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MEMBER ASSOCIATED PRESS AND WIDE WORLD

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THURSDAY, SEPTEMBER 24, 1942

Reverse House Inflation Bill Provides For Coming of Inflation

ashed through the House under a black press, our first anti-inflation bill is very likely riding for a Presidential veto. It is an extremely deserving candidate for that honor, since it will sell on a come-on for inflation and the evils thereof. This is the House answer to the President's tough command for action by Oct. 1—or else, a week away. It is the alternative, a week away. It will pump farm prices higher giving farmers benefit of increased costs, simply eggs on the spiral which housewives are becoming familiar with. To the outside it may seem a bill of game, this picking up of parity at 100 per cent to 110 per cent, and winning in this and that fattened cost, as a game it is a grim one.

truth, the farm group thunders, the farmer desperately needs this kind of help. But the outside it may seem a bill of game, this picking up of parity at 100 per cent to 110 per cent, and winning in this and that fattened cost, as a game it is a grim one.

types—and so have Americans who have flown Spitfires and Hurricanes. But one could not expect the British, having evolved their own plane types, to have exalted the superiority of our planes.

There will come a time, and we feel sure the Truman Committee will see to it, that the same thing which the U. S. fighter planes will be accepted as the equal of any now in the skies. That time will come, no doubt, when Americans on the fronts are giving their own interpretations to the performance of American planes. A reporter speaking from Egypt the other night had only a chuckle for the criticism back home, and a promise that the truth would soon be out.

We regard it as an even bet that the secrets the Army and Navy tell the Truman Committee will change more than the Congressmen's mind, and set the investigating civilian gaiters aright. After this one, we expect to hear less and less criticism of our air power at home.

Bad Timing Southern Raisers While It Flourishes

Nobody, we think, will begrudge holders of the Southern Railway's preferred stock their first dividend (1.25) in more than ten years. Nor will there be anything but relief that the Southern's bank account is running over \$27,000,000. It was a few days ago, its current assets exceeding its current liabilities by double the excess of a year ago despite trebled taxes. It must be realized that only out of a sound fiscal plan and adequate earnings can the South be saved by the Government.

But most people, especially those who find it impossible to get a seat on the line, will agree with Mr. Leon Henderson that, since the Southern and other Southern roads are doing so well on a preferred fare rate reaching 1.65c a mile, it looks like profiting to go to 2c, an increase of 20 per cent.

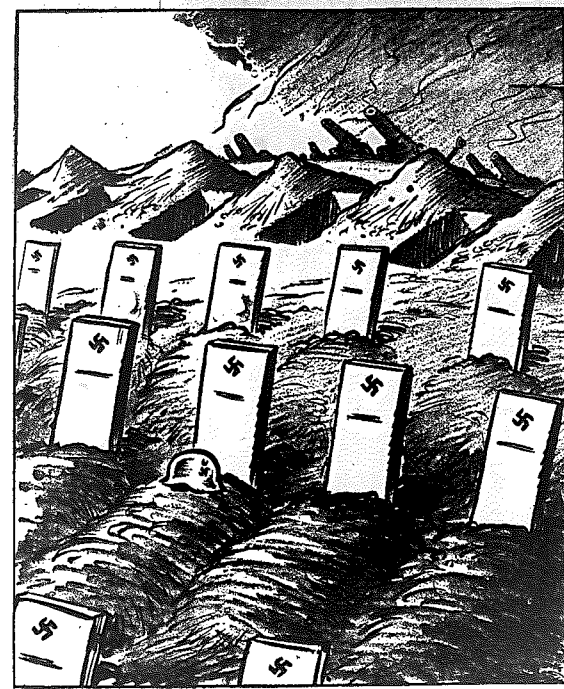
The increase, already in effect out of the South, goes into effect here on Oct. 1. The ICC, nobody appearing to protest, ordered it back in July, which action may be taken as a sign that it was both necessary and advisable, perhaps to build up reserves to be used to replace after the war equipment worn out through over-work. Still, we dislike to see our own Southern Railway abandoning its low-fare policy at a time when it has all the traffic it can handle, and travelers can't help themselves.

