Capital Journal

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Salem, Oregon, Saturday, May 28, 1949

Deficit Spending "Cure" for Deflation

Norman Thomas, moderate socialist leader in the United States, and perpetual candidate for president, says that "economics as practiced in the United States is a useful art but not a science, certainly not in the sense that astronomy or physics is a science. If astronomical predictions were as uncertain and inaccurate as economic predictions time could scarcely march on. Witness some recent economic predictions.

Thomas reviews some of the recent predictions of the majority of the professional economists. They predicted after World War II the trend in the United States would be deflational and it was dubious to talk about "60 million

after word war hit wie dubious to talk about "60 million jobs." Instead we got inflation, and ful, employment. The president's economic advisers as late as beginning of the year, predicted the inflationary trend would con-tinue and any recession was temporary. On their forecast the president in his "State of the Union" address to con-gress called for \$4 billion new taxation to stem inflation. Actually the deflation trend while not serious, is contin-uing. Now they all agree that in the last analysis, the magnitude of government expenditures will avert serious depression—which means unbalanced budgets and deficit spending which the economists advocated as long ago as 1938, holding that the more money spent the better be-cause the people owed it to themselves. cause the people owed it to themselves.

Now comes another Harvard economist, Professor Sey- present civilizamour E. Harris, who declares:

"May I raise a dissenting voice to the universal demand either for less public spending or more taxes? Back in January, 1949 the correct policy was more taxes. But by the spring of 1949 plane. Christianity, in God's and mine. the special way, came to the world When we have "looked unto it has become increasingly clear that the problem in 1949 is not going to be one of inflation, but rather that of preventing a going to be one of inflation, but rather that of preventing a "May I raise a dissenting voice to the universal demand either

small decline from snowballing into a large one. It is the essence of forces or phenomena to the latest statistical findings. To suggest at this point that is nor eases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political tax increases are no longer expedient would reflect political wiew of things, a constant up-religions due to the persistent religions due to the persistent this, too, the hand of God. For age. Back of the freedom we en-joy are the sacrifices of millions of men. While we enjoy this the adds, "From whence cometh

Professor Harris wants it understood that he is not supporting the economy bloc in its effort to reduce total spend-ing at this time to balance the budget because the recipients of the expenditures would suffer through unemploy-ment as a result of reduced public expenditures. He thinks it strange that "after 15 years of educational work by economists, congress has not learned the lesson that taxes are not increased primarily to balance the budget." He holds it the task of government to stop a decline by spend-ing more and taxing less, not spending less and taxing **POOR MAN'S PHILOSOPHER** more.

In other words, deficit spending is necessary to prevent or cure depression—and presumably the "pump priming" must be on an enormous scale, the greater the debt the more the prosperity—which is the essence of the New Deal. And if there is no war as an excuse for spending, there is, of course, the "welfare state."

World Hop Production

As hop growing is one of the main agricultural industries of the Willamette valley, a detailed report just issued by department of agriculture office of foreign relations box contains valuable information and statistics of world pro-duction and markets.

The 1948 production of hops in reporting countries hardships in ra-which before the war accounted for more than 90 percent dio acting, a of the world's total, is 6.3 million pounds lower than esti-mated last fall and approximately the same as the revised many feel them-etsimate for the 1947 crop. A crop of 110.9 million pounds is now indicated as against the earlier estimate of 117.3 but few hear million pounds. The reduction was necessitated by down-

 $\begin{array}{c} \text{Here there is most indicated as against the earlier estimate of 117.3 is indicated as against the earlier estimate of 117.3 is indicated by down as necessificated by down and the United States exports continue at as the need of for early point to strain and the need of for early point to strain and the need of for early point to strain and the need of for all a strained for need of for for adio actors whose incomes is need own that strain as need to the much the strain is now among to early the larger than last sensor, wo information is available on to the need of for all a strained to ratio to the meta strained to the mate strained to the mate strained to the need of for all a strained to the strained watched the the strained watched the strained watched to the mate strained to the strained watched to the mate strained to the strained to the strained to the strained watched to the mate strained to the straine the strained to the strained to the strained to the strained to t$

BY BECK **Popular** People



Freedoms We Enjoy Due to

Sacrifices of Millions of Men By REV. GEORGE H. SWIFT Behind all our blessings there are forces, often unsung and

habitual neglect, lukewarm at-tention, or outright opposition, we are, in a sense, dissipating another capital fund, in this case a spiritual one. We in this period must not be content merely to receive the blessings from the past which we now en-

from the past which we now en-

joy, but should have constantly before us the importance of pass-

the ground. Back of

our Res. George Swift present civiliza-tions are the constant efforts of before us the importance of pass-people through thousands of ing them on to peoples yet un-years to live upon a higher born, your children's children plane. Christianity, in God's and mine.

