

"I Don't Want Something 'Just-As-Good' This Time"

Joseph & Stewart Alsoop

Republican Schism

WASHINGTON

The Eisenhower embargo is a side issue, compared to the issue of the party's future. Congressional Republicans. It matters much less whom the Republicans may nominate for the forward-looking or backward-looking of the party is the victory in their long-run political machine war. And for present purposes, the decisive battle in the contest is for the leadership of the party. It is almost certain to be fought over the European recovery program.

Last Summer, many Republican leaders hoped that the party would be unified by the victory of Taft during their joint struggle to wind up the Congressional session. They were disappointed. The party might not fall out too violently.

In the interval, however, the situation has deteriorated. The Republican Party is now split between Senator Taft's statements as a candidate who has signed his decision to start a party, and the party (which is ardently supporting him). His statements on foreign policy have pretty well committed him to open opposition to Senator Vandenberg on the European recovery program.

OPPOSITION GROWS

The Republican Party as a Senate leader are arousing increasing opposition among the Republicans. The party is now split between Taft's leadership of this opposition now seems to have passed from such isolationists as Vandenberg, Taft, and Bennett to the more liberal members of the party, such as Taft, Bennett, and Taft.

A notable incident in the recent party conference over the declaration of policy was the opposition of the party to the proposal that Taft should be nominated for the presidency. This is a serious matter, and it is a sign of the party's internal division.

Senator Taft's private inclination may also be inferred from his statements in the past. He has repeatedly stated that he will yield to temptation in the manner of Senator Wherry, a Republican who has been mentioned in the past as a possible nominee.

His advisers have urged upon him a strategy of voting as he chooses, and that he should not let himself be used as the head of the organized opposition of "MR." The character of this strategy is, of course, difficult for him to adhere to such a careful program when the party is so deeply divided. He wants to pick in and lead the fight, and the Wherry and Brockway plan to make sure that Taft's ability, industry and independence. But his individual qualities are being tested on the real question, which is whether the political line he represents is the one which the Republican Party ought to take.

We Hope Stalin Stays Well

REPORTS of Premier Stalin's death have now been denied in Moscow and rumors that he is dangerously ill from cancer have been contradicted by publication of a month-old photograph of the Soviet dictator showing him looking excellent. It was during this period that the Soviet Union adopted Russia's "democratic" constitution, worked earnestly for international collective security through the League of Nations, and broke her rapprochement to the United States.

The Comintern, agency of world revolution, was pushed into the background. Capitalistic features of the Russian order were pronounced, and it was admitted by leading Marxists of the day that the Soviet's new goal was a modified form of socialism and that the transition to Communism would require an indefinite period.

Stalin's alliance with the West was not a new thing. In the days of the Bolshevik Revolution, he decided soon after the First World War that the world revolution had failed in the West and the Communists must concentrate on building Russia in Russia.

It was in the difference on that point that Stalin rose to power over Trotsky, who wanted to go on with the revolution every-

That's Where Our Money Goes

STRONGEST argument for the Marshall Plan for economic recovery in the Western world is contained in the President's budget message, which informs us that 79 per cent of the nearly \$17 billion requested for the next fiscal year are expenditures which "directly reflect the costs of war, the effects of war, and our efforts to prevent a future war: national defense — international affairs — veterans' benefits — interest on the public debt — tax refunds."

We will be paying the costs of the last war for a long time to come on all these accounts except possibly "international affairs" and "tax refunds." They will be much larger in the long run as we have to provide for "international affairs and finance," which covers the Marshall Plan and accounts for more than one-fifth of the total budget. This may be admitted as the only way to avoid the disallow or seriously reduce the \$7 billion that is earmarked for "international affairs and finance" in the next fiscal year.

In the light of these figures, the taxpayers may be bored if we repeat that the Marshall Plan is the only tangible and practical program yet offered to get Europe back on its feet, which is essential if international economic and political disaster is to be stopped. Without the Marshall Plan, the danger of world revolution and war will be immeasurably increased. Successful operation of the plan will ease the burden of the government and effect a speedier reduction in the largest item in the budget, more than \$11 billion for national defense.

It will remind the people that nearly 80 cents of their tax dollar is going to pay for past wars and to protect us against future attacks, but that showing cannot obscure the fact that "all other expenditures of Government are exceedingly high." Certainly this record percentage budget makes the point that we should pay off more of the war bill before undertaking further expansion in Federal spending.

The President is following sound fiscal policy in recommending that the estimated surplus be applied on the public debt but that he does not propose that we should disallow or seriously reduce the \$7 billion that is earmarked for "international affairs and finance" in the next fiscal year.