Correction Bond Sales, Says Morgenthau, No Failure—But There's More Third man, rear rank in the vast army of those Washington officials who are suffering from misquotation is Henry The Morgue Morgenthau, Doge of the Dollar. Under the red, white and blue colors of the Treasury's War Savings Staff, the Secretary has had to put the public to rights. It is miraculously easy to be misunderstood in Washington, and exceedingly difficult to overtake a run-away impression. The Morgue is trying valiantly.

The impression seems to have spread that I was the voluntary War Bond program as a failure. This is not only untrue, but anything I have said on the subject but is also an injustice to the hundreds of thousands of devoted workers in all parts of the country who are working night and day to endow the Nation's savings for the war.

The difference between impression and fact is important because it concerns a policy-maker like Secretary Morgenthau, but what seems more important is his insistence that bond sales will not only have to continue, but must be intensified. When sales began to fall all over the nation, new promotional schemes were needed to pick up the people. They are going full swing now, and making great progress.

But the words of the Secretary of the Treasury bring us wondering about the months ahead, when promotions of bond sales begin to grow stale. With even higher quotas awaiting bond-buyers, will the simple conviction that we must buy and save be enough? And will it matter that they were the Morgue's interpreters were right or wrong when they quoted him with words of failure?



The Old Shell Game

Wages, Prices On Jump

By Paul Mallon

IT WAS Mr. Roosevelt who once condemned insurance policies which make awards in large print at the top and take them away in fine print at the bottom. Yet this formula is noticeable in the new wage-price resolution it happened this way.

Mr. Roosevelt wanted the farm price ceiling set as of any recent date, or parity—which would raise existing farm prices a little. Congressmen, in writing the legislation, noticed the ceiling higher by placing it at parity or the highest price since Jan. 1.

Some criticism arose about this, so the Congressional women turned around and said, all right, we write it as Mr. Roosevelt's wish and fix Sept. 15 as the ceiling date. This was announced, displayed in the press, and everyone concluded the ceiling had been slipped back—unless he read the resolution.

True, in the first sentence, the resolution directed Mr. Roosevelt to take the level of Sept. 15, "except as otherwise provided in this joint resolution." But, down in the body of the resolution, it "otherwise provides." Just what the Congressmen wanted in the first place, fixing the ceiling at the highest price since Jan. 1 or parity prices.

The highest available price ceiling is thus to be taken for each section, and, if you will apply legislation to each, you will find it allows increases of 8 per cent to 25 per cent above existing levels. So also with wages. The legislation approves the War Labor Board verdicts, allowing wage increases to the unions to whatever extent the cost of living has been increased since January, 1941.

As farm prices are bound to increase under the farm section, the cost of living is certain to continue to go up. Thus, wage increases will be granted hereafter, by whatever degree the farm prices are allowed to increase.

What we have here then, is not a price or wage freezing policy, but a formula to hold them loosely in hand—Mr. Roosevelt's hand. That they both will continue to increase is obvious.

This resolution coupled with the tax bill—now appearing simultaneously from the Senate Finance Committee—afford, the broad skeleton outline of economic war policy in legislation which seems to have been lost from public sight in the confusing arguments over details of the legislation in both cases.

The tax bill represents the ultimate extent to which corporations' taxes can go (the Congressmen believe), without destroying the private initiative necessary to maintain production. This is the same key to the wage-price policy, which the Administration also justifies as necessary to maintain farm and labor incentive for war production.

The individual rates of the tax bill are unprecedentedly terrific, but all agree—Treasury and Congress—that they will not prevent inflation. The fact is the enlargement of war incomes is restricted in the low income group, which has not been paying income taxes.

Practically all the increases in wages are restricted to this group, but Congress has found it difficult or impossible to reach them with taxes, because this low income group no doubt is the only one spending more money as a result of the war inflation, but a sales tax would hit all.

Another way would be forced savings, but both methods are politically unpopular. Congress dropped them for a 3 per cent gross income tax which likewise hits all.

It is not considered wise politically to go after the low wage groups separately, in any way, so what we have as a tax bill really is mainly a further tremendous increase on all, mostly on successful people, the best laborers, farmers, the non-unionized middle classes, the white collar workers who have had no increase in wages, but will have to pay higher prices and tremendous taxes. The bulk of additional revenue will come from them and from corporations.

