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SUNDAY, JULY 17, 1938

Unfand Farewell

Nobody ever thinks about the American Liberty League any more. The 1938 elections, which saw Roosevelt re-elected almost unanimously and the Democratic majorities in Congress and the state legislatures, broke the Liberty League's back and, for the first time, apparently, convinced it of what everybody else had suspected all along—that every time Joseph P. Kennedy opened his mouth, he made votes for Roosevelt.

Last week, however, a couple of charter Liberty League members, original members of its National Advisory Council, made news. It was bad news. The Board of Tax Appeals ruled, 15 to 3, that Pierre S. Du Pont and John J. Raskob had sold stock in the American Liberty League to evade the payment of income taxes. As a result, the Government will collect some \$400,000 additional taxes from Du Pont and a cool million from Raskob.

The Liberty League had nothing to do with this tax evasion, of course; and it seems somewhat pointless now to say that these tax evaders had a lot to do with the Liberty League. But let's say it anyway, as a sort of final stamping of the rod on the grave of the Liberty League.

Tough Job

Labor's Non-Partisan League, a CIO subsidiary, has marked North Carolina's Bayard Card for oblivion. He has been given the lowest possible rating largely, it is explained, because he was a member of the House Rules Committee which refused to let the wage-and-hour bill come to the floor.

Labor's League wastes its energy. Mr. Clark is a Representative in Congress from the Seventh North Carolina District, a district gerrymandered out of the state, extending clear from the South Carolina line near Little River almost to Raleigh, a section which is predominantly agricultural, not industrial. The district is made up of Bladen County (Elberta), Brunswick (Shallotte), Columbus (Whiteville), Cumberland (Fayetteville), Harrell (Dunn), New Hanover (Wilmington), and Robeson (Lumberton), all of which parthenocentric have one thing in common: they are a hearty mistrust of interference with their ways.

But wait—the best is yet to come. Mr. Clark has already been nominated in the Seventh District without opposition. A swell chance Labor's League has of interrupting this apostolic Democratic succession.

Around the World

We aren't trying to detract from the laurels of Howard Hughes. Wiley Post and some other people who have flown around the world, but in point of fact none of them has done that in the sense of, completely girdling the circumference of this giddy ball to which we cling. What they have really done is to fly around the top of the ball. If you'll look at a map, a globe would be better, you'll see that all of Howard Hughes' flight took place well within the 40th parallel of latitude north, that nearly three-fourths of it took place within the 50th, and over half of it within the 60th. If you'll look it up, too, you'll find that the circumference of the globe at the equator is 24,901 miles, while the circumference at the North Pole, a little north of the 40th parallel north, passed only half that distance.

Fir To Go
(Atlanta Constitution)

Asia's war is a year old. At the end of the period, the Japanese ship up as a crack, ground-gaining combination between the 35-year ridge.

diagonally over the extent of Africa, swooped far down under over Australia to just a little north of the 40th parallel south, returned over the whole vast reach of the Pacific to Hawaii, and over the Hawaiian Islands to New York again. But as the disastrous experience of Amelia Earhart, proves who, in part, was flying that course, it is hardly feasible yet.

Editorial Prayer

Oh, worry, worry! We do wish that we had some genuine convictions on this monopoly business. Instead of being no-wisdom-washy. When Mr. Roosevelt, for instance, comes along and says:

"The heavy load of integrated financial and management control lies upon large and strategic areas of American industry. The small business man is unfortunately being driven into a line independent position, and the public interest is being sacrificed to the free enterprise and is becoming a victim of private collectivism."

We begin at once to see visions of Main Streets triumphant, the hand of the financial monster loosed from around the Plain People's throat, trade and agriculture—and newspapers—restored to their proper dignity and profit.

But when the Brookings Institute, as it has returned in an unprejudiced and factual survey, that:

"Competition is quite as keen and much more results when we find industrial giants marshaling their mighty resources to perfect technical and financial schemes of organization through which more and better goods may be put within the reach of the masses."

Taps for the Junkers

The German Junkers, the landed aristocrats, having planted dragon's teeth, have now to deal with the host they have raised up against themselves. Once it lay in their power, under the leadership of old Paul von Hindenburg, to halt the advance of Hitlerism. But they didn't, and they didn't because, like the industrialists before them, they succumbed to the Nazi propaganda that the swastika was a great bulwark against Communism. And they were very jealous of their property rights, these Junkers. On that score, they had refused to yield an inch to the Social Democrats who ruled the German Republic, and who argued that some common ownership of property was absolutely necessary. So, to protect those rights, they swallowed the rule of the little house-painter when they desisted.

