Washington Digest

Throttling of Small Business Can Kill Democratic System

By BAUKHAGE
News Analyst and Commentator

WASHINGTON.—Over in England, where the majority voted to accept socialism because they felt the 400-year-old "capitalistic experiment" had been a failure, they are finding that you can't vote yourself into a prosperity any more than you can vote yourself into morality.

There are still a lot of Britons who think they have been voted out of the frying pan into the fire. Prime Minister Clement Attlee, in a recent report to the Labor party, admitted that conversion into socialist democracy was a long hard task, longer than they had imagined.

"We are engaged in a great venture," Attlee said, "We are trying to build up a great, free, socialist democracy." He warned that a society changed by undemocratic methods is apt to lose the "habits of democracy." I suppose he meant by that that socialism had to come by evolution, which is an ancient axiom of the more conservative socialists. Communists say it can come only by revolution.

Attlee also said that socialism was a way of life—not an economic theory. That will be questiond by some people. He added that socialism demanded a higher standard of citizenship than does capitalism. Some people will quarrel with that too. Many will say that it isn't that capitalism doesn't demand a higher standard of citizenship, but simply that capitalism (or any other known system, for that matter) doesn't always get it.

Capitalism fails, when it does fail, not because there is anything wrong with free enterprise or competition, but because sometimes the standard of morality or standard of citizenship if you will, running the system, bogs down. Then free enterprise is shackled and competition destroyed. The anti-trust laws were passed to punish people who tried to check free enterprise by killing competition.

Those laws wouldn't be needed, government intervention wouldn't be needed, if the standard of morality, of citizenship, were high enough among the people who control enterprise. Long before the war, and increasingly so when shortages began to appear later, big business began crowding small business out of existence.

Because of war conditions and the powerful influence of big business, the small buyer couldn't compete. He wasn't able to get the raw materials.

Small business is the keystone of capitalism. According to the Committee on Economic Development, 98 per cent of the business units in this country employ 50 people or less. Those "business units" of course aren't limited to manufacturing firms—they include the roadside hotdog stand, the one-woman hand laundry, the tea room, and the country store as well as the business men producing manufactured items on a small scale.

If this 98 per cent of a capitalistic country's business isn't prosperous, capitalism can't succeed. In fact you can't have capitalism when big industrial groups monopolize business any more than you can have it when the state monopolizes business.

What is happening to small business today? It can't compete. Big business is making big profits, paying big wages (regardless of whether the take-home pay of the workers is equal to cover high prices or not). Small business can't afford to pay the big wages, and the small town merchant is not making sales and profits because the consumers in his company haven't the money to spend.

A recent issue of the Kiplinger magazine made a survey of conditions in small towns as reported in a thousand letters from small businessmen, teachers, preachers, doctors, lawyers, housewives, workingmen and working women in those towns.

The net of the survey was that there was a definite letdown in business after January of this year, and that the people surveyed believed that there is a further letdown in prospect. There is evidence of reduced consuming power which is the first sign of a depression. A sign that the wealth of the nation is getting out of the buyers' hands.

Now that's a pretty gloomy picture and not wholly subscribed to by commerce department people here. They will tell you that business everywhere, large and small, showed a tendency to level off after January of this year, that there was a definite weakening in the first quarter of the year. But they believe that was a temporary trend, that it's over now, that business will reverse itself, and that the general trend is now upward again. They make no differentiation between large and small businesses in their prognostications and studies, and they feel that the trend for all business now is up.

But listen to what the people surveyed by Kiplinger say:

A food wholesaler in Iowa: "Bread sales are extremely high, also flour sales are good and the sale of rolled oats is good, as people apparently are filling up on these nutritious foods in preference to more expensive items."

A baker in Ohio: "We are selling fewer cakes and pies."

Women are doing more sewing at home, with clothing prices so high. An Illinois businessman said: "The local high school decided to have a night school on sewing. The first registration was 135 women."

Young woman in Wisconsin: "I'm not the only working girl in this community who doesn't have the new look."

Illinois farmwoman: "We planned to buy some new furniture, but the price is too high. I am making slipcovers."

Even electrical items, dreamed of by housewives as an after-the-war necessity, are not selling well. Said an Iowa dealer: "The edge is definitely off on hard goods, such as refrigerators, washers, radios, stoves, etc. Prices too high."

A traveling salesman covering the small towns finds the going tough: "I cover New York state and I am working twice as hard for half the business."

Many little signs of hard times were reported by Kiplinger's survey. Examples:

A Texas housewife: "I am feeding tramps for the first time since before the war."

