Price Breaks Viewed as Healthy

By Drew Pearson

When news of the stock and commodity market break first reached the White House, President Truman was deeply concerned. He felt it might start wholesale dumping of securities by friends of investors, which in turn might touch off an economic depression.

However, after the Council of Economic Advisers had surveyed the market and reported to him in detail, Truman told one close adviser: "I am now glad it happened—for two reasons. First, we scared a lot of speculators out of the grain market, and, second, prices are coming down to a level where they will be governed more by the law of supply and demand. That's where they should be."

The White House economic surveys show several significant things. Most important to the housewife is that the somewhat hysterical reductions in retail prices are the result of grocers' psychology. Actually, cheaper raw commodities couldn't possibly be passed down the line to bread and meat for several weeks. However, grocers have been scared into price reductions by headlines and the threat of competition. They are gambling on lower prices in their next wholesale shipment. Also the stocks of food on their shelves have increased—due to high prices. and the fact that the housewife has simply cut down on her buying.

Another significant factor is that the stock market has remained fairly stable compared with the commodity market. In other words, commodities were price-heavy and topped. Presidential economic advisers have reported to Truman that there is little likelihood that the break in commodity prices will spread generally to industrial prices.

Capital Chauff

Mrs. Perle Mesta, Oklahoma oil heiress and Washington hostess, has done such a good job raising money for Truman's campaign that she is being considered for treasurer of the Democratic National Committee. Inside reason for the gag order on Army-Navy officers is a bitter row between the Air Force and naval aviation. Forrestal doesn't want it to leak out. And he will be the censor! ... John Wiley will be the new Ambassador to Iran. Mondale the new Ambassador to Panama—both key posts ... Carl Sandburg, famed Abraham Lincoln biographer, may be Henry Wallace's candidate for the Senate in Illinois. ... The United States has agreed to keep the American fleet away from Italy until after