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FRIDAY, OCTOBER 22, 1954

Protecting America's Policyholders

JUST when the nation's health and accident insurance industry is coasting smoothly toward another banner year, the Federal Trade Commission stalked in and dropped a bombshell. Seventeen companies were accused of "false and misleading" advertising.

The surprise was three-cornered: 1-It was the first crackdown against practices in the insurance business since the commission was authorized by Congress to look into the industry six years ago.

2-Four of the companies cited are the largest in the field—Mutual of Omaha, Bankers Life & Casualty Co. of Chicago (the White Cross plan), Reserve Life Insurance Co. of Dallas and United Insurance Co. of Chicago.

3-The commission released a long list of alleged misrepresentations, "typical" claims and what it called the "facts" yet said no one company was accused of all the alleged abuses.

Within 24 hours, repercussions were being heard throughout the nation. In Charlotte, Rep. Arthur Goodman jumped into the dispute with a five-point plan to fight what he called "rotten practices" of health and hospital companies in North Carolina.

The blowup had been brewing for years. Doctors and hospital administrators had long been aware that some people were being victimized by deceptive advertising and sharp practices.

The main offenders here are slick fly-by-night firms who manage to escape regulation by North Carolina's insurance commission.

The day of reckoning had to come. But the FTC's procedure of lumping all 17 firms together with a set of "typical misrepresentations" is open to serious question.

Naturally the charges vary in each case. One firm may be involved in a relatively minor matter while another may face a whole string of complaints. Yet all were accused together, including some of the most respected health and accident insurance companies in the land.

first nine months, 18 are in textile products, 14 in food and kindred products, 12 in apparel, 12 in lumber and furniture, six in stone, clay and glass products, four in machinery, four in electrical machinery, three in chemical products, two in petroleum and coal products, two in the printing and publishing field, and one each in tobacco manufacturing, fabricated metal products and transportation, among an assortment of other categories.

The competition for new industry is fierce and much of North Carolina's recent success can be traced to the outstanding job Mr. Douglas has been doing in North Carolina during the first nine months of 1954 alone.

During that period—when most of the nation was murmuring uneasily about a recession—184 new and expanded industries were announced in the Tar Heel state with total investments of \$89,223,000.

The industries will provide a potential of 13,200 new jobs with an annual payroll of \$73,240.

Of the 184 new plants—85 will be new and 99 will be expansions. Investments for new industries total \$51,309,000; for expansions, \$37,914,000.

Last year, North Carolina gathered 144 new industries and 95 plant expansions with a total investment of \$61,609,000. They provided a potential of 16,264 new jobs.

Industrial expansion during 1954 has been particularly healthy because diversification has been the keynote. Among new industries planned during the year's

firms having approximately six million policyholders all together. Each cited company will have 20 days to file an answer to the charges. But it is an unfortunate fact that individual answers will get nothing like the headline which the FTC's mass accusations received.

Whatever becomes of these particular charges it is perfectly clear now that there should be closer supervision of the health and accident insurance business in North Carolina.

We doubt that making the office of state insurance commissioner an appointive job rather than an elective position—as Mr. Goodman suggests—would improve the situation however. The legislator argues that an elective office is more susceptible to political pressure. But we have too much faith in democratic processes to agree with that judgment. In our mind, making the office appointive would take the choice out of the people's hands.

By electing this official, the state is far less likely to find a mere puppet of the insurance industry in the job.

Mr. Goodman's other points—adopted by the state insurance commissioner—have obvious merit.

They include these proposals: Exceptions as well as benefits should be spelled out in insurance advertising (no small print); insurance agents should be bonded and be bona fide Tar Heel residents for at least a year preceding the selling of insurance in North Carolina; health and accident policies should be uncontestable after two years' duration of the policies if the policies continue after that time; health and accident companies should pay as much to the policyholder as he has paid into the policy, after it has been in force for three years, before the firm should have the right to cancel the policy.

These points deserve the consideration of every legislator. North Carolina's 1955 General Assembly should certainly act on the problem before many more Tar Heels are victimized.

Of the 27 Senate seats, 18 are in textile products, 14 in food and kindred products, 12 in apparel, 12 in lumber and furniture, six in stone, clay and glass products, four in machinery, four in electrical machinery, three in chemical products, two in petroleum and coal products, two in the printing and publishing field, and one each in tobacco manufacturing, fabricated metal products and transportation, among an assortment of other categories.

