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## Taking the Profit Out of War

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[The February issue of the Atlantic for 1925 carried a paper by Mr. Sisley Huddleston dealing with the general subject of "Taking the profit out of war," which Mr. Huddleston called "An American Plan for Peace." The first-quoted phrase was put into the language by the War Industries Board toward the close of the World War through its efforts to eliminate all war profits. Mr. Huddleston's article came to the attention of Mr. Bernard M. Baruch, chairman of the War Industries Board and administrator of the non-profit plan, and (as he writes us), since it seemed to indicate a growing interest in the idea, induced him to invoke practical means to bring about a full comprehension of taking the profit out of war in the various great countries of the world. To this end he responded to a suggestion of Mr. Owen D. Young, of the Page School of International Relations at Johns Hopkins University, that he establish a course of lectures there to expound the War Industries Board plan in detail. Later he will proceed to make similar arrangements at leading universities in Great Britain, France, Germany, Italy, and Japan. Agreeing with Mr. Baruch that the subject calls for public knowledge and discussion, it was natural for the Atlantic to turn to him for the following paper.—THE EDITORS OF THE ATLANTIC MONTHLY.]

War was once described as Prussia's most profitable industry. It needs only a scant examination of history to learn that other countries were open to the same indictment. The methods of the Robber Barons did not pass with the end of feudalism. Annexation by conquest did not cease. But when America entered the World War President Wilson fathered a doctrine that shall always govern us—that never a foot of territory would be added to our boundaries by force.

So, as America has taken the lead toward making impossible national profit through war, it too may be America's privilege to point the way toward making impossible individual profit through war. To take the profit out of war is to take a long step toward creating an economic detestation of war. The experience of the United States in the World War affords a basis for the belief that the plan herein discussed is practical. In fact it is more than a belief—it is a certainty, although not widely known.

The world is such a busy place, and the radius of human activity has been so greatly enlarged because of modern inventions, that it is not strange that there are but few people who are conversant with what was quietly but effectively taking place in this country in the mobilization and use of its material resources in the World War—a process that would have eventually eliminated all improper profits.

Strength is given to the public advocacy of industrial mobilization made by both President Harding and President Coolidge. Mr. Coolidge as recently as last October in his Omaha speech to the American Legion—by the fact that the plan they advocated as a part of the regular national war agencies had once been set up and successfully operated under the War Industries Board.

Proceeding to the President's recent close exposition of this subject, some degree of public interest had been engendered by an exchange of letters between Owen D. Young (of Duquesne plant fame) in behalf of the Walter Hines Page School of International Relations, and the writer. The correspondence resulted in the establishment of lectures at the Page School (of Johns Hopkins University) on this theme. Previously the Atlantic Monthly printed an article by Sisley Huddleston, who pointed out that Europe saw great strides toward peace in the American idea of "taking the profit out of war" in a systematic way. His basic reference was to the plan of the War Industries Board.

The resources of a country might be referred to as the five M's: (1) man power; (2) money; (3) maintenance or food; (4) material resources (including raw materials, manufacturing facilities, transportation, fuel and power); and (5) morale. The intelligence with which the first four are directed and co-ordinated as a whole will determine the fifth, the morale of the community.

In the war emergency it early became evident to those who were charged with the responsibility of mobilizing the resources that there was a just sentiment among the people against profiteering. Profiteering might be willful and profit making might be involuntary, but whatever its form, there was a just determination it should cease. So it became necessary to fix prices where the supply was limited.

Wherever the government created a shortage by its demands, prices were fixed, not only for the Army, Navy and the Allies, but for the civilian population as well. And in addition to price fixing on war essentials (such as steel, wool, copper, and so forth), the balance after the war program had been fixed, was rationed or distributed according to the priority needs of the various civilian demands. In other words, where the price of the product of an industry was fixed that industry had to deliver the part which the government did not need to the civilian population, not in the way the industry chose, but as the government di-

sation. It is only fair to say that this condition was primarily brought about through the inexperience of the organization within our own governmental departments and by the furious bidding of munitions makers and ship builders for services. That situation, together with the increased prices of the things that labor had to buy with the results of its work, made it inevitable that labor must get higher wages.

