THE CHARLOTTE NEWS

General Manager GRIFFITH

TUESDAY, OCTOBER 13, 1953

A DOSE OF INFLATION MAY BE PRESCRIBED

DONT BANK on this, as the ever-hedg-ing financial dope sheets would put it, but look for a change in Administra-tion fiscal policy. Don't be surprised if talk about the evils of inflation ceases and a mild "reinflation' is encouraged. What makes us think so? Listen to what hydrog longers themselves as:

What makes us think so? Listen to what business leaders themselves say: Some are almost hysterical in their plees, to the business community, to stay cool and disregard all this talk about re-cession. Last week New York businessman Al Sears, speaking to southern furniture manufacturers at Pinehurst, went so far as to blame the pessimism on an "organ-ized drive" by the nation's enemies to undermine the economy along Marxian lines.

undermine the economy along Marxian lines.

Actually, conservative business organs have been sounding the tocsin. Business Week, in one of several editorials on the dangers of too much deflation, said: "We are glad to know that the brakes work. are glad to know that the brakes work, but we don't want to go through the wind-shield." The U. S. Chamber of Commerce cites as indications of "rough seas" the stock market decline, decrease in sales of scrap steel, shrinkage of money supply, absence of a backlog of consumer demand, although, the Chamber believes there is "much justification for optimism" in peak employment, high income, tax cut pros-pects.

nday the New York Times' finan course of business, the confusion and lack of enthusiasm on the part of financial experts despite government assurances that the economy is sound. "A number of trial balloons have been sent aloft," he writes, but there still is no indication of how the Administration would counter a business setback."

In that trial balloon rategory, you can put financial columnist J. A. Livingston's assertion last week that "We've got to do some rigorous rethinking about inflation...re-examine the classical economic theory that inflation imporerishes widows, pensioners and others who live on fixed incomes." His argument for inflation goes like this:

tion goes like this:

About five out of six families own property. It will rise in value during inflation. In 1952 the cash income of American families was \$219 billion; the same families owned \$561 billion in property. So, if inflation were to steal one dollar from the average family's purchasing power it would add three dollars to the value of its property. He figures most of the folks in the lowest and highest income backets are protected during inflation, because they have either the time or the money to accumulate property, and bemoney to accumulate property, and be-cause jobs are usually available during inflationary times.

cause Jobs are usuary available uuring inflationary times.

His arguments may diminish the fears of some property owners. His views won't find an enthusiastic reception among old folks whose only property is the home they live in, or the young folks who don't have enough left over, after paying current bills, to invest in any property. But his and other finingial observers' conclusions ought to give pause to persons who are cashing in their property in articipation of an increase in the value of the dollar. The rule used by many wise investors still holds true. Keep a portion of your money in "safe" bonds and cash as a hedge against deflation; invest a comparable amount in stocks, real estate or other property, which will increase in value if America evapands and prospers under mild inflation.

NO ONE WANTS TO TAKE ON MR. JONAS

HOUSE SPEAKER Joseph W. Martin Jr. may have been wearing rose-timed speciacies when he looked up and down and across the land and predicted that the Republicans would gain 20 to 25 new seals in the U. S. House of Representative frest year.

But he was only stating the obvious when he said that his

new seats in the U. S. House of Representative finetty year.

But he was only stating the obvious when he said that his party expected to hold its newly-won seat in the 10th Congressional District of North Carolina.

The strength and popularity of more than 10th Congressional District of North Carolina.

The strength and popularity of the conditional conditions of the Democratis in this distortiet. For some months they have been conversing the situation and analyzing the vote-zetting potential of possible Democratic challengers. So far, no one has steeped forward to tangle with Mr. Jonas. This is understandable.

First, the Lincolnton man has made a good record in his, first term. He has voided his convictions, and those convictions appear to be generally in this with prevailing sentiment in the district, the

sofar as that sentiment can be measured Second, he has not neglected his political fences back home. And he has done more 'than merely keep them in good repair, he has strengthened them, and, built new ones.

Third, the truditional Democratic margin is always slender in off-presidential years, even against weak Republican contenders. Without a battle for the White Heusen ent November, it will be hard to get the Democrats out.

And fourth, a good many thoughtful Democrats in the district reason that with a Republican in the presidency, the district's interests can be better taken care of by sending a Republican to Congress.

gress.

This is not to say that Mr. Jonas is unbestable. On the contrary a strong candidate, given a good organization and a substantial campaign fund, could perhaps turn the trick.

But that man is not yet in view.

STRANGE BEDFELLOWS DEPT.