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Down The Home Stretch

Democrats Hold Whip Hand

By CONGRESSIONAL QUARTERLY

AS THE campaign reaches its climax, Democrats are given chance to organize both houses of Congress and pick up some gubernatorial chairs, according to a survey by Congressional Quarterly. Control of the 84th Congress hinges on the outcome of 18 of 37 Senate races and 113 of 442 House contests.

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hold the Senate with 48 seats, since Vice President Nixon can break a tie, but the Democrats could organize the Senate with an equal number, since Sen. Morse has said he would vote with them. Democrats now control the House by 218 to 212, with one independent and four vacancies.

The 1954 campaign, like most mid-term elections, is being fought primarily on local issues and the personal candidates, but both parties have been worried by public apathy and low registrations. Republicans, hunkered by the President's popularity and the effects of the vice president, have felt that the lack of burning issues would be to their advantage.

But Democrats now say that Secretary of Defense Charles E. Wilson's "kennel dog" remark gave them a battle cry to which voters will react, as they did to slogans of the past like "Bum, Romanism and Rebellion"; "Crime, Communism and Corruption"; "Throw the Bascals Out"; and "He Kept Us Out of War."

Basically, Republicans say their big issue is that Eisenhower needs a GOP Congress to complete his program. They back up this appeal by citing what happened in Herbert Hoover when he was faced with Democratic control in Capitol Hill. They stress that the Korean War, administration vigilance in retreating out Communism, a cleanup of the "mess in Washington," lower taxes, broadening of social security and a "return to the free enterprise system" under President Eisenhower.

Some Democrats are trying to climb on the Republican's coat-tails, Co. found, but primarily their party's campaign plays unemployment, "giveaways," the farm program, and "big business benefits" from the administration. Pointing to the President's opposition to his own party, Democrats claim that he cannot carry out his program, particularly on foreign policy, without their support.

Death and political maneuvers may affect once races to swing close. However, the Republican paper-thin in both houses. Two temporarily Republican Senate seats in Wyoming and Nevada may go to the Democrats as a result of bitter primary fights in

the first state and an attempt to avoid election in the other. GAIN AND LOSS The GOP counted a House seat when Rep. Robert T. Secrest (D-Ohio) was named to the Federal Trade Commission, but it may lose one in New York in making Rep. Jacob K. Javits (R) its candidate for state attorney general.

Politicians of both parties say they are reassessing the situation in Utah's Second District. But Rep. Douglas R. Brinkley (R) admitted his story of a secret wartime strategic services mission was a hoax, former Rep. Walter Granger (D) was given a good chance.

Although unemployment is spotty, it is the Democrats' top issue, and the CQ survey found that labor surplus areas are listed in 68 of the 113 marginal districts. Democratic Republicans stress the pre-college years I thought it might prove interesting to the readers of the editorial page to know that there are other types (and perhaps more vicious) of segregation being practiced in this Christian (?) city of ours.

When it is remembered that the very Man whom Christians worship was a Jew, it seems pathetic to my acquaintances, a Christian college should keep alive such outmoded precedents. At least one of my acquaintances, a highly trained, skilled and highly trained individual, eminently qualified for consideration in Congress, has never even been considered on at least two occasions when a

vacancy occurred. Why? Color? No. Ancestry? The individual could have been, in deed should have been, considered simply because he had been born a Jew. So because of one factor over which the individual had no control, opportunity was denied. How long, or Lord, how long?

—ROBERT H. JOHNSON

Alger Hiss Was A Product Of That 'Oh-So-Smart' Set

By ROBERT C. RUARK

IT OCCURS to me that Alger Hiss will be getting sprung from the country club pretty soon—Nov. 27, to be exact—after three years and eight months of detention in Lewisburg Pen, a fairly stiff price for a fib.

There've been so many double-dipped crises between Hiss's conviction and today that you mightn't remember the details clearly. He was convicted of perjury because they couldn't get him for espionage or treason at that time, although his theft of secret documents to give the Communists was clearly reasonable in today's light. There is some talk now that he may run into a congressional investigation of the pre-World War II Soviet spy ring, for which he and the charming Whitaker Chambers toiled.

It is difficult to say what will become of Hiss, now that he's about to be loose. He will be, deprived or about to be deprived of his government pension. Of course, he will have written and I presume himself unemployed, will run it first in serial form and then it will have a reasonably brisk sale for its curiosity value.

