illusions as to why this had happened. They cited the quota system which most medical schools apply, although no dean will ever admit such a quota system exists.

In New York, the mayor's committee on unity, headed by Charles Evans Hughes, Jr., had documented this un-American discrimination. The committee confirms that a quota system for Catholic, Jewish and Negro students has been established in the nation's leading educational institutions. It is particularly bad, according to the committee report, in medicine. And in the last decade, conditions have rapidly grown worse.

There is no greater threat to a strong, democratic America than this shadow of the Ghetto imposed on American institutions. It is contrary to the deepest traditions of a nation that has grown great through the talents and skills and strengths of people of every race and creed.

When Braden was appointed Assistant Secretary on Aug. 25, 1945, it was officially announced that he would be "in charge of Latin-American affairs." That is, he had been given the responsibility of dealing with both President Roosevelt and Secretary of State Cordell Hull. Both were much interested in Latin-American affairs, and personally played an important role in the development of the "good neighbor" policy with Welles. All three of them, in fact, went to the Buenos Aires conference in 1936.

Center in Braden.

Braden's situation, diplomats say, is unique as nearly all Latin-American affairs of the government are centered in him. President Truman, although he has visited a few Latin-American countries, admittedly does not have as much to do with Latin-American affairs as Braden. Furthermore, Secretary of State James F. Byrnes is busy primarily with UNO, European and Asiatic problems. Diplomats say the result has been that power on Latin-American policy has naturally gravitated largely to Braden, and United States ambassadors in the field.

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