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AT LONG LAST, A DEFINITE PROMISE

MAKING Highway Chairman Henry Jordan said at his word, and with the faith of the ever hopeful, we are disposed to accept a dancing cheer over word that work will start on the last link of Independence Boulevard this fall.

connecting link between two areas of heavy traffic density, the Albemarle-Monroe highways and Wilkinson Boulevard, that would parallel the business district through so close as to cause additional congestion.

COLTRANE HAS MADE HIS POINT

WELL, Dave Coltrane is still sitting in the assistant budget director's office in Raleigh. Even though Governor Scott stripped him of all but routine duties, and his Excellency is still sitting in the Governor's office ordering State officials to take up their budget business with Mr. D. (Dinty) Moore. The one unmovable, the other irresistible, and hence we have ourselves an impasse.

nor Scott that he couldn't be fired. He showed a him. Coltrane's gesture of turning back the \$1,000-a-month salary to the State is admirable strategy, but it doesn't change the basic fact, which is that the Governor of North Carolina, rightly or wrongly, is charged with administering the State. He is the people's elected representative, and he must stand or fall on the way he performs his duties.

STOCKPILING SCHEME COULD GET FANTASTIC

THE tendency of government programs to stretch far beyond their original dimensions is shown in an article from Business Week elsewhere on this page today. Officials of the U. S. stockpiling program, having accumulated substantial holdings of strategic materials, are now toying with Averell Harriman's idea that stockpiling should be used as a means of stabilizing the economies of friendly countries.

industrial products using lead. It is argued that a sufficient price should be paid to keep production of strategic materials going. That argument is easily refuted. If the price has slumped, it is because the thing really gets fantastically scarce. It doesn't especially need to be stockpiled. When you go beyond supporting domestic production to Harriman's scheme for stabilizing the economies of friendly nations, the thing really gets fantastically scarce.

THE AGGRESSIVE CAT BOAT

ANOTHER chapter has been added to the illustrious history of the venerable old "cat boat," as Navy crews called the PBV or Catalina flying boat. According to the Russians, a Swedish Catalina over Russian territory attacked two MIG jets and in self-defense the Soviet fighters were forced to shoot her down. The Swedes say their plane was unarmed, flying in international waters, and the Russians initiated the attack.

weary of patrol work, tried to make like a dive bomber, to the consternation of some Japs below and the Cat boat's designers. The cat boat, which is about 70 knots, takes off and lands around 60. When at rest, it is usually with little 30 caliber machine guns from the blisters on either side of the fuselage — armament which is these days done up in the office for morale purposes. It could drop a depth charge, but as for attacking fighters — not a chance.

WHEN THE PEOPLE JUDGED THE JUDGE

THE recent North Carolina Democratic nomination (in effect, election) of a justice of the peace to the state court could serve as a model exhibit in the case for popular election of judges. When the late North Carolina Chief Justice Walter P. Stacy died last September, Governor Scott elevated Associate Justice W. A. Devin to the principal post and selected Ilmonen T. Valentine of Nashville to succeed Justice Devin. Mr. Valentine, an attorney and veteran warrior in the political vineyard, had been a county and regional lawyer for Mr. Scott's election in 1946.

Salem. They campaigned with dignity, mostly through the mails. Since the North Carolina judicial system rests in judges throughout districts of the state, all of them were well known far beyond their home cities and counties. The result was a lesson to be filed away but not forgotten by future North Carolina Governors. A second primary to decide the winner they viewed as a political judge. Judge Parker (who, incidentally, studied law at the University of Virginia) led the race, with a margin of about 16,000 over Judge Bobbin. It is rare, indeed, for North Carolina to have a campaign over the election of a Supreme Court justice — a sign itself that the people distrust mixing politics with the judiciary. From this campaign, it will be remembered: (1) That the candidates were all of a high order; with no noble-causes; (2) an obviously political appointee, without previous judicial experience, was defeated; and (3) whatever the result of the run-off primary, between two excellent candidates, the North Carolina Supreme Court will receive a good judge.

It is not unusual for a North Carolina Governor to reward a campaign manager with an appointment to the Supreme Court, although such a reward usually goes to a campaign manager rather than a local candidate. But the Valentine appointment was widely received in North Carolina as "too political." This could have been as much an expression of resentment against Governor Scott's tendency to bare-faced political appointments as an expression of resentment against Justice Valentine himself. Whatever the causes, the result was a phenomenon — an ousting of five candidates for the Supreme Court by the voters.

The "Crying Crooner" lost his voice when, he says, that scurrilous "bawler" with tight drumming, his wedding ceremony, Nothing temporary, we hope — Greenville, S. C.) Piedmont. But when Periman asked Morison to drop the case, Morison rebelled: "That's the same baloney that every big business firm brings in when they get in a tight place, the As-

'Well, Owen, Things Are Looking Up'



Good Business

A Free World Economy

AN EDITORIAL IN FORTUNE

WESTERN unity and U. S. world leadership seem to be falling on evil days. Even as the Kremlin carries on an offensive to smash what little economic rapport the West has achieved, U. S. protectionists mount a campaign for higher tariffs that is headed toward the same dismal end as the Kremlin's.

Stable, Convertible Currencies

The fundamental aim must be to create a free world market in which trade and enterprise can expand and flourish. This means stable and freely convertible currencies and multilateral trade. Only such a system will give foreign nations the markets they need to enable them to increase their standard of living. Many of them it is true, are still far from being able to do so.

Abolish Tariffs

(1) A sound policy would sweep down tariffs and aim soon to abolish them. Contrary to pressure-group propaganda, such a policy will make the U. S. as a whole not worse but better off. Every dollar earned by a foreign business when it sells in the U. S. is sooner or later sent here. When a pressure group forces a foreign company from selling a dollar in the U. S., it prevents another U. S. company from earning a dollar.

