TUESDAY, DECEMBER 14, 1948

### **HOW MUCH PROFIT?**

A JOINT Congressional sub-committee
A opened a hearing in Washington last
week to determine whether business profits
are too high—and right off the bat two
Harvard economists aired rather fundamental disagreements on the subject.
This controversial overture assures committee members of an interesting study
although it scarcely means they'll find a
satisfactory answer to a block-busiler ques-

although it scarcely means they'll find a satisfactory answer to a block-buster question. Men have, been arguing about profit since the time of Shylock, and possibly before that. They come up with as many different answers as they have includibusly the same of the two Harvard economits proves how controversial the question can be even in the rarified atmosphere of academic halls. Professor Seymour E. Harris says profits are too high, and the Government ought to tax moge and spend less. Professor Summer H. Slichter takes the firm stand that business is not making the profits it claims. By that he means corporations haven't been putting saide enough of their earnings for plant and equipment replacement and higher costs of replaced inventories. In other words, Prof. Slichter thinks corporations have been duping themselves by using obsolet accounting methods.

inemseives by using obsolete accounting methods.

Well, the Professor might have something there. The nation now lives in an economy inflated beyond all reason in most lines of consumer goods — and it stands to reason that replacement costs for a corporation machine will be just as high as, say, replacement costs for a man's automobile. Things are high, that's all.

A committee probing such a question as profits has a legitimate and worthwhile assignment — but it seems difficult to make it an exact science. Who can say, in this heyday of soaring costs how much General Foods ought to make on a box of cereal or whether the profit on a shipment of United States Steel ought to be higher or lower?

Heretofore, competition in the open market determined such matters, but few persons will try to prove were still living in an economy of the old free enterprise. Nowadays, and especially since many con-cepts of the New Deal have become na-tional policy, the economy has adjusted itself to something a good deal less than what was once known as free enterprise. At any rate so many factors have come to

play a role in the business of profits that the open market no longer does the job. Few persons qualified to do it would like to start figuring what ought to be reasonable

profit.

And yet there comes a suggestion from some labor unions that they, perhaps, ought to be the enterpreneur's right-hand assistant in deciding profit policies. This came to light recently when Henry Ford In notified his union that a fourth round of wage increases would mean higher-priced Ford automobiles. Whereupon union spokeamen said they would be glad to step in and tell Mr. Ford how he can provide those raises and still keep Ford prices down.

That may be an answer in somebody's book, but it seems to stray even further away from the average American concept of half-way free enterprise. Granted that labor unions have the right to look out for the welfare of the laboring man, does it stand to reason that labor leaders should be able to tell business men (who have sunk their capital in risk-bearing ventures for better or worse) how to manage their finances? Somehow, it doesn't so und cricket, even in an atmosphere heavy with the victory of a labor-dominated administration.

the victory of a labor-dominated assuming tration.

The business man can assure his business of an early downfail if he gorges on profits and becomes a "glutton of privilege", in the Truman vernacular, but most business men, especially after their shellacking Nov. 2, are awakening to the fact that they have to conduct their business in the public welfare if they want to survive. Labor's representatives should also recognize their limitations.

A LL OF which brings us back to profits and the question: What is a reasonable yard-stick?
Fundamentally, the answer lies in the record books of the corporation itself and in the hearts and sensibilities of the men who make profit possible at all—the American entergency. Hawing created instruction who make profit possible at all—the American enterpeneu. Having created instruments of business which provide abundant jobs and the other attributes of a healthy capitalistic economy, he must live up to the demands made on him in his responsible position; otherwise, there will be greater need for joint Congressional committees investigating profits — and they will bring back condemning evidence.

### CONGRATULATIONS TO THE INDEPENDENT

BACK in the lush, pre-depression year of 1927, an energetic young fellow named Jazzy Moore ventured the purchase of a \$37.50 portable typewriter on a \$3-smonth installment plan, set it up in a spare room of his parent 'Kannapolis residence, and started publishing a news-

Passence, and statuse processing the paper.