And not sold out. The industrialists long ago found that they were bluffed, and that under the Nazi regime they had no more of property than they would have under Stalin. And now the Nazis have carried the war into the Junker citadel itself. On January 1, 1939 the rule of primogeniture, which has kept the great landed estates of the German aristocrats intact and which represents the heart and core of property rights they are so jealous of, will be abolished, and the estates themselves will be broken up under the direction of the state.

Presto, There!

It is easy to make things come out right in a speech. As in the speech of Mr. James S. Thomas, economist, president of the Clarkson College of Technology at Potsdam, N. Y., and President of the Chrysler Institute of Engineering at Detroit, Friday morning. The speech was made before an audience of Southern industrial executives at Asheville and delivered himself as fine a piece of verbal obfuscation-surmounting as ever we have seen. Said he:

"If it is said people cannot buy the goods and services we now have, the answer is obvious. They are not good enough, nor cheap enough. Once they are made as good and only half as expensive, we need not fear. There will be consumers."

So far as that goes, it is an excellent statement of a problem and a desirable goal. But it is worth observing that before the thing is done, if it can be done at all, there are staggering difficulties of economics and technology which must be met. And that Mr. Thomas, unencumbered by anybody's demand for details, and though he is himself a technologist and economist, blithely and discreetly avoided himself of the speaker's privilege and said nothing at all about how they were to be met.

This was almost as absurd as another speech we read recently, in which it was declared that the way for management and labor to adjust their deep-seated difficulties was to hold hands.

On Placing A Comfort Station

One Argues the Comfort Station Will Insult the Dead if Placed in the Old Cemetery; the Other Simply that Good Senses Says It Should be at the Square.

Dear Sir:

From recent published statements it appears that an organization here proposes the erection of a large public comfort station in the old cemetery, near the First Presbyterian Church.

Charlotte is a goodly city, and people naturally come here to partake of the prosperity that others have developed through long years—but they have no loved ones buried in the old cemetery.

Public comfort stations are desirable, but should not be located in a graveyard. Latrines in large cities are located underneath the sidewalks. The City owns the site at Fifth and College Streets, which is a block nearer the business district than the cemetery site. The County owns the site at Third and South Tynes Streets. There are several hundred acres of vacant land in the city limits.

The claim that the location in the cemetery for the proposed Chick Sales enterprise will not interfere with graves is misleading, because there are bodies interred in that location.

THE VILLAIN TURNS LEFT
By Hugh S. Johnson

BETHANY BEACH, Del.,—Mr. Lewis

It is Brown is chairman of the Commerce and Industry Committee of the International Management Congress which will meet in Washington in September. That congress will bring together some of the foremost industrial managers in the world. Mr. Brown has sent me a collection of opinions of leading American business managers on the present problem of industrial leadership. It is intended as a basis for discussion at the congress. It is the most remarkable document I have recently seen.

Almost without exception, the outstanding thought in recognition of a vast change in the duty and responsibility of industrial management toward labor, the consuming public and to government, as well as to stockholders. In many of these opinions, a spoken or implied admission that heretofore too exclusive emphasis has been put on managerial obligation to stockholders or ownership. Even where this is not touched upon, the recognition of a new sort of public responsibility is clear.

ALL BIG BUSINESS AFFECTS THE PUBLIC INTEREST

There can be no doubt of the correctness of this. In these great economic evils which have grown through the inevitable operation of natural laws to such power and influence over the lives of millions of workers and consumers, the public trust involved in these private office decisions as great as if it were the public trust involved in public office. To use a legal phrase, all these great industries have more and more become "affected with a public interest."

For a long time the utilities—railroads, for instance, electric power and light companies—have been held by the law to be subject to direct government regulation either because they are natural monopolies or, for other reasons, because the public is in a condition of helplessness under their management. They are "affected with a public interest." But in other lines of business, public was supposed by the law to be sufficiently protected by competition between units.

AND THIS INDICATES THAT BUSINESS MEN ACCEPT IT

But as business units naturally become greater and more powerful, this protection for labor and consumers grew less and less effective.