PATHEPIC FIGURE But in many ways he is a pathetic figure, although sinner, when you consider that he sat at Franklin Roosevelt's right hand at a time of great crisis, and the sinners who must be made exactly right, don't bruise the gin, darling. There was usually a homosexual or two in the personality of almost every sully colleague with dirty fingernails who turned out to be the eminent Herr Professor or Dr. Something that, who had the most advanced theories on the dynamic impact of foreshortening on the mass movement.

DEEPLY CRITICAL They talked about the social significance of the comic strip, and they hauled that broad "A."

Alger Hiss was a tall man of the government service stamp, and you always saw around the "intellectual" cocktail parties in Georgetown, Washington's elite and mostly they were howlers and rough tweeds on their off weekends, drank sherry or occasionally got intellectually loaded.

They high-toned themselves right into the eager arms of the Communists, and shortly you will see a product of the elite corps of the masses, poor dears, who had to be steered by the self-anointed few.

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ALGER HISS A High Price

in by the bustle, hoping somebody might mistake them for English. They were deeply critical of the simple, crass, stupid bourgeois postulant, as they sometimes called us, who liked baseball and the hot dog without reading a magazine.

They were intellectual snobs of a high order—intelligent, vastly read on dull subjects, knowledgeable (I still hate the word), and they worshipped at the shrine of the assorted double-dames that Mr. Roosevelt had drafted into his brain trust from the various self-consciously liberal universities where it was smart to be as far left as you could sway without actually carrying the card.

FIERCE INTENSITY The gamies were usually dowdy, either too tall or too dumpled, with mossy hair that needed washing, and an air of fierce intensity on any subject whatsoever. They had discussions, never talks, and as the discussion merged with the booze, it wound up in a gabble of angry fives.

But they were our intellectual self-styled aristocracy, and they got most of their ideas from their periority. They were architects of everybody's future for acute intelligence was too good for the masses, poor dears, who had to be steered by the self-anointed few.

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People's Platform

A 'Vicious' Type Of Segregation Practiced

Charlotte, N.C. The University of North Carolina has announced that it will be conducting a study of the "vicious" type of segregation practiced in this Christian (?) city of ours.

When it is remembered that the very Man whom Christians worship was a Jew, it seems pathetic to my acquaintances, a Christian college should keep alive such outmoded precedents. At least one of my acquaintances, a highly trained, skilled and highly trained individual, eminently qualified for consideration in Congress, has never even been considered on at least two occasions when a

vacancy occurred. Why? Color? No. Ancestry? The individual could have been, in deed should have been, considered simply because he had been born a Jew. So because of one factor over which the individual had no control, opportunity was denied. How long, or Lord, how long?

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UNC's Alumni Group Appreciates Coverage

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Drew Pearson's Merry-Go-Round

WASHINGTON, Oct. 21.—Douglas McKay, the likable secretary of the interior, has taken exception to my calling him generous with his turning over of 454 acres of the Rogue River National Forest to a mining company and his consent to release Alaskan oil lands, now reserved for the Navy and the Interior Department, to private oil exploitation.

The subjects are important ones and deserve careful consideration. Before considering that, however, I should like to report on another act of generosity which Secretary McKay has in the making. On the desk of his assistant secretary of the interior, Orme Lewis, is an order which would open up the wild-life refuges of the United States to private oil drilling.

The order has not yet been officially promulgated and may be sidetracked following publication of this column. However, it has been approved by Secretary McKay's top advisers, and there is every indication that it is all ready to sign. Behind the scenes is the fact that for some years private oil companies have been maneuvering to drill into certain wildlife refuges, particularly the Okefenokee, Ga. refuge. These same preservers were set aside by Congress for the specific purpose of preserving the natural wildlife of the nation, and the Okefenokee refuge is a big swampland abounding in bear, deer and birds.

Chapman says No Some years ago, H. L. Hunt, the Texas oilman who has been such an ardent sup-

Giveaways Still Under Consideration

But Larry carefully glossed over the fact that previous Democratic secretaries of the interior had refused to sell this valuable Douglas tract, also that Doug's GOP Cabinet colleague, Ezra Benson, was opposed to the sale; and that all sorts of backstage wrangling was reported to through Oregon Congressman Ellsworth, a friend of McKay's, to get the sale okayed.

