

The News-Journal



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PAUL DICKSON Editor and Publisher

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Deflation and Depression

We are slowly coming to realize that inflation is something that happens to money. The money supply of this country has been inflated in the past eight years by an increase from around \$60 billions to \$170 billions. This increase in the number of dollars available adulterates the dollar just as water adulterates milk.

From this inflation of the money supply result increased prices and higher cost of living. Some day this money supply will have to be substantially deflated, or prices and wages will have to come up to the point where they are in balance with the money supply.

Meanwhile we are wasting a great deal of time and effort talking about deflation of prices without doing anything about a deflation of the fantastic amount of available money which is the real reason for increased prices.

The political leaders who are responsible for our financial policies seem more afraid of the word deflation than the word inflation. Both of these words have to do with money, and price and wage fluctuations are the direct results of the economic pressure they create.

Our government leaders are earnestly trying to keep prices down and they are carrying on a propaganda campaign intended to bring about still lower prices. But we are in the position of the man in the rowboat whose oars are overboard with the rapids just ahead. While there is political talk about lower prices, there is no action to bring about a deflation of the money supply. Thus though the talk may sound good, there is no real accomplishment.

Propaganda to lower prices under present money conditions may develop a buyer's strike particularly in the field of luxuries or semi-luxuries, but only to a lesser degree or for a shorter time in the field of necessities. Curiously enough a buyer's strike brought about by such propaganda for lower prices would be more effective in the very field in which small business is principally engaged.

In other words, propaganda for lower prices without deflation of the money supply will hit not big business but little business. Recent efforts on the part of some businesses to reduce their prices in a community effort to stem the tide of inflation proved not to be a success.

Big business, supplying vital needs and organized to face and weather slumps and depressions, can come through buyer strikes with much greater ease than can small business.

The fact that so many smaller business organizations are engaged in the production of luxuries and semi-luxuries, while the very meaning of necessities makes their production big business, means that the little fellow suffers first and hardest when the public decides not to purchase goods because of prices.

So far as the current movement for lower prices is effective, its most important result will be to hinder production. When retailers, in the effort to bring about lower prices, press to hard on manufacturers, the result will be stoppage of production—and the loss of jobs.

This is what artificial deflation means. If it were carried far enough and long enough, it might develop into a depression. Actually, with the big supply of money available to the people, a buyer's strike and a consequent reduction in production are not likely to evolve all the way into a depression.

However, a distorted concept of the issues involved in inflation and deflation on the part of the people and their governmental representatives could and probably would lead to full inflationary panic and the inevitably resultant depression.

For, if buyers who have staged a strike against the purchase of overpriced merchandise despair of lower prices in the future, they at once bring a rush of buying regardless of prices.

This wave of purchasing hits a market depleted by lessened production, and swiftly and inexorably puts the inflation of prices into high gear.

It is important to member that while inflation and deflation are things that happen to money, depression is something that happens to jobs. To face the problems of prices and wages without a clear picture of these three vital factors—inflation, deflation, and depression—is to run the risk of falling into the fatal error of believing that we can successfully deflate prices without deflating the money supply, and that the resultant aftermath of an artificial deflation will not carry with it both swiftened inflation and a severe depression, or perhaps the financial and economic and political chaos which follow a runaway inflation of money.

THAT'S RICH!

A National Contributor's Column

By Rich Fowler

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WHAT'LL THEY THINK UP NEXT?

While reading the news in the papers

I find I am often perplexed

By the progress of Man

In the cosmic Plan—

Say, what'll they think up next?

They've harnessed the strength of the atom—

With rays and electrons we're vexed—

The signs that we see on

The churches, are neon—

Say, what'll they think up next?

We've radar to guide our blind flying

("The blind lead the blind" is our text—)

A mechanical brain

Makes the universe plain—

Say, what'll they think up next?

Man's shrinking in stature each hour—

With self-prepared doom he is hexed—

The more he makes magic

The more he is tragic—

Say, what'll they think up next.

—Barney Bugle, Buena Vista, Colo.

SCIENCE NOW HAS A gadget that will measure accurately one 1,000,000,000th of a second.

AHA, THEY'RE STILL trying to measure that bit of time between the kids'

FINISHING THE DISHES and

STARTING TO THE MOVIES!

THAT'S WHAT SHE GETS FOR BEING NOSEY!

Dear Rich:

My sister-in-law is suing the beauty parlor. Got her nose stuck in one of them machines—now it has a permanent wave!

—Hiram Quick, Plain Dealing, La.

TRAFFIC THOUGHT FOR TODAY

Don't drive with one headlight. The other fellow might not be any good at guessing games!

BEGGING THE QUESTION

Met my gal in the Month of May;

She asked me soon to set the day.