A deacon: "Collections are off at our church."

A loan company man: "More borrowing from small loan companies."

A village cobbler: "My shoe repair business is good."

As the Kiplinger magazine puts it: "The folks in the small towns are harder up. Their incomes haven't gone up as much as the prices they pay."

In other words, according to the survey, the wealth is getting out of the hands of the consumer. And whether this survey or the commerce department's optimistic prediction are more nearly correct, (congress abolished the small business section), this much at least can be said:

You can redistribute the wealth by the socialistic intervention of government. That kills capitalism. Or you can redistribute it by permitting full and free competition—competition on the part of the producers of raw materials, competition on the part of labor, (an expensive item), competition on the part of processors. Industrial or labor monopoly, as I said before, will kill capitalism in the end as effectively as the Communist with his little red hatchet.

* * *

Even Russians Get Re-oriented

This item was passed along to me by a friend. A high officer in one of the armies which fought against Russia was visiting this country, and told this story:

Recently in Berlin, he was entertaining a hign Russian officer stationed there. It was a farewell party as the Russian and his wife had been ordered to return to Moscow. The host remarked that it was nice that the Russian could take his wife back from the rigors of occupation life in Germany.

The Russian had dined well, and perhaps was indiscreet. Anyway, he confessed that he was anything but pleased; that he was dreading the period he and his wife must pass in the "camp."

Then he explained that every Russian, before he was allowed to return to the Soviet Union had to pass through a re-education center, and be indoctrinated with just what he should say to his friends and relatives.

I repeat this item because it comes to me in a direct, intimate manner; not a part of any organized propaganda.

* * *

It's as hard to reach an agreement with 16 lawyers haggling over every word in a labor controversy as it is to get into heaven with 16 theologians haggling over how many angels can stand on the head of a pin.

* * *

Good pastures save grain, says department of agriculture. Yes, and around about foreclosing time, good grain will save pastures.

The Washington Merry-Go-Round

By DREW PEARSON

Old-Age Pensions

AT A SECRET POWWOW with congressional Democratic leaders President Truman was told there was little chance of congress approving any of his proposals to increase old-age pensions. However, the leaders advised that the people were entitled to a frank report on how old-age insurance benefits—on which millions of Americans depend for retirement security—have lagged behind higher wages and living costs. That was why Truman decided to send his message to congress anyway.

Michigan's aggressive representative, John Dingell, an original champion of the social security law, summed it up bluntly: "Unless pensions are increased in ratio to higher wages, higher taxes and higher living costs, counties that have sold their poorhouses for the aged will have to re-establish them."

Dingell said it would be "actuarially sound" to increase pensions because of increased revenues from payroll taxes. He added: "Sixty million people are employed now, more than we ever dreamed of when we changed the law in 1939. We thought then that we wouldn't have that many employed until 1980."

"I want to cover as many people as practically possible," commented the President.

Biggest problem, observed Federal Security Administrator Oscar Ewing, is providing protection for casual workers, such as domestic servants and farmhands.

"We might try the stamp system they use in England," suggested Ewing.

"I doubt that it would work here," remarked Mr. Truman. "It's a nuisance to employers, difficult to administer and such casual employees frequently build up less credits for contributory pensions than they could get in an old-age assistance dole."

* * *

White House Visitors

THE PRESIDENT HAS RESORTED to new strategy in handling White House callers.

For some time, Washington observers were amazed at the number of visitors President Truman saw daily. But now the calling list has tapered off. The official list released every morning shows only a handful of visitors.

What most people don't know, however, is that there are five separate entrances to the White House, and in recent weeks Mr. Truman has been fooling the press. While regular White House correspondents wait in the lobby of the executive offices watching for presidential visitors, various private callers slip in other doors. Sometimes as many as 25 will flow into Mr. Truman's office unnoticed. They come in through various side doors, sometimes even the distant east wing, and then are spirited around the back through the rose garden and in to the President.

Some old senatorial friends also drop around to see Mr. Truman at breakfast. Others come in after breakfast, but before the press arrives. Ed Flynn has been in twice lately, unnoticed. Former Judge Sam Rosenman is again a White House regular using the east gate, as is George Allen, the old court jester.

Another new favorite Truman rendezvous is the presidential yacht, the Williamsburg, where he holds stag poker parties with old buddies, sometimes sleeping on board and walking back to the White House early in the morning before most people go to work.

* * *

Western Water Shortage

THE STORY OF A MODERN RUSH to California, more significant than the '49 gold rush, was laid before President Truman the other day with a warning that the state soon will not have enough water to go around.