Drew Pearson's Merry-Go-Round

THERE was more than meets the eye behind the sudden taking of three assistant attorneys general by Jim McGranery, new head of the Justice Department. One of them, Graham Morison, head of the Antitrust Division, had been a tough, uncompromising prosecutor of big business monopoly and was regarded as one of the best men in the Justice Department.

Point IV Sound

(4) A sound foreign economic policy would speed up Point Four. This means technical assistance, and far more important, creation of a suitable climate for private investment. The technical assistance part of the program has begun, with more than a thousand U. S. experts taking up duties in thirty-nine countries, and some have already accomplished a lot. The Administration has done very little to speed the way of determined negotiation for specific incentives, like tax and investment treaties that would encourage U. S. investment abroad.

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Point VI Sound

(6) Foreign economic policy needs more integration. All our diverse excursions into foreign aid and buying all our scattered bargaining power, should be put into one policy — a single policy of free world trade but centered in a single agency — as suggested by FORTUNE last August. A fair start was made late last year, when the Mutual Security Agency was set up to take the place of the F.C.A. Averell Harriman, Director of Mutual Security, was made co-ordinator of economic aid, military aid, and Point Four.

Point VII Sound

But the RFC can still try to bludgeon the tin producer into selling below world market prices. Commerce and Agriculture still administer export and import controls. And policy is still inconsistent. Export-Import Bank loans still must be spent directly in the U. S.; and 50 per cent of foreign currency must be shipped to U. S. locations. What is urgently needed is a thoroughgoing, unexcused study of the effects of tariff reduction, product by product. Would the Ford Foundation like to undertake it?

Point VIII Sound

Periman, having received a full explanation, agreed, backed up by Morison 100 per cent. Probed RCA. But a few days later, new Attorney General McGranery, after this one involving an Administration pet-the Radio Corporation of America, David Sarnoff, head of RCA, in turn, probed the lawyer closest to the man who gave Margaret Truman her radio contract. He has carried such weight at the White House that, during the war, when the war was in its last stages, he suspended his conferences, kept the Prime Minister waiting while he had a long luncheon with Sarnoff and Margaret Truman. But Morison, paying no attention to this relationship, had called a grand jury to investigate certain RCA practices. RCA, in turn, probed the lawyer closest to the man who gave Margaret Truman her radio contract. He has carried such weight at the White House that, during the war, when the war was in its last stages, he suspended his conferences, kept the Prime Minister waiting while he had a long luncheon with Sarnoff and Margaret Truman.

Stabilization Of Economies By Stockpiling Proposed

(From Business Week)

PRESIDENTIAL Candidate W. Averell Harriman started a flurry of activity in Washington when he told a foreign trade group that U. S. stockpile buying should be used to stabilize the economies of friendly countries. The idea of "civilian stockpiles" was promptly pook-pooked by officials in charge of building the \$2-billion defense strategic material stockpile.

A FUSF POSSIBLE. Defense production officials have approved the deal; at midweek all that needs to be done is to buy the O. K. of the Budget Bureau. The planners weren't especially worried that a fuss would be kicked up over government price controls.

MEANWHILE, officials were studying the possible effect of similar stockpiling in other countries. Lead, long a feast-or-famine metal, would be the pilot operation for such stockpiling.

THE government people are treading softly as they enter the field. They know the lead producer will be the one to get the support. They know that producers of other surplus metals will react in a similar fashion.

It is forecast turned sour, the planners would sell the lead into the market for a profit.

It's Now Or Never, Anything Goes For Aging Taft Faction

By MARQUIS CHILDS

WASHINGTON

THE ruthless drive of the Taft faction can be seen in a new depth and intensity of feeling not always apparent on the surface. The drive is not just about this depth and intensity of passion will be a powerful motivating force.

Incidentally, if one takes the statement of Eisenhower managers at face value, the Taft faction has assured that there will be no gallery demonstration for General Eisenhower at Chicago this time. The Eisenhower delegates they have no spectator tickets aside from the one or two that the Eisenhower delegates have with all Taft delegates, is entitled to.

TAPPIES HOLD THE TICKETS

The Taft crowd has nailed down every other ticket and they will be given out to the faithful to the right nodes of the radio and radio at the right time. Moreover, Werner Schroeder, National Committee chairman from Chicago, obtained the use of a large anteroom just off the convention hall where his Chicago precinct men

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the strategic stockpile. Officials say that this stockpile is actually in good shape on lead, but the goal is to have enough to accommodate the 30,000 tons. The intermediate stockpile would be used to stabilize the economy except for the ground-breaking done for its strategic counterpart. Right after the war it was used to stabilize the economy except for the ground-breaking done for its strategic counterpart. Right after the war it was used to stabilize the economy except for the ground-breaking done for its strategic counterpart.

Accumulation of a strategic inventory was tied to the grain program. The idea was to have a stockpile for all-out war, and that it could be used to support prices of pig-iron and rubber. But after Korea was used to keep both arms production and the civilian economy going. Copper, asbestos, and lead, but at the mobilizers' insistence, Truman withdrew aluminum, lead, and copper from the supposedly inalienable stockpiles.

There are dangers of course.

Stockpiling is an economic fallacy. It is a means of storing up surplus goods, but it is not a means of storing up surplus goods. It is a means of storing up surplus goods, but it is not a means of storing up surplus goods.

Still, stockpiling of surplus cotton, wool, and other commodities has been suggested since World War II. These are exactly the sorts of commodities that Harriman is talking about in his proposal. The government is not a granary of metals for the free world.

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