So it became evident that the price fixing program had to go even further, and the War Industries Board, when the Armistice came, was proceeding with a campaign to fix the prices of all the basic things that labor had to buy. Some had previously been fixed. I speak of labor in a much broader sense than manual labor, for the unorganized so-called "white collar" part of our community—clerks, teachers, government employees, professional men—were less able to meet the situation than labor in the narrower sense. For the protection and relief of such groups certain plans were devised. To illustrate—

One of them provided that manufacturers, jobbers and retailers of shoes could make and sell shoes only of a specified quality at a fixed price, effective July, 1919. No one who did not have a card of the War Industries Board in his window could sell shoes, and only the standardized shoes could be sold. No jobber or manufacturer would sell shoes to anybody who did not have this card. The shoes were to be stamped Class A, B or C and had to be of the quality prescribed and sold at the price fixed. The country was so organized in every district that there could be immediately reported to Washington the name of any shoe retailer who did not carry out the regulations of the War Industries Board as to price and quality. Through restrictions on his labor, money, raw materials and transportation no manufacturer would have been permitted to sell to any dealer violating the regulations. The Armistice stopped the execution of this plan.

Another plan of this nature: The manufacturers of men's and women's wearing apparel had in 1918 been called to Washington, together with the retailers of various goods, and notified that regulations would have to be made in regard to retail prices and standardization of clothing.

The rulings by the board were made known through the issuance of official bulletins at irregular intervals and were widely distributed by the press, which co-operated in this most necessary work with a whole-hearted purpose that gave to the orders of the War Industries Board the instant and broad circulation they required.

Mr. Hoover already was doing much to perfect his control of food products and prices. There was also talk of fixing rents, and in some cities this was done.

If we were to start, in the event of another war, at the place where we were industrially when the World War ended, the President, acting through an agency similar to the War Industries Board, would have the right to fix prices of all things as of a date previous to the declaration of war when there was a fair peace time relationship among the various activities of the nation. It would be illegal to buy, sell, serve or rent at any other than these prices. Brakes would be applied to every agency of inflation before the hurtful process started. An intelligent control of the flow of men, money and materials would be imposed, instead of having the blind panic heretofore ensuing on the first appearance of the frantic demands of war. The Draft Board would have before it the rulings of the priority committee, together with the estimated needs of every business and profession in its relationship to the conduct of the war, and men would be selected accordingly. The Draft Board could more intelligently decide, with the advice of the priority committee, many of the problems with which it would be faced. There would be no sending of men to the trenches who were needed for expert industrial work and then bringing them back again. Businessmen not necessary to the winning of the war would be curtailed. The Draft Board would have that information before it.

The prices of all things being fixed, the price fixing committee would make any necessary adjustments, as was done during the war. Under the system used in 1918 these prices were made public and adjusted every three months, so that any consumer or producer had his day in court when he considered prices unfair. Those who complained that during the war prices were too high had this ready recourse to hand.

In the meantime all the industries of the country would have been mobilized by the formation of committees representative of each industry as was done in the World War. Over them would be placed a government director or commodity chief. The various government departments would appoint committees representing their requirements, so that on one committee the resources of the nation would be represented and on the other the demands of the government. The government director would stand between to decide, in conjunction with the pri-

ority committee, to what department supplies should go.

Money would be controlled and directed like any other resource. "Taking the profit out of war" is not synonymous with "conscription of wealth," as it is sometimes regarded. The latter is a theoretical project, prohibited by our Constitution, contrary to the spirit of our social and political institutions; and impossible in practice. Taking the profit out of war is an orderly and scientific development of the economics and conduct of modern war, necessary to the effective mobilization of national resources and indispensable to equalizing the burdens of war among the armed and civilian population. Born of experience and proved by practice, it removes some of the most destructive concomitants of modern war—the confusion and waste incident to war time inflation.

This term "conscription of wealth," used by so many, has created a hope among those of socialist tendencies, and a fear among those who, like me, believe in our system based upon personal initiative and reward, of a taking of money, without payment, for the use of State. Neither the hope nor the fear is justified by the recommendation herein contained or by our experience in the war. The use of money should be controlled and directed in a national emergency. A man should no more be permitted to use his money as he wishes than he should be permitted to use the production of his mine, mill or factory except through the general supervising agency. This was being done toward the end of the war by disorganizing and removing the many conflicts and competitive efforts involved in labor and buildings that had previously occurred because of lack of any co-ordinating agency. It was allocating power and making regulations for the hitching up of scattered units of power. It was changing munitions orders from congested to less congested districts. It had actually carried into effect an order that no building involving \$2,500 or more could be undertaken without the approval of the War Industries Board. No steel, no cement, no material of any kind could be used for any purpose whatsoever unless the War Industries Board permitted it. No steel company could sell over five tons of steel unless approved by the Director of Steel. The Treasury would not permit the raising of money for any industrial or financial operation unless it was approved by the War Industries Board. The President issued an order that no commanding should be done by the Army, Navy, Shipping Board or Food Administration without the approval of the chairman of the War Industries Board. Every raw material industry, and indeed practically every industry in the country, was organized through appointment of committees, and none of these industries would do any business except under the rulings promulgated by the Board. Standardization in every industry was rapidly proceeding. These rulings were made known through the issuance of official bulletins at irregular intervals and were distributed by the press. We were endeavoring to arrange it so that the fighting forces were to receive those things that they needed and no more, so that whatever was not actually required at the front was left to civilian purposes. Industries were curtailed, but never destroyed; skeletonized, but never killed. Indeed, the use of men, money and materials was rapidly being brought into exactly that condition which I have previously stated to be necessary in case of another war.