Kanapolis was a fast-growing community, and young Publisher Moore thought it would support a newspaper. At first he restrained his ambitions, publishing a weekly under the name of the Kanapolis Toucket. He did all the work of gathering news and advertisements, sold subscriptions, and

eler. He did all the work of gathering news and advertisements, sold subscriptions, and in general was a one-man staff. The paper was printed in Salisbury, alone the Moore home was not equipped with composing room and press room facilities. Since that day, Fublisher Moore and his paper fixe weathered many storms, the worst of which was the Oreat Depression. And the paper has grown and prospered. And the paper has grown and prospered dependent, soon advanced to a bi-weekly

scheduls. In 1935 the first Linotype was purchased along with an old hand news-paper press. In 1937 the Independent be-came a tri-weekly, and in 1938 blossomed forth into a full-fledged daily newspaper.

newspaper.

Today the atternoon Daily Independent
has 47 regular employees, 80 carrier boys,
four district managers, 21 paid community
correspondents, six modern Linotype machines, a \$52,000 press and a thoroughly
modern and efficient newspaper plant.

On the occasion of its 21st birthday, the Independent issued a fine 50-page special edition which told with modest restraint the record of its adolescence and traced the corresponding growth and development of its community.

or its community.

TEN Nives, having just reached the ripe old age of 80, knows something of the pride the Independent employees feel over their accomplishment, and extends heartlest greetings and congratulations to a worthy and deserving contemporato.

And even worse, 'tis said . . . According to informants Whit's a Fascist, Hiss a Red.

If so, then boys go to it, And we will call you pure. Oh! A man who'd steal our secrets Must be high in the Politburo.

f our country is in danger We're excited: Egad! Zounds!

So, press on Bob Stripling, Nixon: Press on, conservative Mundt! Perhaps you'll find the lost chord In your fabulous great spy hundt!

Bring on your Sherlock toppers. Bring on your gaunt bloodhounds!

### COSSACKS ON CAPITOL HILL

FEELING that the A. Conan Doyle at-mosphere of recent activities in The Great Spy Hunt called for more than the ordinary sort of comment newspapers must make on matters of such importance, young Bob Sain of the Ivory Tower Syndi-cate composed a rhyme of encouragement to the Un-American Activities Committee.

Oh, the heat is on the punkin And the shoddy in the flock Thumb their noses at Whittaker Cham-

Young Alger Hiss they mock.

They're both subversive creatures,

From The Baltimore Evening Sun

### THE YOUNG IDEA

WITH that refreshingly direct approach that sometimes makes teen-agers VV that sometimes make a teen-agers seem perplexing in an adult world, boys and girls in Portland, Ore, have declared a "Be Kind to Adulta" week. They're not saying that as a group they are ordinarily unkind to adulta—lik' just that they want to crack down on the fringe elements among their contemporaries whose exuber-ance has come in for a little censure.

ance has come in for a little censure. They condemn the five tene-age Portland boys who sawed down "a huge fir tree which toppled across the Council Crest streetcar line, cutting power from a large part of the eight and from two radio stations..." Also the boy who admitted "dynamitting a streetcar station in the same escion of the city on Halloween." This sort of thing, the teen-agers feel, is definitely not being kind to adults.

But just to show that they're not blinded but just to snow that they're not offined by the mote in their own collective eye, they are willing to admit that adult behavior is not quite all it should be. And they hope that the campaign may even shock some of their elders into the paths of courtesy.

their clders into the paths of courtesy.

All in all, though, it sounds like an excellent idea. Their motto, which they've put in every available streetar, bus and shop window is "Make Mine Manners". And their goal is to convince the "dopes" in the group that only a dope will act like a dope. It's an honest, sincere and commendable effort. And it has a fine tradition behind it. In the words of a sub-leen-ager who is probably still around,

Most of the time, the whole year round, There ain't no files on me, But jest 'fore Christmas . . . !



### Pan-American Solidarity Threatened

# Spread Of Communist Indoctrination

Spread Or Commun

By SUMPER WELLS

Former Underscrettary of State

Formal American potentiments to the object of the Communist press in Latan-American by flagrant intervenient in their neighbor's internal concerns, the Communist press in Latan-American has been honoring with a series of personal state on the Communist line. In the endeavor to destroy hemistorier unity, the effort is being made to confuse public opinion concerning the endeavor to destroy hemistorier unity, the effort is being made to confuse public opinion concerning the endeavor to destroy hemistorier unity, the effort is being made to confuse public opinion concerning to the endeavor to destroy hemistorier of the endeavor to destroy hemistorier expellion, to make it accept as goopel a number of grotesque endeavor e

of fact as those appearing in the Communist papers Latin-American begins. Those who today of-care the property of the property of the consulting of the Latin American the Latin American takes. I refer of course of the Latin American states. I refer of course, the Latin American states. I refer of course, the Latin American takes. I refer of course, the Latin American takes are the Secretary Hughes as Commissioner to end the occupation of the Dominican Republic by the American paper of the Dominican Republic by the American the Government, for the adoption of an inter-American agreement rowlding for non-intervention. That spreement was finally concluded at the Buenos Airas The letter them says, "In May 1933. Summer

near agreement incoming for non-intervention. Inst. of the conference of 1837.