joy are the sacrifices of millions up mine eyes unto the hills, "but of men. While we enjoy this he adds, "From whence cometh freedom today, we have a great my help?" And he answered his responsibility to pass it on to own question in these words, the generations not yet born. "My help cometh from the Lord the generations not yet born. When our forests are being depleted, or our natural re-sources used up faster than they are being built up, we are en-croaching upon the capital fund blessings flow." "My help cometh from the Lord who hath made heaven and heaven and earth" (including the hills). In the words of the Doxology.

Radio Star Makes Less At 34 Than He Did at Six

By HAL BOYLE

New York (#)—How would you like to be 34 years old and realize you weren't making as much money as you did at 6? Wendell Holmes is in this position. He is one of the better-known voices from the void

And his ca-

WASHINGTON MERRY-GO-ROUND

J. Edgar Hoover Has the **Respect of Entire Nation** By DREW PEARSON

Washington—The state department's "Voice of America" re-cently carried an unusual broadcast to Europe. It told about a po-lice chief who was not feared and hated, but who was so loved and respected that the American people were raising money volunrily to build a boys' school in his honor. That police chief is J. Edgar

might want to reach a general settlement on all outstanding east-west problems now. From the state department's

Boykin, Alabama. Nevertheless Alabama's Con-

gressman Frank Boykin, who votes against most progressive measures in the House, has made

a big contribution toward bet-

ter race relations in this little

so grateful that they named the

viewpoint this was excellent In his cabled report to the White House, however, Acheson cautioned: "One swallow does propag a n d a . Furthermore, it was true. And cautioned: not a summer make. was true. And in Europe it Race riots make sure-fire headlines, but race harmony doesn't. That's why you won't



Hoover.

We have come to take the fair-minded head of the FBI so much for granted that we don't realize that in many parts of Europe, the head of town. In fact, the Negroes were the secret police is a figure sy- so grateful that they named the nonymous with invasion of the town after him. home, torture and beatings.

town after him. Congressman Boykin not only secured federal money to help Therefore, the state departthe community, sent personal contributions to improve the schools, but is now offering Nement quite rightly reported to Europe the amazing fact that the American people wanted to raise money voluntarily to build a juvenile delinquency school as a tribute to J. Edgar to gro farmers a Brahma bull and

living man. However, the name town's lone whit is not important. It's the spirit Hall, to write it, that counts. And money has "This communit been coming in to the J. Edgar "is small and en This community," he wrote, tion of Moscow's been coming in to the J. Edgar "is small and entirely colored, back-flop when Hoover Foundation, Wash., D. but they have hopes of expand- the discussion C., from all sorts of people. Here ing by the education of the opened on Ger-is a letter from a preacher in young folks and the guidance many's future-waco, Texas, Rev. Arthur J. A. Koerner, who writes: "I am not a wealthy man, but "Bains in anbite within a mount import-Koerner, who writes: "I am not a wealthy man, but I want to join in the tribute to a

great, unselfish public servant, especially a tribute which will held solve one of our greatest problems - juvenile delinguency. Therefore, my wife and my son, Paul, agreed with me at the breakfast table to mail this

foundation every year a check for \$10, and to do this continu-Stunts Atop Bridge

ously after I am gone from this world." ily? Police are looking for two youths who climbed a Brooklyn bridge tower last night, did some stunt work 300 feet above the East river — and disappeared. Secretary of State Acheson reported to President Truman that Soviet Foreign Minister Vishinsky has been even more cor-

They were seen by a taxi driver and Patrolman Alex dial at the opening sessions of the foreign ministers' conference than was reported in the press. Barush "I looked up and rubbed by eyes," Barush said. "I couldn't

believe it." He said he saw the youths clamber up a crude cable cat-walk, reach the top and—"so help me, they were doing acro-batics on the tower."

"Then I lost sight of them," the policeman said. "I don't know how they got down and away." Police spotlights played on the tower and a police launch zigzagged below the bridge.

on the tower and a po They found nothing.