The tax bill is, therefore, no restraint on inflation. It will leave possibly \$3,000,000,000 of war revenue to be raised annually from Treasury borrowing thence from banks and insurance companies, which hold the savings of the people.

No one likes it very much, because it does not do any job efficiently—rate enough money, prevent inflation or provide a fair and equitable tax distribution, but, as in the case of the wage-price bill, it seems to be about all that is politically feasible.

It is enough for the present that both measures be appreciated by the public for what they are, which is difficult enough in view of the confusing political arguments which have engulfed them.

Rear Drive

By Raymond Clapper

WASHINGTON

The more you see around here, and the more you hear about the conduct of the war, the more it appears that we have plenty of drive at the bottom but could use still more at the top.

Whenever American troops or naval forces have been given a job to do in this war, they have done it to the extent of their capabilities through speed-up training. Bataan and Corregidor will stand up in the company of any chapters of heroism. Midway was a victory won by the untiring sacrifice of American Navy, Army and Marine fliers who went down into almost certain death to do their work. At home in scores of command, men are getting through speed-up training that could be endured only with the highest spirit.

It is the same with production. Processes which I saw at a war plant in the Pittsburgh area recently showed the drive behind war work.

A plant making bomb cases has reduced the time of manufacturing 90 per cent by new method of production to replace slower machining which took ten times as long.

Another instance of time saving concerned the lugs on bomb cases. American planes use one kind of lug, British planes another, but instead of producing two kinds of finished bomb cases, through negotiation between British and American military officers, it became possible to produce a bomb case which served both British and American planes. That particular plant has trained twenty others in its time-saving technique.

At one plant in Pittsburgh I saw a new process being started that will save two-thirds of one of our most critical materials, in addition to saving enormous time. Several other concerns soon will be using this process.

I saw a huge strip mill which had been converted within a space of five months to produce plates. By agreement with the Maritime Commission, specifications were changed so that ship plates are now turned out without trimming the edges. That saves large amounts of labor and materials.

In one plant a railroad a day of 24-inch pipe is being made for a new pipe line to relieve the oil shortage in the East.

I found steel mills in difficulties because of raw materials. One mill superintendent told me he could roll more ship plates if he could get more ingots. This comes down to a shortage of scrap. The steel industry is beginning to move into other processes which will reduce the amount of scrap needed for production of steel. Some factories for this are under construction now.

Those samples, spotted on a quick tour of some war plants, show the spirit behind production. As at Bataan and Corregidor, men, whether soldiers or civilians, will throw themselves into a specific task. When Americans know what needs to be done and are given the opportunity to do it, they do it.

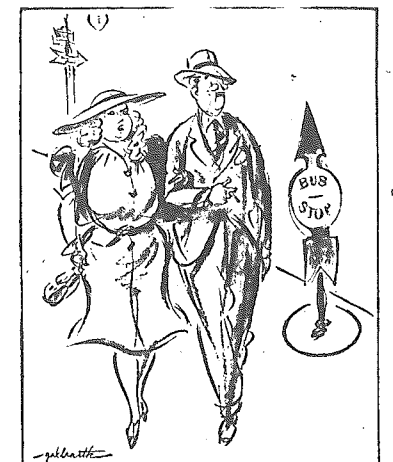
Most of our trouble, and Allied trouble generally, comes from the top. Politics, consideration, jealousies, special interests, get in their paralyzing work. The effects reach out directly into military operations. They reach directly into production to create difficulty.

You can scarcely talk to a responsible official here without realizing how grave the need is for still more progress toward unified command, both within our own Government and as between the Allied Governments. The British people, as our own, give every evidence of being all-out. But both Governments still need to go more all-out in the sense of moving still further toward central, close-knit direction of the war and all that feeds it.

Costly experience has led to some progress. More is being sought. Fighting force, the materials, and the spirit at the bottom are growing steadily. But they are not fully effective because at the top there is not yet the full co-ordinated drive necessary to brush aside the claims of one component as against the total war effort, and the political considerations which have a paralyzing effect in several theaters.