The letter then says, "In May 1833. Summer Wiles ordered President Gerardo Machado to resign."

Wiles ordered President Genowell was first inaugurated the Part of the President Roowell was first inaugurated the Part of the President Roowell was first inaugurated that the President Roowell was first inaugurated that the President Roomel President Roomel R

templated.

The mediation had made considerable progress when, at the beginning of August 1933, not the Ambassador of the United States, but the officers of the Cuban Army, demanded and obtained President Machado's resignation.

The next falsehood is that I. as Ambassador.

Cuba's great liberator, who had no political connec-tion, was, on the contrary, chosen unanimously by the Cuban party leaders to serve as President until national elections could be held.

The letter then proceeds to denounce as "inter-ventionist" a speech I delivered in Boston in 1942.

in steer into proceeds to denotine as intertion of the steer into proceeds to denotine as interat their conference in Ric de Janetic immediately 
after fearl Harbor, the American republics jointly 
agreed, subject to their constitutional requirements, 
to break relations with the Attl. The postponement 
by Argentina and Chile of final action permitted Axis 
by Argentina and Chile of final action permitted in 
countries. My speech emphasized the danager to 
comply with the provisions of an inter-American 
and voluntarily subscribed. This attempt to classify 
a call for the observance of international agreements 
intervention. This steem proceeding 
intervention. This steem proceeding 
intervention is an observation of 
the best of tables of a distortion which 
the letter represents the most intailous feature, however, is the charge that "a treaty negotiated by 
governments not representing the most interest will of the 
promisers for prepresenting the first will of the 
promisers for prepresenting the most interest will of the 
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the first of the Communita's 
contention. To them no treaty is vaid unless it 
agrees their purposes.

contention. To them no treaty is valid unless a serves their purposes.

IT 18 governments that the Communists and fellow-travelers hold to be representative of "the direct will of the people," that have been violating their long sovernments they call "unrepresentative." This effort to convince public opinion that black is white is peculiarly dangerous at a moment when military dictatorships have recently settled the governments of several republics. If the American people is the several republics is the manufacture of the several republics in the mispheric relations that experience has shown to be indispensable to Pan-American solidarity, the military dictatorships are going to do just as much intervening as their AA. At the seventh was the seventh was a seventh as a seventh was few or the seventh and the seventh was a seventh was few or the seventh was a seventh was few or the seventh was seventh was few or the seventh was few

opponents.

At a time when the safety of the new world demands inter-American unity quite as much as it did after Pearl Harbor, the Americas would in that event be torn by precisely that kind of dissension for which the Communist leaders hope.

or our or precisely that kind of dissention for which the Communitie leaders hope. In this control of the Organization American severements of their non-intervention pledge would be the most effective means of counteracting the control or cause the Occumunital purpose the control of the Community of the Communi

### Quote, Unquote

Mainly responsible for the sharply raised rates on auto liability insurance in Louisians la, the fact from the control of the

Balfacy and Gyesses.

Sam Rayburn's decision was not reached without much pulling and hauling between his advisor, among whom there are many, like Secretary of the Treasury John Snyder, who do not love bold courses. The intent is clearly to indicate to the labor and liberal groups that their course of the cou

labor than merica account of Truman was not wasted.

The truth is that these groups are already beginning to resent the administrative beginning to the second of the second of the property o

THE SIMPLE WAY
There are several

or the House Rules Committee

The Pattern Emerges

will undoubtedly prefer packir purging, for the same natural son. But in any case, the me of the campaign ahead is far important than the objective.

