

LOOKING AT WASHINGTON

By Hugo S. Sims, Washington Correspondent

Inflation Approaches. Price-Control Law. Four Expert Views.

Rising retail prices throughout the country explains the sudden imperative demand for congressional action upon price control. There is general agreement that the situation demands positive action by the Government although there is wide disagreement as to the proper remedy.

Wholesale prices have risen steadily since June, 1940, and are now about twenty per cent above pre-war levels. Retail prices, however, have shown increases to a marked degree only for the past several months. While the cost of living is up about seven per cent, the increase has been emphasized in the cost of food.

If the cost of living continues to increase, there will inevitably arise renewed demands for increased wages, which in turn will mean higher production costs. The process will continue throughout the entire price structure. The threat of serious inflation is accentuated by heavy Government spending for defense and the looming shortage of goods for civilian consumption.

Recently, Bernard M. Baruch, financier and chairman of the War Industries Board in the last war, Leon Henderson, head of the office of Price Administration, Henry Morgenthau, Jr., Secretary of the Treasury, and Marriner S. Eccles, chairman of the Federal Reserve Board, have appeared before the House Banking and Currency Committee, which is now considering the emergency price-fixing bill advocated by the Administration.

The complexity of the problem confronting Congress is apparent in the disagreement existing between these officials as to the proper

means to be adopted. The reader should assume immediately that each of them is sincere in his desire to assist the nation in facing its problems. All have had considerable experience and their views deserve serious consideration.

While it is impossible in a short article to adequately present their viewpoints, some general observations are worthwhile. Mr. Baruch proposes a ceiling upon all prices, based upon a selected date approximating normal conditions. Then "prices, rents, wages, commission fees, interest rates" and every item of commerce or service would have a maximum ceiling, with extraordinary situations adjusted by a Government tribunal.

Mr. Henderson, whom Mr. Baruch regards as the man best fitted to administer a price control bill, would impose ceilings on a few basic materials, about one hundred, upon the theory that prices generally can be stabilized by control of these basic materials. Mr. Henderson, as we understand it, has given tacit consent to farm increases equal to one-hundred ten per cent of parity, but he is resolutely opposed to direct wage or profit controls.

Mr. Morgenthau's interest seems to be concentrated upon heavily taxing incomes and thus reducing purchasing power. He would leave wage earnings undisturbed but use various methods to induce workers to save more of their incomes. While not disturbed by the present level of farm commodities, Mr. Morgenthau fears higher prices and suggests that the Government release some of its surplus stocks of agricultural

products to prevent unreasonable price rises.

Mr. Eccles, whose currency control methods were much in vogue some years ago, when he advocated Government spending in order to produce an inflationary process to correct the deflationary result of the depression, suggests the use of broad functional controls, such as taxation, fiscal and monetary policies, as a main lever in relieving the present abnormal stress with certain selection controls, such as price-fixing, priorities, regulation of consumer credit, etc., to be used as necessary, in the discretion of a proper administrative officer. Significantly, Mr. Eccles insists that wages, salaries and farm prices must be regulated to prevent inflation.

U. S. Not At War. Neutrality Abandoned. Policy Based on Defense.

Participation by the United States in the three-power conference in Moscow, designed for the express purpose of facilitating the delivery of war materials to Russia, highlights the peculiar position in which this country finds itself.

It is a mistake for American citizens to simply conclude that the United States, for all practical purposes, is already engaged in warfare. The truth is quite the contrary.

This country, in a period of world stress, has concluded that its interests are best served by asserting certain rights which enable it to render effective assistance to nations engaged in the war against Hitler.

The contemplated revision of the Neutrality Act may implement our national policy and may enable the United States to go a step further in rendering material assistance. Provisions of the neutrality legislation prohibit American ships from going into the ports of belligerent countries. If Congress should see fit to repeal this prohibition, this nation would be standing upon its rights under International Law.

The "shoot on sight" order, issued to the warships of the fleet, is not equivalent to a declaration of war. American vessels have been molested in the exercise of their international right to travel upon the high seas and the nation proceeds to take necessary measures to protect them in their right. That this involves offensive action against German U-boats and planes is a result of the tactics employed by Germany in attacking our vessels.

Prior to the passage of our neutrality legislation, American industry had a perfect right to supply a nation engaged in war with any material that the belligerent could be persuaded to purchase. The revised Neutrality Act put into effect the cash-and-carry plan but this has largely been nullified by the broad implications of the Lend-Lease Act under which the United States Government has appropriated huge sums for the purchase of war materials for the use of the nations fighting Hitler.

While it would be erroneous to say that the United States is now at war, it would be just as much in error to assert that the United States is neutral. The spirit of neutrality, as applied to nations at war, implies equal treatment to the belligerents. There is no equality whatever in the attitude or conduct of this country to the belligerents now at war.

Certainly, the Axis powers, who invented and applied the theory of non-belligerency in Spain and elsewhere cannot complain. Moreover, the United States is within its rights in acting in any way it sees fit to defend its vital interests. The foreign policy of the nation,

President, is based upon the belief that the future peace and prosperity of this country requires the defeat of Hitler and the Axis group. Short of actual participation as a belligerent, the United States is leaving nothing undone to bring about the desired result.

The vast advantage that Nazi Germany possessed, by virtue of her industrial preparation for war, is being gradually overcome by the organization of our economic resources for war. In time, our industrial output will become the decisive factor and the likely possibility appears that our policy will accomplish the defeat of Hitler without involving us in direct participation in the war.

The danger of actual involvement exists only if Hitler and his allies decide to attack us directly. At the present stage of the war's development, this seems unlikely but the future is uncertain and subsequent events may lead to actual fighting. There is little reason to suspect that a conflict could be avoided by a policy of complete neutrality on our part.

So far as we can determine, the only possible chance for the United States to escape eventual involvement in the war depends upon the defeat of Hitler by Great Britain and Russia. Consequently, everything that we do to strengthen the fighting arm of the enemies of Hitler has a tendency to postpone active participation. This conclusion justifies our recent policy and appears to be in accord with the overwhelming weight of public opinion.

BURGESS CLUB MEETS

The Burgess Home Demonstration Club met at the home of Mrs. Josiah Proctor on Wednesday afternoon.

The president called the meeting to order. The members sang Juanita and repeated the Collect.

The roll was called and the minutes of the previous meeting were read and approved.

During the business session Miss Maness made announcements con-

cerning the refreshment stand at the fair grounds. Mrs. Tommie Matthews, Mrs. J. B. Basnight, Mrs. Winston E. Lane and Mrs. Irvin Whedbee were named to serve at the stand.

It was moved and carried that the names of members not attending a club meeting during the year should be taken from the roll until the member returns.

Mrs. W. E. Lane, Mrs. A. L. Overton and Mrs. Sidney Layden were appointed as a nominating committee to nominate new officers for the coming two years.

The club voted to purchase curtain stretchers and Mrs. Walton Lane was appointed to select and order them.

Mrs. Tommie Matthews was in

charge of the program on "Fall Fashions."

After the program "God Bless America" was sung and an interesting demonstration on "Reading and Its Care" was given by Mrs. J. B. Basnight, assisted by Miss Maness, Mrs. Tommie Matthews gave a brief talk on Farm and Home Week held at State College in August.

During the social hour Mrs. Winston E. Lane conducted a very interesting contest "Finding a Man," with Mrs. J. B. Basnight winning the prize.

Jimmy—Why do you call my girl a silent belle?
Toni—I kissed her the other night and she never told.

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