



Fieldcrest

MILL WHISTLE

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Does Excess Profits Tax Hurt Business Alone?

Decidedly not. Although the tax is levied on business, everyone in America pays part of the bill.

The tax hits customers, because taxes are part of the selling price of everything on the market today.

It hits workers, because you can't pay money out in taxes and put in in the pay envelope too.

It hits owners, because the men and women who risk their savings to help a business expand find that the Government takes four-fifths of the earnings that come through expansion.

But perhaps the biggest long-range loser may be America itself.

Our strength to produce exists only because business management has always been free to look and plan ahead. Management has ploughed back earnings and used the savings of investors to build new plants, buy new machines, develop new manufacturing techniques.

Now there is little incentive to take the risk that always lies in growth. For after the risk is taken, the mislabeled excess profits tax takes four dollars out of every five that expansion earns.

It isn't really a tax on excess profits. It's a tax on growth that affects everybody. The only way a business can avoid it is by failing or standing still.

—Courtesy N. W. Ayer & Son, Inc.

Better Than What?

"What's the matter with my quality? I do better work than Joe over there." We've all felt like that at times.

Yet quality work is not a matter of doing better than the next fellow. Quality workmanship means coming up to a quality standard that is set for the job you are doing.

Sometimes that will mean doing better than the next fellow. Sometimes it will mean doing better than you did on a certain other job.

The question that counts is: Does my work come up to the quality standard for the particular job I am doing now?

While the average human cotton picker can gather about 20 pounds per hour, a mechanical cotton picker can harvest almost 650 pounds in an hour.

CHEAPER THAN YOU THINK

Every day we hear people complaining about the cost of living, and about the way prices are going up. We don't blame them. We think it's tough too. However, we feel that the responsibility for the high cost of living should be placed on the proper shoulders.

Occasionally we hear somebody growling about American business, arguing that businessmen should hold prices down. This we don't like, because American business is the one thing which has given more goods to more people than any other economic system ever devised. There are three main factors which have been involved in creating the high prices of recent years, and businessmen have not been responsible for any of them. Briefly listed, there are:

(1) Inflation caused by government borrowing and spending.

(2) Shortages caused by government regulations.

(3) Taxes.

This last item, taxes, is the one which makes so many prices seem high. For instance, the average man would feel fortunate indeed if he could buy cigarettes for 9 cents a pack and gasoline for 12 cents a gallon. The truth of the matter is that these items do sell for the prices mentioned above. The only catch is that the merchant is forced to collect TAXES amounting to about 12 cents on cigarettes and 9 cents on gasoline. This makes the merchandise seem expensive, but it is only the tax that is high priced. The goods itself is fairly reasonable.

Newsweek Magazine has recently given the following figures to show what taxes do to the cost of living. According to Newsweek, a man earning \$4,500 per year pays \$455 in direct taxes and \$1,039 more in hidden taxes. If a man earns \$7,500 per year, he will pay \$869 in direct income taxes and an additional \$1,923 in hidden taxes. That, of course, is the main thing which makes living hard for Mr. Average Man.

In the case of corporations, the levy is even more deadly. The Du Pont Company reports that last year it paid direct taxes amounting to \$429,000,000 on a gross income of \$1,546,000,000. The tax was three times as much as the firm spent to build new plants and improve existing ones.

The tax collector got more out of Du Pont in 1951 than did the stockholders who own the company. For every dollar paid in dividends, \$4.25 was paid in taxes. Then, of course, the stockholders had to pay taxes of their own, direct and hidden, on the part that was given them.

So the next time you think prices are high, just remember this. The PRICES are cheaper than you think. Yes, even with our 54-cent dollars and

Folks You Know



Kenneth C. Brown, office janitor, has over 29 years of continuous service and has worked at the Rhode Island, Woolen, Blanket, and Embroidered Bedspread mills. He was born at Draper but now lives in Spray. Kenneth has seven children and seven grandchildren.

Before coming to work at Fieldcrest he had done construction work in the Tr-Cities, had worked in West Virginia and in the Norfolk and Western Railroad shops in Roanoke, Virginia.

Kenneth, with the help of his wife and children operates a small grocery store near his home. At Fieldcrest his work begins at 5:00 p.m. when the general office and the Nantucket office are closed and he works until 1:00 a.m. cleaning and keeping shipshape the offices in the two buildings.

He is a member of the 25-Year Club and made one of the talks when the club met at the Club Martinique in Martinsville four years ago.

Costs Do Count

Some things are so important that we'll do our best to preserve them no matter what the cost. Our national security for example.

But there are other things for which we look at the price tag before making up our minds. For example, many goods offered for sale will interest us only if the price is right, and the price can be "right" only if the costs of producing it are kept in line.

If you are ever tempted to treat the matter of costs lightly, remember that they show up in the price to customers.

potatoes which were being thrown away one year and were bringing a premium in the black market the next, merchandise and commodities are cheaper than you think. It is the tax man who makes things high. Therefore, we believe it is time to stop blaming the farmer, the manufacturer, or the retailer. Once you take taxes out of the picture, things are cheaper than you think.