# What's The Charge?

WHAT charge can be down to solve the papers would have to be charged to the papers. We ment make against argone in street solve the papers would have to be charged the solve the papers would have to be charged the solve the papers would have to be charged the solve the papers would have to be charged with the largest and the papers would have to be charged with the theft within three years with the papers would have to be charged with the theft within three years within the papers within the theft within three years within the papers within the pape

The case is still under investiga-tion of the Government may find some twist in the case which would enable it to make other charges below the control of the control possible to the control of the count of the count guilty of perjuny after a count trial is a maximum of tree produced to the country of the Briefly, the case is this: 1. Whittaker Chambers says he wapart of a Soviet spy ring shilch papers for the Russians before the war.

any law covering a thing like that in this case. The Government's continuing inTime Government's continuing inTime Government's continuing inTime Government we described that the say work continued as good while after 1938, when the paper were taken.

In that event some other charge might be made. But now there is simply that event in the same of the continuing that the continuing

### Drew Pearson's Merry-Go-Round

# Real Estate Lobby Continues Working

This new lobbying force has been hand-picked on the hasts of personal friendship with influential Congressmen. They are scattered throughout the grass-roots so as to make the movement appear sponlaneous, and their names are carefully quarded until housing D-Day before Congress.

Meanybly, Col. State Conf. (1988)

Meanwhile Cal Sinvice chief lobbyist for the National Association of Real Estate Boards, its boasting that the Association of Real Estate Boards, its boasting that the Real Estate Boards, its boasting that the Real Estate Boards, its boasting that the Real Estate Boards and Real Estate Boards Real Estate Boards Sinvicer with still the sale to block public bousing and rent control in the new Contress. While he may not want to sublished Sinvier spoke of the record before the secretaries' council of the National Association of Real Estate Boards recently.

Boards recently.

"Remember," he jubilated, "that Roosevelt had a Demo-cratic Congress in 1938, and he asked a billion dollars for the didn't get the money for housing. There was a Democratic he didn't get the money for housing. There was a Democratic Congress again in '40 and they didn't get it. In '42 and '44 they didn't get it. either."

"Now is not the time to compromise," Snyder sounded the new battle crv. "Now is the time to get in there and punch Now is the time, if we'll pardon the expression to adopt the tactics of Harry Truman in the election. Get in there and fight."

### Unregistered Lobbyists

SNYDER is counting upon the army of 3.300 newly re-cruited, hometown lobbyists to turn the tide. They will not register as lobbyists but operate as Congressman's con-stituents.

In most cases. Congressmen won't even realize they are dealing with lobbyists controlled from Washington. They

will be close personal friends of the Congressmen, picked because they can influence votes.

To finance this operation, the National Association of Real Estate Boards is asking \$5 a head from its members. This should swell the total lobbying kitt to more than \$200-000 In most cases, however, the lobbist-constituent will pay his own way to Washington.

### Lobby Rollcall

TWIST Grass-roots army doesn't mean that the real estate lobbs is doing away with its "commando equad" already every phase of home building, and in order that new Consreamen max know who they are, here is a list of the ker call estate lobbsists. Chunky, cental, glad-hander for the Budding Products Institute, which supplies materials for building homes.

Frank Cortwright—Suave, dignified executive vice-president for the National Association of Home Builders, which builds the homes

builds the home.

Herb Nelson—Shrewd executive vice-president for the National Association of Real Estate Boards, which sells the home. His chief working sloblyink in Cal Street, who spins the chief with the control of the part of the control of the part and ignored.

Moreon Rediths—statute kinglish of them all He repulsed to the control of the part of the control of the control

the homes

John Owen—Wealthy, elderly president of the National
Apartment Owners Association, which wants to boost rents.

His right-hand man is blond, egotistical Burton Edwards,
who spends freely and boasts of having Congressmen in his

pocket. Helbert Brill—Executive secretary of the New York City Metropolitan Fair Rent Committee. Discharged from the Army as a captain, he still refers to himself as "Captain Brill." These are the men whom President Truman once brand-ed as the worst lobby in Washington and who are girded

## Shoe On Other Foot

#### Chennault's Memoirs

Chennoull's Memoirs

IN WITTING Memoirs

IN WITTING Memoirs

As after to include a story which the history books had missed. Then he cut out all but a vague reference—upon direct orders from Madame Chiang Kai-she, cen told before, but Chennault personally flew sewingt the Japa lone before he organized his famed Print Theers. Madame Chiang kai-she proposed to the proposed of the the proposed of t