And it seemed strange indeed that Congressman Ellsworth in Oregon should be using his influence to help out a politician that he once held the situation. The Democrats, with 19 percent in mid-term elections pointing to gains for them, claim never even been remotely considered on at least two occasions when a

vacancy occurred. Why? Color? No. Ancestry? The individual could have been, in deed should have been, considered simply because he had been born a Jew. So because of one factor over which the individual had no control, opportunity was denied. How long, or Lord, how long?

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When I reported that Doug had offered 454 acres of beautiful Douglas land off the Rogue River National Forest and turned it over to the Al Sarena Mining Co. for only \$50 an acre, it should have brought a total of \$170,000—sold at all—his able assistant, Larry Smyth, replied inquires as to this big happenings. He, however, and he released a statement attempting to justify the sale.

Now regarding McKay's plans for Alaskan oil lands, the genial, generous secretary of the interior seemed to be under the impression that he was carrying out a policy of giving away oil lands to private oil exploitation. I reported no such thing. I reported that he was considering releasing them, which he admitted, and that thanks to protests from Congress he was at least not going to open up the Navy's oil reserves in Alaska.

But I also reported that he was still seriously considering opening up the other Alaskan lands, namely, the Interior Department's 25,000,000-acre oil reserve, called "Public Land Order No. 82," to private drilling.

This is pretty much what Secretary McKay admitted in the very same breath while calling me names.

It also reported that career officials in both the Interior and Navy Departments were vigorously opposed to this,

and that the files of the Interior Department had been stripped of telltale documents regarding the controversy.

I reported, for instance, that the letter of Sen. Saltonstall (R-Mass) opposing opening up of the Navy's oil reserve had been taken out of the Interior Department's files after the files were opened to newsmen. However, I quoted the Saltonstall letter.

Secretary McKay didn't admit all of the above in his press statement blasting me. But he did admit the receipt of the Saltonstall letter.

Oil Companies Favored It's not entirely the fault of Doug McKay, but it so happens that the oil companies seem to be getting just about all they want out of the Eisenhower administration. The New York Journal of Commerce, not exactly a radical newspaper, noted the other day that the oil industry was the only industry which scored a perfect batting average in Congress. The oil companies introduced three bills at last session and got all three passed.

They increased their right to drill on government-owned lands. They got the right to develop both minerals and oil and gas simultaneously on government lands. And they got their leasing regulations. On top of this, of course, they got tidelands oil.

On top of this and without an Act of Congress, they may get an order from generous Doug McKay to drill on wild-life refuges, plus the opening up of 25,000,000 acres of Interior Department lands in Alaska to private exploitation.

No Milk And Honey For OUR Poets

A POET in modern America can't make enough money to keep a sparrow alive," means a critic for an upper-middlebrow journal. "If he had to depend on his Art he would starve inside of a month."

His days do have to eat and we would be the last to deny them their 2,200 calories a day.

But don't forget that Shelley once wrote that "poets' food is love and fame." The point is that too much milk and honey—or salami and french fries—is

bad for the working artist. Food softens the mind, dulls the wits, distorts the vision.

Instead of Love, the well-fed poet thinks of loving; instead of Life, he thinks of living. Somehow or another, art is squeezed out of the picture.

Too many of the modern poets are sleek and well fed. We agree with whoever it was who said that a poet should always be hungry and have a lost love.

YANKEE DOODLE

There is something quite appropriate in the decision of the Post Office to re-do its rolling stock in more colorful attire.

According to popular story the present olive drab color scheme was one of the hangovers of World War I. It seems the government got stuck with a lot of leftover camouflage paint of the familiar olive drab. To keep it from going to waste postal authorities used it on the trucks. When the first coats wore off the custom was so firmly ingrained that it was continued.

The color scheme now is spiritedly red, white and blue—sort of a Yankee

Doodle symphony of color so to speak. But when one considers that most of the mail carried is white in color, the Post Office Department usually runs in the red and the employees are now blue over a vetoed pay hike, the color scheme becomes as appropriate as it is patriotic.

The man who will run Puerto Rico's new trade offices at International Trade Mart says he is going to spend his time campaigning for more exports from the U. S. to his native land. Well, where do the farmers start lining up?—New Orleans STATES.

From The Savannah (Ga.) Morning News

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