She wanted June, If you were I

Would July? July? July? July?

—Simon of Pomona, Calif.

DUMB-BELL DICTIONARY

Hospitality—The custom whereby you exchange your good food (and privacy) for the privilege of suffering in the other guy's house in a week or two.

—Marty from Martinsburg, W. Va

OKAY, I CALL YOU—SCARFACE!

Dear Rich:

The railroads sure could use some new roadbeds. I tried shaving on the train. Just call me Scarface!

—Koko the Clown, Glendale, Ariz.

SOME FOLKS ARE BORN THAT WAY—

OTHERS GO TO COLLEGE!

The housing shortage has gotten so bad that Uncle Federico has rented out his room and has moved out under the front stoop. You oughta see him. Boy, is he stoopid!

—Old Batch, Hickman, Neb

WHAT BROUGHT THAT ON?

Dear Rich:

Why shouldn't the willow weep? Guess you'd weep, too, if you had to stand with your feet in the water!

—Kitty from Carson City, Nev.

OKAY, KITTY—LET 'ER weep. Durned if Im gonna stand out there AND SYMPATHIZE!

SO, WHO'S GOT WALLS?

Dear Rich:

The wife and I were over visiting a friend who just paid a modern decorator a fancy price to 'do' their walls. Shucks,

It is time for everyone to recognize that the heart of the inflation problem is the money supply, not prices, and that the meaning of the word depression, which we hear uttered so often and so glibly nowadays, is a severe and crippling drop in employment.

Artificial deflation could cause depression; inflation will certainly cause it. Planned and careful deflation of the money supply, with a high level of production maintained meanwhile, is the obvious and sensible solution to the threats inherent in inflation.

Thomas I. Parkinson—Continental Press Syndicate

why pay for that? We could get the same effect by just giving our kids crayolas!

—Billy Boy, Beverly Hills, Calif.

TINY PICTURE

The rain . . .

Sews the gray skies

With steel needles

And silver thread . . .

—H. T. P., Exeter, N. H.

YOU SAID A MOUTHFUL!

It is much better to have a fistfull of teeth in your mouth than to have a mouthful of fists in your teeth!

—Joe Brill, Freeport, Tex.

PARTING SHOTS

'Mommy, what was that OTHER (cute thing I said)?'

—R. F.

MORE ABOUT

Farm Notes

Hybrid seed corn is being produced this year on the farms of Mrs. J. S. Johnson, T. D. Potter, N. L. McFadyen, and T. B. Upchurch, Inc.

The program for Tuesday of The Farm and Home Week (held the last week of August at State College) will be information on Agronomy and livestock by Dr. T. B. Hutchison of VPI and R. L. Lovvorn of State College. Agronomy, Forestry, Poultry, Agricultural Economics, and Horticulture will be other subjects discussed during the morning.

Demonstrations at McCullers test farm will be conducted in the afternoon.

For extra grazing, plant Pearl Millet. It will furnish grazing within a month after planting if weather conditions are favorable. Drill 20 pounds per acre. Apply 200 pounds of fertilizer per acre.

On farms where corn is expected to be short because of the bill bug, or other reasons, combine milo should be planted before July 15. Plant 10 pounds per acre in rows. Apply 200 to 400 pounds of fertilizer per acre. Milo yields more grain than corn per acre and for feed is as good.

PERSONALS

Mr. and Mrs. W. B. Barefoot and sons and Mrs. W. J. Tart attended the singing convention at Benson Sunday afternoon.

Among those who attended conference at Camp Forest near Cheraw, S. C. last week were Mary Sue and Betty Upchurch, Iris Thomas, Floreace Cameron, Sara Jane Cole, John Davis and Betty Ashburn.

Mr. and Mrs. H. O. Langdon and children moved to Lumberton Monday, where Mr. Langdon has accepted a position as manager of the Lumberton Drug store. He has been replaced at the Howell Drug store here by his brother, Mack William Langdon.

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1000 Watts

LIVE-AT-HOME
HIGH QUALITY



SEED

T. B. UPCHURCH
INCORPORATED

GOOD BUY



Photos courtesy New York Dress Institute
Black crepe combined with black and white print for an overskirted one-piece dress.

THE woman who is fashion-and-budget conscious will like such dresses as the one pictured above for more than one reason. First of all, it is typical of modestly-priced New York dresses showing a leading trend of the season—in this case, the newly returned and feminine overskirt. Again, the dress combines the practicality of the basic black crepe and the prettiness of print, making it an all-purpose costume. As for coolness, the neckline speaks for itself, the sleeves are brief, and the overskirt eliminates the need for anything more than a chemise beneath.

NOTICE

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