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Ollie's Barbecue and

By TOM WICKER

WASHINGTON — "There is latitude enough in the Constitution to embrace within its four corners these advances." Senator Everett McKinnon, Republican, he explained support. Right

Fiscal Policy at Last

The immediate impact of President Johnson's new anti-inflationary program is mainly psychological. It should help to calm and reassure the nation's financial markets, which have been undergoing convulsions in recent months. During this time the markets have appeared distressed and disheartened in reacting to the Federal Reserve's increasingly tight money policy and to the uncertainties posed by the Administration's failure to make use of its own fiscal weapons.

Now Mr. Johnson has ended his self-imposed paralysis. In asking for a temporary suspension of both the 7 per cent investment tax credit and accelerated depreciation benefits, he is hoping to slow the boom in business spending. He also promises to limit Federal outlays and has asked the Treasury to cut down on sales of participations in Government assets, which were originally designed to reduce the budget deficit but which have had the unfortunate effect of reinforcing the money squeeze.

The President thinks that these fiscal measures will serve to curb demand for credit, enabling the Federal Reserve to follow a more moderate monetary policy, one that does not carry the risk of tightening credit to the point where it could choke off the expansion in business. To clarify his position he has called on the Federal Reserve as well as the nation's commercial banks to cooperate "to lower interest rates and to ease the inequitable burden of tight money."

Now that monetary policy does not have to carry the whole burden of opposing inflationary pressures, there is a good chance that the fears that have plagued the marketplace will subside. Money may still be tight, but once fiscal policy begins to play a part, however modest and belated, the psychological threat of a monetary panic becomes much less a danger.

But the practical effect of most of the President's program will not be felt until next year. There is no stopping the current rise in business investment. Nor is there an effective brake against price and wage increases. The dose of inflation that is now infecting the economy will go unimpeded.

These weaknesses stem directly from the overly expansive fiscal and monetary policies pursued by Washington long after stimulation was needed.

What has been done cannot be undone by the President's program. But by acting now, Mr. Johnson may help to minimize the damage wrought by too much reliance on monetary policy and too little use of fiscal policy.

A Nod to Peking

Confusion now engulfs the remarks that Chen Yi made to Japanese members of Parliament on their visit to Peking, but the United States has taken the correct course in publicly welcoming the mild version originally published in Tokyo.

Some of the legislators apparently thought Communist China's Foreign Minister had said his country was "not necessarily dismissing" the possibility of talks with the United States about the war in Vietnam. This would indeed represent a

sharp turn in Peking's policy. Instead of denigrating the report, the State Department was right to respond promptly and positively to the remarks attributed to the Foreign Minister, a response echoed by President Johnson at his press conference Thursday. His response underscores Washington's recognition that mainland China has a legitimate stake in resolving the conflict and bringing peace to Southeast Asia.

There is, of course, a more dramatic, more constructive, way for the United States to demonstrate, in the President's words, that it will use "every means available" to improve relations with China and bring that country into responsible participation in international affairs: Washington could drop its opposition to the admission of Peking to the United Nations, provided a separate membership were retained for Nationalist China on Taiwan.

At a time when Peking is steadily alienating even the other Communist regimes in Asia and frightening most of its neighbors, the temptation for Washington to sit tight and bar the United Nations door for one more year will be great. But a period in which Peking is maintaining its truculence toward much of the world, while undergoing the internal convulsion of Mao's "cultural revolution," might be the best time to open the United Nations door. There must be elements in China—Foreign Minister Chen could be among them—who fear China's growing isolation.

A "two-China" solution is certainly favored by a big majority of United Nations member Governments, however they finally vote in the Assembly. And this policy would remove from the United States the heavy onus of keeping out of the only functioning peace-keeping organization a Government that rules, however badly, more than a fourth of the human race.

The Riot in Atlanta

An artificially induced riot involving a few hundred susceptible Negroes shattered the calm of an Atlanta afternoon, and it may have shattered much more. There is no way of gauging fully its effect on a Southern community that had been deservedly considered a model in race relations.

Particularly dismaying was the abusive treatment accorded Mayor Ivan Allen Jr. when he rushed to the scene and tried to calm the rioters. They had been whipped to frenzy, reportedly by the so-called Student Nonviolent Coordinating Committee, which espouses the separatist and inflammatory slogan of "black power."

Such was the mood of the mob, hastily recruited after a Negro suspected of stealing a car had been wounded while fleeing from the police, that Mayor Allen was jarred from the top of a police car and subjected to a barrage of bricks, bottles and verbal abuse as he courageously stood his ground and tried vainly to restore sanity.

This was an ironic reward for one of the few Southern officials who supported the Civil Rights Act of 1964. To the degree that S.N.C.C., in its new militancy was responsible for this violence, it has done a gross disservice to the evolution of racial harmony and the progress of the Negro in Atlanta and elsewhere in the South.