If, in addition to this, the President in the future has the authority to fix prices and distribution of materials and labor, rent, and the use of man power, transportation, fuel and all the things necessary for the conduct of the war, any rise in prices will be prevented, even in anticipation of war. There are many who claim that war is caused primarily by the desire of profit. I am not one of those. But if there is anything in this contention this plan will remove the possibility of anybody urging war as a means of making profits. Even if there are no men who desire war as a means of making profit, the fact that profits would be less in war than in peace, and wealth and resources would be directed by the government, might have some active deterring influence on men of great resources. Instead of being passive, they might become active advocates of peace.

There are many people who are, for various reasons, afraid to discuss the subject during peace time and prefer to wait for war. There are also some great manufacturers who oppose any such plan because they were seriously interfered with during the war time. Indeed, it has been the experience of some of those responsible for the industrial mobilization in the World War to remain the objects of venomous attack begun during the time that the necessities of the nation made it imperative to control activities and profits. Some critics were prominent manufacturers, who said: "Tell us what the government wants and we will fill the orders, but don't interfere with the sale of the part of our product that the government does not want to use." That was unthinkable. President Wilson decreed that fair-

**New Explanation for Disasters on Ocean**

In explanation of collisions at sea it is said to be a scientific fact that a very large liner moving through shallow water will attract small craft toward her. This theory was first put forward when the White Star liner Olympic collided with the British destroyer Hawke, whose captain stated on oath that his vessel was sucked toward the big liner and refused to answer her helm at all. He was laughed at then, but not so long afterward the ill-fated Titanic started on her maiden voyage. As she steamed down Southampton docks the American liner New York, an eleven-thousand-ton ship, began to get uneasy at her berth alongside the quay. Presently her stout mooring ropes snapped, one after another, and she started to move out toward the White Star ship. The Titanic was immediately stopped, while tugs got hold of the New York and towed her back into safety. During the war there was another proof of the theory, this time by the Olympic again. A German submarine sidled up to her and was getting ready to torpedo her, when the suction drew the U-boat close up under the liner's stern, and the blades of her great propeller ripped open the submarine from stem to stern.

**Old Weather "Saws" Based on Good Sense**

Admiral Fitzroy, who invented the barometer and commanded the brig Beagle on its expedition to the American coast in 1831, declares that most of the old "saws" regarding weather are reliable and based on common-sense investigation. As a weather expert he commended an old saying to the effect that the glow of dawn high in the sky denotes wind, and a low dawn fair weather. He bade us believe that soft-looking, delicate clouds mean wind-fair weather, and hard, ragged ones wind. Mist on a hilltop means rain and wind if it stays long or comes down—fine weather if it rises and disperses. Rain is due when distant objects look near as on what is called a good hearing day. And rain is foretold by pigs carrying straws to sties. The pig as a prophet appears in an old riddle: Question: Why is a storm to follow presently when a company of hogs runs home crying home? Answer: A hog is most dull and of a melancholy nature; and so by reason doth foretell the rain that cometh. In time of rain, most cattledoe pricks up their ears; as for example an ass will, when he perceiveth a storm of rain or hail doth follow.

**Story of Elgin**

We might use the glamorous words of childhood's fairy tales, "Long ago and far away," to tell the tale of Elgin cathedral, whose seven hundredth birthday was celebrated last August 5 and 6. So long ago as the twilight time of the early Middle Ages, so far away as Rome, must we go for the beginnings of the story of this hoary old pile, whose influence has been casting its spell upon the lives of the dwellers in the old province of Moray from that far-off time to the present. There is an old tradition that the Cuides founded the church to begin with, just as they did that of Birnie. In any case, the site was already hallowed by many sacred associations, when Bishop Andrew Moray, scion of the powerful house of De Moravia, moved the Cathedral of Spynie to the Church of Holy Trinity in Elgin.