Changing The Political Picture

THE week-end provided North Carolina its most surprising political news of the 1948 campaign, with W. Kerr Scott as the winner of the chairmanship of the State as Agriculture Commissioner, Lt.-Gov. L. V. Ballentine's candidacy for the Scott post, former Ben. Braden's decision to seek gubernatorial Candidate Charles Johnson as opponent of the Governor, and now the rumor that Scott, who originally said he was planning to retire to his Alamance County farm, may enter the race for Governor.

The most startling feature of this ring-around-the-rosy in Capitol Square was the Ballentine entry, since the lieutenant-governor had long led the list of potential challengers to W. Kerr Scott, the incumbent of the Governorship. The Ballentine deduction that 1952 will be a more propitious time to make his bid for Governor in view of the commanding lead which the State Treasurer has amassed in the current campaign. Commissioner Scott's opportune withdrawal paved the way for Mr. Ballentine to bow gracefully out of the gubernatorial contest by seeking a position which he has an excellent chance of obtaining.

The High Point Enterprise points out that the announcement of Mr. Ballentine and Mr. Hodges as both, in effect, gubernatorial candidates of 1952 and 1956. Mr. Hodges has been groomed for the Governorship in 1952 (when by our



Shadows Of 1929 On 1948

Must It Be Boom And Bust?

BY THURMAN ARNOLD
Former U. S. Assistant Attorney General,
in the Harvard Business Review

NOW IN 1948 the curtain has opened on the same old show. The 1929 crash still haunts our fears like Banquo's ghost. Every economic problem which loomed up through the long years of the depression is still on our doorstep. Industry in America is a vast system of absentee-ownership controlled in fewer hands than ever before in the world's history.

This sprawling corporate bureaucracy is afraid of production which does not mean an incapable of utilizing the vast wealth of the twentieth century industrial revolution. The country is desperately short of electric power, but new power developments might destroy the dominating position of private industry.

We are short of transportation. Yet if the development of air transport should follow the pattern of the development of the automobile, present investments might be jeopardized by competitive struggle.

WE ARE desperately short of medical service. Yet the present vested interest in that chaotic field stand in the way of any plan for the widespread distribution of medical services which interferes with the narrow interests of established groups. And so on wherever we turn.

Historic analogies are unreliable. Yet there is a striking similarity between the present chaos, inflation, economic stagnation and the depression following the Reformation. Before the Reformation the medieval church had become a hierarchy of economic and political power. It was the cause of a consistent pattern of absentee ownership and restricted production. Its power was derived from established faith.

Today men plan their faiths and owe their loyalties to a hierarchy of business institutions with cathedrals as their seats. In New York these institutions appear to have power. Yet that power is shackled by the beliefs and habits of the nineteenth century. The impelling faith of today is that investment must be secure. That faith makes modern industry incapable of supplying the power to create the order of the economic chaos of Europe, or of stimulating competitive development of industry in the outlying areas of our own country.

In the Middle Ages political government was supposed to be the temporal arm of the Church. Inference from this fact led to the idea of bringing the church over. Today we are desperately trying to convince ourselves that political government is only the secular arm of a vast economic empire which follows the great principles of revealed economic truth.

Our present predicament is the result of political government's trying to restore political government expenditures and removing government control. It is the result of the failure to realize that only America is capable of restoring economic order in the world, and that American business cannot do it without the cooperation of vast sums by the Government. Just as we are preparing to return to normalcy, the Marshall Plan and the entire public that government can be put back to its accustomed role.

The world desperately needs goods. Our traditional economic organization has no way of bringing the supply to those who need it. All this was true in 1929, but nobody knew it. Today we realize that

An industrial revolution offering to the world new wealth beyond any former demand has destroyed our isolation.

Being forced into a vast project to furnish goods to starting peoples. The commitment seems too overwhelming to be possible of accomplishment.

The fear of Russian expansion has pushed us into the position of again being the arsenal of food and production instead of weapons. We enter that period with a high proportion—trying to return to the nineteenth century while we move forward in the twentieth.

Of course there is a threat to our industrial and political organizations, frozen as they are to the institutions, ideas and methods of a nineteenth century world. In the face of coming changes, investments appear to be safe. Centralization of economic power in government, which is a necessary step towards trade and to new industry are greater. Investments depend on the continuation of this concentration and these barriers to trade.

It is the reason why the 1929 crash is still a recurring nightmare—why our thinking is constantly turned back to the failure of the nineteenth century. Our economic thought is devoted to speculating when the next depression is coming.