Calling at the White House, Congressmen Dick Welch, Republican, and Frank Havenner, Democrat, both of San Francisco, described how the East was migrating to the West at the rate of 1,000 newcomers a day.

This tremendous influx has cost California millions of barrels of precious water from her dangerously dwindling reservoirs.

Yet 73,770,000 acre-feet of fresh water from San Joaquin and Sacramento rivers empty into San Francisco bay each year. The congressmen urged the President personally to look into this problem on his trip to California and recommend what can be done to save the water.

Mr. Truman pulled out maps of the bay region which he already had been studying, and assured the congressmen that he previously had intended to give the matter his personal attention.

"There shouldn't be a shortage of water in that area," he agreed, "with water running wild into the bay."

Farm Topics

Fly Immunity to DDT Is Debatable Question

Some Insects Develop Strain of Resistance

Do flies become immune or resistant to DDT after it has been used for a few years?

This question arises from the fact that a few fly-control failures on farms where DDT was effective in other years have been hard to account for. The explanation was that the flies probably had become resistant to the chemical.

Uncle Sam's entomologists admit that insects can develop resistance to the insecticides used against them, as in the case of the apple codling moth against which lead arsenate lost its effectiveness. Moreover, Uncle Sam's bug men say they have, in the laboratory, been able to develop a DDT-resistant strain of flies. It is not likely that a DDT-resistant strain would develop naturally in the short time since DDT was first used.

It is more reasonable to believe that the occasional failure on farms where DDT already has been used with good results is due to carelessness or inferior product.

One thing in particular that should accompany the use of DDT is the destruction or removal of fly breeding places, such as manure piles, weed piles, old stack bottoms and wet spots in barnyards. One or more such spots may be able to turn out flies faster than DDT can kill them, for DDT is not noted for fast action. A fly may survive for hours after alighting on a surface coated with DDT.

Herds and Flocks

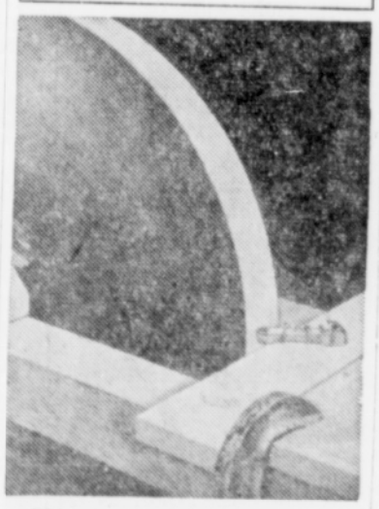
New insecticide, pyrenone, has proved its effectiveness in control of flies on livestock. Better than some of the old-time fly killing insecticides, the new material is being used now in some livestock fly sprays.

Use of protein supplements in rations for shotes always has been profitable. Some farmers have failed to use these supplements, though, because of their cost. Now that grain is so high, the cost of protein supplements is relatively low. So, if the use of supplements is more important one time than another, now is that time.

It looks now like the farmer who has a flock of good pullets in the laying house next fall will get good prices for eggs. The better care you take of pullets now, the better they will be able to stand up under the strain of heavy laying next fall.

Benzene hexachloride, recommended by swine specialists at agricultural colleges for control of hog lice and mange, now is being incorporated in hog oils that can be used in dipping vats, hog wallows, hog oilers or on rubbing posts.

Reviving Grindstone



This farm grindstone, although badly battered about its entire diameter and worn quite flat in one place, was easily trued-up by dressing it with the sharp-pointed tool shown attached to the small board. The dark "cutting tip" of the tool is made of carboloy cemented carbide, the hardest metal made by man.

Tests Show Tung Meal Poisonous to Chickens

Tung meal proved unsatisfactroy as a source of protein in chick rations in tests conducted at the Florida agricultural experiment station. The tung meal proved poisonous, whether raw, heated or heated and sifted. It caused heavy mortality at 10 and 15 per cent levels. At 5 per cent and higher levels the tung meal interfered with feed utilization and growth.

Star Dust

STAGE SCREEN RADIO

By INEZ GERHARD

DURING the recording sessions for "Let's Fall in Love," actors at Columbia who were missing from their own sets always could be found on stage 7, where Dorothy Lamour was singing in French, Portuguese, English with a French accent, English with a Cockney accent, and what she calls East New Orleansese—says it's her "native tongue." With the musical and also "Lulu Belle" finished, she has been in New York, combining a vacation with business and a bit of ear trouble.