**Up-to-Date**

Mark Twain's home at Redding, Conn., was at one time visited by burglars. After their visit Mark Twain tacked the following sign on his front door: "Notice to the Next Burglar: There is nothing but plated ware in this house now and henceforth. You will find it in the brass thing in the dining room over in the corner by the basket with the kittens. If you want the basket, put the kittens in the brass thing."

"Do not make a noise; it disturbs the family. You will find rubbers in the front hall by that thing which has umbrellas in it; chiffonier, I think they call it, or pergola, or something like that. Please close the door when you go!"

**"Prestige"**

Strange are the ways of words. Of which there is no better example than the fact that "prestige," which names the power or influence of a good reputation, should have had its beginning in the tricks of a juggler! Yet that is how it started.

"Prestige" goes back to the Latin "praestigiae," meaning juggling tricks—the same derivation as our "prestidigitation" which is sleight-of-hand. And the explanation of this strange transition is in the fact that in the myth and goblin-tenanted days of the far-distant past, juggling tricks were supposed to manifest enchantment, which was regarded with the very highest admiration and respect hence "prestige."

**Clergyman Harness Maker**

An Anglican clergyman, Rev. Canon Charles Griffiths of Bristol, England, was the proprietor of a prosperous manufacturing business in the East end of London, the publication of his will discloses, the New York Times says. The business, the manufacture of harness for tradesmen's horses, was established in 1750, and was left to the canon by the will of a relative 12 years ago. The canon is said to have been a generous employer, and the business grew to large proportions under his supervision.

**A Family Tract**

A woman engaged a new maid, with whose appearance and manner she was greatly pleased. When the terms had been agreed upon the mistress said: "Now, my last maid was much too friendly with the policemen. I hope I can trust you?"

"Indeed you can, madam," she replied. "I can't bear policemen. I was brought up to hate the very sight of them. You see, my father was a burglar."

**Irish Prefix Explained**

The prefix "O'" before the names of so many Irish families is an abbreviation of the word "ogha," meaning grandchild.

**Lincoln Used "I" Once**

President Lincoln, in his second inaugural address, used the pronoun "I" only once, while Mr. Roosevelt avoided it entirely.

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**MOVEMENT TO POPULARIZE NATIVE FILMS IN CHINA**

About Nine-Tenths of the Huge Population Never Have Seen a Moving Picture.

Shanghai.—Out of an estimated population of somewhere between 400,000,000 and 500,000,000, it is believed that 90 per cent of the people of China have never seen a motion picture.

For this reason an effort now under way to provide movies acted and produced by Chinese is interesting.

In China's largest centers and in the treaty ports the picture screen long has been commonplace and mixed audiences of Chinese and foreigners are thrilled over the film favorites, just as are audiences in the United States. But hitherto the sporadic efforts to popularize the movies in the interior of China have failed.

Within the last year several companies in Shanghai have undertaken to produce Chinese pictures, and perhaps a half dozen of these have been exhibited with varying degrees of success. As they necessarily were made by unskilled actors and more or less inexperienced directors, they have appeared crude in the eyes of the Chinese used to the finished foreign productions. These films are being sent tentatively into the centers of the interior, where it is necessary to throw up temporary mat sheds in which to show them.

A Shanghai picture man explained: "It is altogether a problem of educating the Chinese people to the movies." He then went on to tell the experience of a showman who invaded the interior with a number of films. The people wouldn't go to see the pictures, and so the showman adopted the expedient of paying his audiences to come, doling out handfuls of cash to each person who entered the makeshift theater. The showman's money gave out before his films, which were of foreign production, had gained popularity, and thus his efforts came to naught.

Later enterprises in Shanghai include one started by China's largest publishing concern, which is making efforts to improve the quality of the pictures, the acting, costuming and settings. Several of the country's leading actors of the speaking stage have been recruited for this work, which is being confined to plots based on stories purely Chinese.

How the efforts of these organizations will be received by China's articulate masses, and whether a Chinese Charlie Chaplin or a Mary Pickford in silken trousers will capture the country, are matters as difficult to conjecture as the answers to any other of the country's many questions.

**"Little Bird Told Me"**

In early days superstitious people paid considerable attention to the birds and their different cries, which were believed to foretell events. Thus comes the old saying, "A little bird told me," says the London Daily Mail.

Traces of this belief are to be found in our own Old Testament, where verse 20 of chapter 10 of Ecclesiastes speaks of "for a bird of the air shall cry the voice, and that which hath wings shall tell the matter." It is generally agreed that it is from this belief in the universal knowledge of birds—which, of course, are supposed to see everything from the sky—that we get this saying.

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