FOR some days the clipping lay on the desk. Very frankly, we didn't know what to do about it, or say about it. It quoted the sturdy and outspoken John Umstead, State Representative from Orange County and brother, of Governor Umstead, as saying he will support Sen. Alton A. Lennon against former Gow. W. Kerr Scott, in the event the latter elects to run for the U. S. Senate next year. This obviously was a case of blood being thicker than water. John Umstead is a solid liberal. During the Scott administration, he ought shoulder to shoulder with the Haw River farmer in behalf of mental institutions, roads. Schools, public

Yet his brother William. considerably ore conservative than Kerr Scott, rose

to the governorship and found himself in a position to appoint a successor to the late Willis Smith Surprising every-one, Governor Umstead tapped a politi-cal unknown, Alton Lennon, for the big

And now that Senator Lennon seems headed into a tough battle with former Governor Scott for the Democratic nomination next year, John Umstead had to take sides. He said he didn't think Lennon could defeat Scott. but that he would support him all the same.

support aim ail the same.

It's not the first time that politics has made strange bedfellows, and it's not the last. But we wonder what John Umstead will find to say it'he has to take the stump against the man with whom he sees eye to eye on most public issues.

From Business Week Magazine

NOT BY TALK ALONE

lines and speeches denouncing depression mongers, and even deploring any talk about the possibilities of a downturn, no matter how slight.

This school of thought believes the only real danger of business recession is the fear of recession. Hence, the less said about bad times shead the better. As prominent a figure as Benjamin F. Fairless of U. S. Steel has warned that if the "prophets of pessimism" were heeded, the nation could "predict" itself into a depression. And "there are widely publicated meetings, such as the "Why I Am Not Afraid" luncheon of the New York Sales Executive Clab. which are designed to qualm fears with drum-beating optimism. Whether a nation can talk itself into high times is a moot point. The record of the early 30s proves we cannot talk ourselves into prosperity without a strong assist from economic factors.

This being the case, we doubt that fore-

TALK ABOUT our economic outlook is casts of gloom can, all alone, produce a sation at the latest Kinsey report. Across the nation there has been a spate of head-lines and speeches demouncing depression mongers, and even deploring any talk about the possibilities of a downturn, no matter how slight.

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'What I Want Is A New Model City'



Hong Kong Viewpoint

The Strange New China

The Strange New China

By JOSEPH ALSOP
HONG KONG
The Conting power of the familiar resumments of the conting power of the familiar powers from the conting power of the familiar resumments of the subject of the conting power of the familiar powers from the the weight in catty of inacets caught as well as the number of male bees and the familiar powers from the familiar powers from the weight of the familiar powers the weight in catty of inacets caught as well as the number of male bees and the familiar powers from the weight of the familiar powers from the weight of the familiar powers from the weight of the familiar powers the familiar powers from the weight of the familiar powers from the weight of the familiar powers at any conting the familiar powers at any conting the famili

armies from Kores for this but it is wrong to ignore this possibility. And it is very foolish to fergat the pressures and tempations to Chinese communists. If present tendencies continue, Southeast Asia will still be soft and virtually undefended two times are the second to the communistic time. The second that we will be rather than will be the communistic than will be able to the will be rather power that may still be rather primitive, but will certainly be rainfully to the military power that may still be rather power undertaken will no doubt come to the problem in China; a wonderfully problem in China; and the wonderfully problem in

With Congress In A Recess; Solons Turn Globe-Trotters

By CONGRESSIONAL QUARTERLY

WASHINGTON
A IRPORT attendants at Saigon,
French Indo-China, have seen
more Congressmen in the last four
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The law and policy makers of the United States apparently believe Indochina is the world's most critical spot, judging from the parade of Congressmen landing. States of Congressmen landing and the parade of Congressmen landing and the Congressmen landing and the Congressmen landing of Congressmen landing of the Congressmen have poked into farraway places all over the free world, and even have stempted occasional peeks behind the Iron Curtain.

At Saigon, the influx started

By CONGRESSIONAL QUARTERLY

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Just as things sever estimp back to hormal in Salgon, Sen. William Law of the Studius of States of the Studius Security of Studius Security Security of Studius Security of Stud As a series when he was not a series of the series of the House Forcian Affairs Committee's Special study mission to Asia series of the House Forcian Affairs Committee's Special study mission to Asia arrived to make security program. In June, Sens. Everett M. Dirksen (R-III.) and Warren G. Magnuson (D-Wash) a zrived on similar mission. Then in Affairs Committee on Army, appropriations made his appearance, not only to check up on the Mortaal Security program but the money in Asia.

Just as things were setting back normal in Saigno, Sen. William F. Knowland (R-Califf, landed on the Mortaal Security Program but the money in Asia.

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Department's information services.
When A merica a politicians
weren' flying, rumors of the ir
impending arrival were. Indochina
is on the October titiserary of a
Special House Armed Services above committee, and of Vice President
Richard M. Nixon, And in November, Indochina is scheduled to be
visited by members of the House
Foreign Affairs Committee.
But if the baggage porter at Sai-

Tar Heel Builder Hamstrung By Military In North Africa

By ROBERT C. RUARK

shot, but got commuted to a mere if years.

You could have stunned me with a monoheam, when with a monoheam, when the most count of the county of the county

(This is the last of a series of shot, but got commuted to a mere four articles.)

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Drew Pearson's Senators Wined And Dined By Air Force

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Unfair Tax Fraud

This shocking admission was him by Congressman John Dir igan Democrat, at a secret med Joint Congressional Committee