DOROTHY LAMOUR

It's hard to get guest stars from Hollywood to commit themselves to broadcast dates, so when "Mystery Theater" executives asked K. T. Stevens if she would be in New York for their show they were startled when she said, "Sure, I'll be here six weeks from now, even six months from now." Was she giving up her career? "No, I've a new career, that of 'Mother,' " she explained.

Franchot Tone will provide romantic competition for Cary Grant in "Every Girl Should Be Married," playing a wealthy wolf with frivolous intentions—right up his alley! Grant's protege, Betsy Drake, is the girl in the case.

"The Time of Your Life" is a magnificent picture. In transferring the Pulitzer-prize winning play to the screen, the Cagney brothers have reached a standard rarely achieved in Hollywood. This one should win a flock of Oscars. The cast is superb; it includes James and Jeanne Cagney, William Bendix, Wayne Morris, Broderick Crawford, Ward Bond, James Barton, Gale Page, and Reginald Beane, every one excellent. United Artists can be proud of passing this one along to the public.

Between scenes of Paramount's "The Great Gatsby" Alan Ladd judged his 154th beauty contest. It was to pick the 1948 "Dream Girl" for the University of Washington chapter of Pi Kappa Alpha fraternity. Fifty photographs were submitted, and co-stars Betty Field and Macdonald Carey helped select the winner. With his experience, Ladd could have done it alone.

Everett Sloane helped make movie history when he stole a picture from Orson Welles. He did it with his great performance in Columbia's "The Lady from Shanghai." James Barton does the same thing, in "The Time of Your Life," to James Cagney. Barton is so good as Kit Carson, the old trapper, that few who see the picture ever will forget him.

At RKO they believe that in "Battleground" they have a worthy successor to those film classics of World War I, "All Quiet on the Western Front," "The Big Parade" and "What Price Glory." It is based on factual incidents of the battle of Bastogne, written by Robert Pirosh, a combat veteran who won the Bronze Star for valor at Bastogne.

Odds and Ends . . . Frances Langford plans to make a cross-country tour with her husband, Jon Hall, while the CBS Morgan-Ameche-Langford show takes its summer vacation . . . George O'Hanlon, "Joe Doakes" of Warners' "So You Want to Be — —" shorts, gets his first straight role in a feature picture in "June Bride" . . . William Bendix will do a movie version of "The Life of Riley," based on his radio show characterization . . . Radio's "Dr. Christian," Jean Hersholt, will be the one who introduces Ingrid Bergman and Edgar Bergen to King Frederick IX of Norway this summer.

When "Club 15" closes for the summer the Andrews Sisters will head for England and a month's engagement at the Palladium. Margaret Whiting has five radio guest shots and several benefits lined up in New York.

James Melton, star of "Harvest of Stars," is the favorite classical male singer of the country's leading music critics, according to the fifth annual radio poll taken by "Musical America."

First Aid to the Ailing House

by Roger C. Whitman

QUESTION: My house was painted five years ago with fairly good paint. The paint is now all cracking and peeling down to the wood. Should I scrape off the old paint and apply a coat of aluminum paint, then a coat of good house paint?

ANSWER: That would be a good way to handle the problem. But first examine the walls for leakage. It is quite possible that since the house was painted five years ago, small cracks may have opened up around the window and door frames that admit water during driving rains. This rain water leaks down inside the walls and on warm, dry days is drawn through the walls, taking off paint from the surfaces.

QUESTION: Is it necessary to flush a hot water system every year or two?

ANSWER: At the beginning of the heating season it is advisable to draw off several pailfuls of water to flush off some of the accumulation in the boiler, but it is not necessary to drain off the entire heating system. Use a boiler cleaning compound every two or three years.

QUESTION: How can I get grease spots off cement steps?

ANSWER: Cover the spot with a thick layer of dry portland cement, leaving it on for several days. After the powder is saturated with the oil, scrape it off and repeat several times until no more is absorbed. Later, scrub the place with a strong solution of washing soda.

QUESTION: I would like to know if coal ashes do any harm to a garden?

ANSWER: When correctly used, coal ash can be of benefit to a garden and lawn.

Good Precaution

ARTEMUS WARD was traveling on a slow-going southern train soon after the Civil war. When the conductor was punching his ticket, Artemus remarked: "Does this railroad company allow passengers to give it advice, if they do so in a respectful manner?" The conductor replied in gruff tones that he guessed so.

"Well," Artemus went on, "it occurred to me it would be well to detach the cowcatcher from the front of the engine, and hitch it to the rear of the train. For, you see, we are not liable to overtake a cow; but what's to prevent a cow strolling into this car and biting a passenger?"

A McKESSON & ROBBINS PRODUCT