11-Year-Old Girl Not Only Is **Champ Speller But Has Charm**

By HARMAN W. NICHOLS (United Press Staff Correspondent) Washington UE-Margaret is adorable, she's beautiful, she's

Washington USD--Margaret is adorable, she's beautiful, she's We are witnessing the unfolding a bundle of charms. Not only that she can spell "platitudinous." That's the word Miss Mar-garet Ledford, 11, of Rogers-ville, Tenn., got through to be-clble. Discomfiture. Vocifer-wille, Tenn., got through to be-come a finalist in the national at i on. Maelstrom. Kaleido-spelling bee to be held here to-scopic. day. She is sponsored by the Knoxville News-Sentinel.

P

all her satellites, adopted a pro-gram calling for a united Ger-many under a central German government. Why then the sud-

den reversal? Well, that's for Mr. Vishinsky to disclose in his own good time. Some observers think the change of Germany.

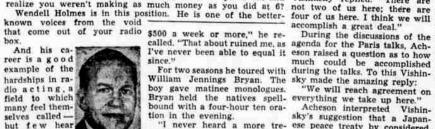
That election was to create a "people's congress" which was to be presented to the foreign ministers' council as the basis of government for all Germany, ut one-third of the voters turned thumbs-down on the proposition, thus rendering the Red scheme useless.

Now the Soviet calls for a re-turn to Big Four council rule, a proposal which America, Britain and France promptly rejected. They say the clock can't be turned back.

So the next major move is up to Vishinsky, and pending that we must be patient. Even when it comes, we may not get the answer, for the Soviet foreign minister is a strategist of devious methods.

Developments in the council meeting are going to be worth watching, and for two reasons. We are witnessing the unfolding

day. She is sponsored by the
Knoxville News-Sentinel.The kid sent me running to
verity every one.in international conferences.dMargaret indeed is a lovely
creature. She wins you with a kid from the country could be,
smile first, a southern accent has had a gay old time in the
spellyou down.When Vishinsky received the
missed another.Wishinsky received the
portfolio U. S. Senator Arthur
missed another.She knocked this old-timer
for a row of jumbled type.The one she did see was Sen.
Margaret is in the seventh
margaret is in the seventh
there in the Tennessee moun-
tains. She doesn't pretend to
be too smart, but you can't keep
personality from oozing.The kid sent me running to
Margaret as unspolled as any cessor to
the copital. She went to
When WassertVishinsky because he was inter-
ruthless' man re-
placed a "rentleless" one. That
wasn't the first time the term
wissed was Miss M. Truman,
of 1936, 1937 and 1938.I am a man who never gets
more than three or four short
paces from Webster's latest.Margaret said.
"She told me she once won a
spelling context she once won a
She too could be store the bigMargaret said.
"She told me she once won a
spelling context she once won a
She too could be shown the she once won a
spelling context she once won a
Four council meeting determine
Four council meeting determine



tion in the evening. sky's suggestion that a Japan-"I never heard a more tre- ese peace treaty by considered, mendous voice," said Holmes. as an indication that Russia "Bryan could make 10,000 peo-

tus dance with which the Russian chieftain has been suffer-ing for some time, and which was the reason why he went to ing a cure. vin to say:

Czechoslovakia last winter for

At one point Vishinsky's ex-pression of hope that much would be accomplished during the Paris discussions, caused Britain's Foreign Minister Be-

Vishinsky also appeared nerv-

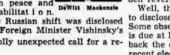
ous, but this was attributed not to worry over the conference, but to a slight touch of St. Vi-

"That depends in large part on you." "It depends on all of us here,"

"It depends on all of us here," Vishinsky replied. "There are not two of us here; there are four of us here. I think we will accomplish a great deal."

During the discussions of the called. "That about ruined me, as agenda for the Paris talks, Ach-I've never been able to equal it eson raised a question as to how since." much could be accomplished

"Being in public office, you often have a thankless job ... (but) may this letter be just a for all the good things you have done for us." by Foreign Minister Vishinsky's wholly unexpected call for a re-back the communists had in the recent election in the Soviet zone New York (P)-Are there any missing acrobats in your fam-





By DeWITT MacKENZIE

After the post office of Boy-kin was opened, the townsfolk tions in the Big Four foreign ministers' council meeting, which gressman for whom the opened in Paris last Monday.

vival of the four-power allied control council to govern Ger-many, instead of creating a cen-

AT 22. YOUNG LADY

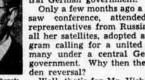
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ARE STILL 2 TO

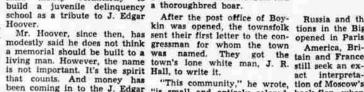
I YOU'LL MARRY

(BETTY C. PRIGGE HOLLYWOOD, CAL INSPIRED THESE ON

tral German government. Only a few months ago a War-saw conference, attended by representatives from Russia and