Today we are trying to bring about the attempted to prop up the familiar institutions as men always do in times of change. We want normalcy more than ever.

Quota, Unquota

Too many lawbreakers, especially the habitual crooks and racketeers, are breaking the law. The Government is doing its best to put an end to their lawbreaking, but it is doing it in a way that is causing a great deal of trouble. The Government is trying to put an end to their lawbreaking, but it is doing it in a way that is causing a great deal of trouble.

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Drew Pearson's Oil Shortage Certain To Get Much Worse

THE American oil industry is now spending the huge sum of \$100,000,000 in a powerful counter-sales campaign to persuade people not to buy oil.

The amazing fact is that it was only just recently that the oil industry was bragging about having a surplus of oil. Before that it was widely asserting that oil would flow freely as soon as there was sufficient transportation.

This writer as early as Sept. 7, predicted that gasoline would be rationed in the United States. The Secretary of the Interior Oscar Chapman informed Congress in late September in a statement available to the oil industry that "the world is so short of oil that it will be extremely short and should be rationed."

Despite this critical situation, oil-burner manufacturers sold 80,000 burners in November—almost all-time high. And even while Chrysler, GM and Ford were unloading plus oil burners on the public, it was quietly converting its own Bayway, N. Y., plant from oil to coal.

For the inoperative truth is that our basic oil reserves are being used up at the alarming likelihood is that the American home will go without heat for prolonged periods this winter while farmers will run out of motor fuel to harvest their crops next fall—unless a stiff conservation program is adopted at once.

Bolled down to the old facts furnished the Government by oil men, here is the oil outlook today: America's petroleum reserves are being used up at the alarming likelihood is that the American home will go without heat for prolonged periods this winter while farmers will run out of motor fuel to harvest their crops next fall—unless a stiff conservation program is adopted at once.

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Samuel Grafton

Asking For Defeat

NEW YORK

A FAINTLY suicidal tendency seems to be creeping into the Republican ranks. The Robinsons in the GOP have begun to ask for defeat, not only as far left as Henry Wallace, but his Administration has turned New Democratic Party, and even from Missouri it is as ho-yeyed a radical as you are likely to find elsewhere in the country. He is not a man who is likely to find either side as he is likely to find the other side as he is likely to find the other side as he is likely to find the other side.

What are the Republicans trying to do? They are trying to do what they have done in the past: they are trying to do what they have done in the past: they are trying to do what they have done in the past.

It is the Republicans' realty to murder the Democrats, they ought to be called on to do so. They are trying to do what they have done in the past: they are trying to do what they have done in the past.

Mr. Taft's address of the other evening would have been much more effective, election-wise, if it had been made by the man as one of nature's noblemen. The President would have been in the bag for him.

Something like the same faintly suicidal tendency shows up in the left, too, where, except for the lead of arguing that one of the best ways to get out of the mess is to get out of it, and the tendency and can be saved, persuaded to declare that they stand alone. The Government is doing its best to put an end to their lawbreaking, but it is doing it in a way that is causing a great deal of trouble.

What's so good about that? Why the hell should we be asking for defeat? The Government is doing its best to put an end to their lawbreaking, but it is doing it in a way that is causing a great deal of trouble.

The President's Waltz

DEMOCRACY ushered in the waltz, or vice versa. And the aristocratic minority was allowed into a limbo, which was waited for by a certain number of those who had revolution settled down into regimes of conservatism. Even a little too respectable.

It was a long way, socially speaking, from the State of Boston, where the French "mob" perfume was amased. At most revolutions settle down into regimes of conservatism. Even a little too respectable.

Has the ego been bridged? Or has democracy won back the waltz? And will the moment of its triumph be memorialized in a new sobriquet for a Chopin chestnut? Let historians take due note: it is Chopin's "A. T. Opus 42" that President Truman asked Jose Turbul to play for him in a recent Washington concert.

Mr. Turbul will become the favorite pianist of all small boys when they learn he

Three Famous Sons

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Oil To Germany

WHILE an oil embargo is not impossible, it is highly unlikely. Geologists have been probing the most promising terrain for the past 18 years without tapping a single major oil field. Despite the locked incidents continue to be drilled, the nation is draining its oil reservoirs faster than new oil can be poured in. The deficit is estimated at 429,000 barrels a day.

The only immediate solution is to increase foreign oil imports. This is why Arabian oil and the dynamite-laden tankers of the Persian Gulf are so important. The Government plans to import more oil than it exports this year—for the first time in history. In case of war, of course, outside oil will be taken from the bank and used to the hilt.

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