Industry was too slow in seeing that, if it did not of its free will recognize a duty to protect its public, the role of the public utilities would be applied to all business—increasing government regulation, and in the end, government ownership. If regulation should fail to do the trick.

This collection of fifty leading business opinions seems to recognize something like this, with varying degrees of emphasis and clarity. For that reason, it is something of an eye-opener to me.

The trend in that direction has been marked and has frequently been noticed in this column, but I had not suspected it to have gone so far.

ROOSEVELT GETS CREDIT FOR POINTING WAY

The encouraging thing about this is that precisely this reasoning was at the bottom of the First New Deal and still is the belief of many prominent Third New Dealers including, as I believe, the President. If that is so and business and the administration are at last thinking the same thought, and speaking the same language, it is about the best news that all who are hoping and praying for prosperity could hear. There can be no real recovery until business and government are on together.

Furthermore, whether you like Mr. Roosevelt or hate him, he can't be denied the credit for jarring industry into this way of thinking. It is the only logic in which business or the capitalist or profit system—democratic itself—can save itself in the face of overwhelming popular ideas which are surging not only in this country, but everywhere in the world.

The jarring process has been pretty rough and has been accompanied by unnecessary jobs in other directions. But maybe that was the only way to get this result.

Dear Sir:

I notice in your paper that there is a movement on foot in the city to provide an up-town comfort station for the public. There should certainly be such a station near the center of town. And I wonder why it shouldn't be placed under Independence Square—the logical and most accessible place?

It would be well for a committee to go to Asheville and inspect the comfort station there, which has been built under Pack Square. There are also stations of this kind underground in Boston, New York, and Philadelphia. And I think that if a committee were to investigate the experience of these cities, the square would be the place chosen here.

MRS. HARLEY GOODWIN, Charlotte.

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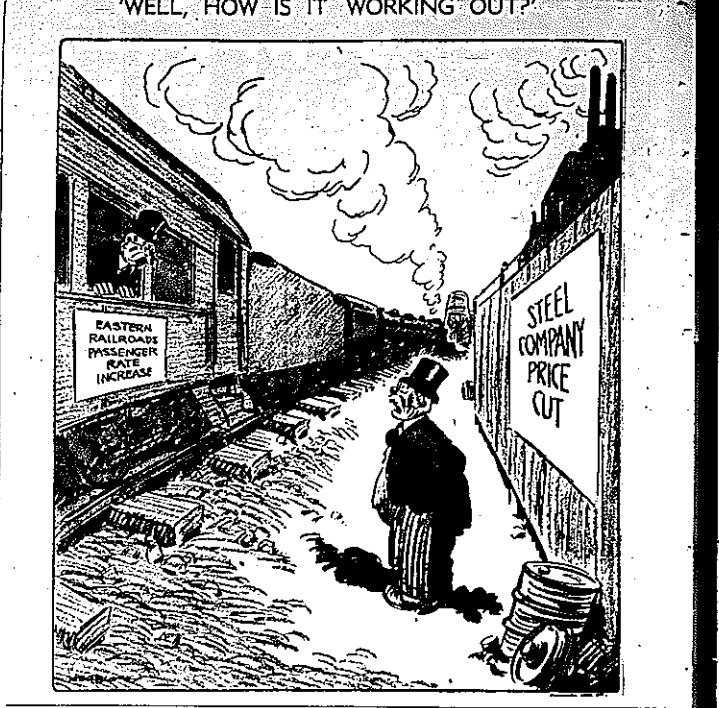
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THOS W. ALEXANDER

Gladiolus
(Louis Graves, Chapel Hill Weekly)

I have received a letter signed "Buckshot." On the sheet it passed a check line from last week's paper, "Cherish Gladiolus," and the letter is as follows: "It is correct to say Gladiolus! Webster gives gladiolus for singular and gladioli for plural." The suggestion made by Buckshot is that Gladiolus was not the right word for me to use will be approved. I feel sure, by the two heroes of the tale, Moody Durham and Rev. N. H. D. Wilson, Mr. Buckshot will not move a muscle. He scorned the implication that he had been too lavish with the inches in describing his flowers. "If you don't believe it, come and see 'em," he said. I haven't seen Mr. Wilson since the place appeared, but I know he would laugh the same challenge. My observation is that flower-describers are just as imaginative, and just as stout in defense of their measurements, as fish-describers.