BY GUILD

Wizard of Odds

ODDS ARE EXACTLY

EVEN YOU'VE MOVED ONCE SINCE 1940 - 70,000,000 PEOPLE

HAVE.

exports from Yugoslavia and Poland. The world production of hops, average yearly from 1934.38 was 120,881.000 pounds, that for 1945 103,554.000 pounds, for 1946, 116,140,000 pounds, for 1947, 111,071 pounds, for 1948, 110,988.00 pounds. United States imports of hops during the first half of 1946-47. As usual, the bulk of the corresponding period last year, but not as high as during the first half of 1946-47. As usual, the bulk of the imports came from Germany, Czechoslovakia and Yu-goslavia. During the first half of the current season in pounds in the same period a year ago and 2,863,000 pounds. Canadian hops production in 1948 amounted to only 1. Canadian hops production in 1948 amounted to only 1.

Canadian hops production in 1948 amounted to only 1,-Canadian hops production in 1948 amounted to only 1,-721,000 pounds, a reduction of 31 percent compared with the 2,491,000 pounds produced in 1947. Both area and yield per acre were below those of 1947. A considerable reduction in acreage in Ontario and a sharply reduced yield in British Columbia were the major factors account-

ing for the reduced crop. der It is too early in the season to estimate the 1949 crop, one but locally the conditions seem favorable thus far with the lyreorganization of cooperative hop control.

Detained Bath

After much scrubbing, soaping and rinsing, the boy pulled the stopper from the dain pipe. The water went down. So did Whitey's right hind leg.

The boy's mother, and neighbors tried unsuccessfully to free the howling, yelping dog. Finally, six members of a police emergency squad arrived.

They sawed the drain pipe, upended the tub, unscrewed the emaining bit of pipe and pushed out White's leg. Free at last, the dog shook water over everybody.

currently in three daytime scop hattan. opera serials. He also plays Dr. "It is hard to get known here." Watson on the Mr. Sherlock he said. "It isn't so much what Holmes program and also enact-you can do that's important. It's ed the title role in another MBS whe ther you can convince role failed the little toy black and t words cannot express my scorn o stopped and tried to find to that they can rely on you. That duced on the air as Scatterbrains der. But it's a tongue-slip some-one's bound to make eventual-ly. Stopped and tried to find to that they can rely on you. That takes a long time." I don't suppose it matters to you stopped the title to black and t stopped and tried to find to the they can rely on you. That the was only a little dog but there were those who loved him. I don't suppose it matters to you stopped the time to a swell stopped the time to to the her were those who loved him. I don't suppose it matters to you stopped the time to to the the to stopped the time to the time to the stopped the time to the stopped the time to the stopped the time to the tim

assure each other what a swell

. . . Holmes was named after Poet liver Wendell Holmes by his "How was I honey?" they ask Oliver Wendell Holmes by his "How w schoolteacher parents. At the age anxiously.

"But you can't always trust of 6 he won an oratorical contest in Middleport, O., and a even your wife to tell you the Chautauqua scout signed him up. truth," grinned Holmes. "She "For the next four years I got wants to let you down easy, too."

Burglar's Blunder

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Hull, Que. 0.8.—Police said today that Patrick Murphy. 19, was a failure as a robber. Murphy held up Blanche Gendron in her restaurant, took \$38 and locked her up while he made his getaway.

But police caught him a few minutes later. He had locked a woman in a telephone booth. the

To the Editor-To the hit and run driver who Thursday hit and killed the little toy black and tan terrier on Lansing avenue: Words cannot express my scorn of you. You might at least have Words cannot express my scorn of your to a stopped and tried to find to whom he belonged. Instead, you left him to die in the road. He was only a little dog but He was only a little dog but MRS, WILLIAM HUFF 108 Lansing Ave.

STORIES IN LIFE

Mailman's Rest Cure

Los Angeles (UP)—At his own request hockey-playing mail-man William E. Lilley, Jr., is going to get three years in a federal prison camp to rest his aching feet.

Lilley was sentenced yesterday by Federal Judge Jacob Weinberger. He was arrested April 27 for taking home 5,000 letters because he was "too tired" to deliver them.

The judge wanted to give him a lighter sentence, but Lilley said he preferred three years.

"I want to go to the prison and forget everything," he said. "I got to drinking because of marital troubles. Now I'm an alcoholic and I want to get well."

"All right, three years and five years' probation," said the judge.