Until the very few individuals who bear the final responsibility for direction of the war here and abroad can work with the same all-out, integrated, singleness of mind that moves the German and Japanese war effort, we will fall short of what we can do.

Side Glances



"You come out for exercise—and the first bus stop we see, you think of some old friends we should visit on the other side of town!"

Quote, Unquote

THIRD armed forces are here not just to defend this beautiful kingdom but to join in sustained offensive operations. —Lieut.-Gen. Dwight D. Eisenhower, commanding U. S. forces in England.

It will be my ambition in this critical four-year period to return the Government to the people and to destroy dictatorship. —Eugene Talmadge, who defeated Eugene Talmadge in the Georgia Democratic gubernatorial primary.

THERE is no glimmer to being a woman soldier, and the drills and a dozen tures must remain strictly private property of one who experienced them. Squadron Officer Kathleen C. Hunt, British women's auxiliary air force, to WAAC graduating class.

WE are with our men and we account it treason not to give them every aid. —Archbishop Samuel A. Stritch of Chicago.

PRODUCTION has arrived at the point here, then you have to submit to something. —War Production Board Chairman Donald M. Nelson.

IN industry labor should stimulate the zeal of the worker so that there will be an end to disturbance and strife while we and the people have our Allied enemies fighting to preserve fundamental principles of life and liberty. —Charles J. McNamee, Ontario Justice.

THE post-war automobile will really be the auto that the people have our Allied enemies fighting to preserve fundamental principles of life and liberty. —Charles J. McNamee, Ontario Justice.

WE realize the final fate of China may be decided on the economic front. It is determined to make the man who money support the war effort. —Generalissimo Chiang Kai-shek, Chairman of the National Government of China's Executive Yuan.

WHATEVER the risks a danger, whatever the efforts demanded from the workers when subjected to something. —War Production Board Chairman Donald M. Nelson.

THE post-war automobile will really be the auto that the people have our Allied enemies fighting to preserve fundamental principles of life and liberty. —Charles J. McNamee, Ontario Justice.

For The Year '43

Giant New U. S. Wings

AMERICA has a surprise in store for the Axis in 1943—the first true battleship of the air, not only in protective armor but in cruising range and firepower as well.

Our sky Gargantua will be possibly double the size of the Fortress or Liberator. Its four to six engines will have 10,000 to 15,000 horsepower. Speeds will be 30 to 400 miles per hour. Gargantua will be able to reach Berlin in 30 minutes after leaving London.

Its bomb bays and crew quarters will have about the same cubic capacity as a ten-story apartment building. The British Stirlings and Lancasters carry eight tons of bombs. Gargantua will carry far greater loads. Dropped in two-ton projectiles, the load from a single building on a ground area equivalent to all six blocks of New York's Radio City, with St. Patrick's Cathedral and an adjacent area of several blocks thrown in.

A mere 150 Gargantuas would do what 1,000 British bombers do in Cologne.

Gargantua will operate, according to the Digest article, at altitudes of more than 40,000 feet, above the known operating ceiling of any enemy plane, and more than a mile above the most powerful anti-aircraft fire. If inter-

cepted, Gargantua will be able to smash broadsides into attackers from many as 4,000 feet and blitzer guns in a single blast. Gargantua is designed to meet the Axis air strategy, which is briefly this:

"No matter what distant lands the Germans conquer, they will utterly demoralize or cities to which to return."

Gargantua and the new 1943 stratosphere fighters have been made possible, according to the Digest article, by American scientific ingenuity which developed Coastal propellers to cut hundreds of pounds of undercarriage weight, reduce the length of blades and enormously increase the air-bi-

powered glass pressure cabins without which an aircraft cannot safely take oxygen above 30,000 feet; a new lightweight supercharger gadget; and an electronic device which automatically starts the de-icers working as soon as ice begins to form.

Anybody There To Meet? (Bulley Camp Item, Lenoir News-Topic)

Miss Leah Tolbert reacted to Lenoir from Blowing Rock last week-end.

Bible Thought

God's love is not with him a passing fancy, but is eternal and unchangeable. Having loved his own which were in the world, he loved them unto the end.—John 13:1.

Visitin' Round