Puncturing Adam Smith

By HERBERT AGAN

The strongest argument that can be made against a minimum wage bill has been put forward by The New York Times. In comment on the President's Port Worth speech. In that speech the President said, "I know you realize the importance of not trying to get industry by the route of cheap labor for industrial workers. Cheap wages mean low buying power. Low buying power means low standards of living."

In reply to this The Times expounds the classical theory of wages which we all learned in school. It sounds strangely remote in 1938.

The classical theory says that wages are set by the competition of workers for jobs and of employers for workers. If there are lots of workers competing for a few jobs, wages will be very low. If there are lots of employers competing for few workers, wages will be very high.

According to the classical theory the effective way for workers to raise their wages would be for half of them to commit suicide. The other half would then do nicely. But The Times admits some alleviation to this rigorous creed. It admits that the working of the free market in labor may be "somewhat helped by collective bargaining." In admitting this The Times admits rather too much for its own argument.

Classical economics was a lovely exercise in logic. It was a perfect thing in its way—if only the world hadn't been full of human beings with logical human wants. But just because it was a logical world, the entire classical argument dissolves if you admit an exception anywhere.

BUT UNION DESTROY THE FREE MARKET IN LABOR

If collective bargaining is admitted, the free market in labor is dead. There is no use in talking any longer about "competition of workers for jobs," because the workers have agreed not to compete. They have formed a combination to destroy the free market; they have agreed among themselves not to let the price of labor be depressed below a certain point, no matter how few workers may be competing for a single job.

If every worker in America belonged to an effective labor union there would be no need for minimum wage laws. But since millions of American workers are unorganized, but just because it was a logical world, the entire classical argument dissolves if you admit an exception anywhere.

But says The Times, the President tends to forget that higher wages may actually mean a smaller sum of money actually distributed to the workers. If wage rates are forced up, costs of production are forced up. This may drive many firms out of business and disorganize new firms from entering the field. The higher wages thus have led to increased unemployment.

"Total payrolls in consequence are smaller than they otherwise would be. This does not mean higher purchasing power for labor, but lower purchasing power."

THE TIMES MIGHT TRY THIS ON ITS PIANO

There is both a political and an economic answer to this argument. To see the force of the political answer, we must remember the President was defending his minimum wage law in a section of the country where many workers

Visiting Around

Gave 'Em the Bird
(Tillery item, New Bern Tribune)

Mrs. J. B. Ball the social leader invited the group to dinner and all found their places by following the blue bird with their name in its beak.

Here, Gents, Is a Handy Person to Have Around the House
(Taylorville Times)

Miss Williams gave a demonstration on "Furniture we can make at home" such as stools, tables, book cases, and also chairs made from barrels and gave some ideas on chair bottoming.

Finger, Ingrawing or Rusty?
(Duxton item, Dux County Times)

Mrs. E. M. Midgett is able to be out again after suffering a nail wound.

Each One Willing A Straw In Its Mouth
(D. P. Sink, Lexington Dispatch)

Luther Craver, son of Carver Craver on R. I., is making good in the farm road, thanks to his pet booby and Tilly's little pig, all well, happy and snoring around like "drug store" pinballs. Come night, some pigs too. Fine boy, put the corn to 'em. Dad won't mind.

Bring Your Own Supper
(Goldensboro News-Argus)

The Willing Workers Society of Belmont will stage their annual picnic at Woodland Lake Thursday evening at 6:30. Members were asked to bring with their lunches sweetened tea and glasses.

Speaking Plainly
(Chester Reporter)

A large part of the country's trouble today is due to the inferior type of public men, especially those who compose the law-making bodies, both state and national. This statement requires no amplification. It is obvious enough to all who are acquainted with conditions. The minority of serious-minded, faithful and determined public servants do the best they can, but they are tremendously handicapped by the presence of so much riff-raff.

Peculiarities Of People

By F. Romer

ENFANTIN

THE man who foresees, and whose engineering skill first attempted to build the Statue of Liberty, is now famous for his fantastic teaching of a new religion, the "Supreme Fathers." He believed firmly that Prosper Enfantin knew all on any question man could conceive, or would attempt to make the language of industry and finance a form of poetry.