



LOOKING AHEAD

By GEORGE S. BENSON
President—Harding College
Searcy, Arkansas

New Light on Profit

Some industrial leaders nowadays refer to that old joker item, "profit," in a new way. Annual reports of corporations are beginning to list profit more properly as that part of the sales dollar spent for "use of the tools." This is an understandable way to designate whatever money is paid to stockholders or kept in the business for reinvestment or expansion.

If American workers have good tools they turn out good products at reasonable prices. Without good tools the picture would be different. We do have good tools and good plants, better than any other nation. But these things did not come by accident. These tools have accumulated because all of us have been free to save and invest. We have put savings into tools of production. These things are our capital.

Capital at Work

A hundred years ago each workman had only \$500 invested for his use in the form of tools. Today more than 11 times this amount, or about \$6,000 worth of tools, is back of the average American workman in his productive efforts. In terms of purchasing power, our average workman's wages have increased about five fold, even though he works only half as many hours as he did then.

Tools, then are important to all of us. Where do they come from? The price of these better tools (sometimes they're expensive tools) has come from people able to save from their incomes a little surplus to invest. Most of these folks today are in the income bracket of \$5,000 or over. But through life insurance and bank savings, nearly everybody in America participates in these purchases of tools.

Danger Signs

Obviously, we have a high standard of living partly because of the labor-saving tools we have accumulated. That is fine. But we must not forget that it is possible for America to have such national policies that tool investments are not forthcoming. In fact, during 1930 to 1940 when our account in tools (capital) slipped downward 19.4 per cent, we found that our economy went backward rather than forward.

Looking at the record, we see that most of our tools were accumulated in the generation prior to 1929. From 1920 to 1930 new capital flowed to industry at the average rate of 6 billion dollars a year. But the years from 1933 to 1945 were dangerous years. During that period a yearly average of less than half a billion dollars went into tools for our workers to use.

Tools or Taxes?

What was the trouble? One trouble was that government had entered the picture and had begun to siphon funds away from the capital market. Tool money was turned into taxes. New tools became scarce. People were afraid to invest. Even after the government had spent its part of the savings taken in taxation, depression remained and millions were still unemployed. We needed money turned to tools and incentive, not to taxes.

Unsound taxation policies must not be allowed to get in the way of good tools and incentive investments. Today our corporations are retaining smaller profits than may be turned into tools. In 1946, though it was the best year on record, manufacturing establishments averaged only 5 cents profit (use of tools) out of the sales dollar. The corporation average was less than that. We must not forget the importance of tools. We need profit, for profit means tools.

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Scott Greets Group Of 30 In Campaign Stopover Here Monday

W. Kerr Scott stopped briefly at Kings Mountain's City Hall to meet and greet local supporters Monday morning as he began the last week of his campaign for governor in Saturday's second primary against Charles M. Johnson.

It was the first visit to Kings Mountain Mr. Scott had made since April when he addressed the annual Farmer's Night banquet of the Kiwanis club.

Asked how his campaign was going, Mr. Scott replied, "It looks good."

Later, reciting his schedule for the remainder of the week, he laughingly remarked, "Yes, the revival comes to an end Saturday night."

Mr. Scott wore a conservative gray business suit and looked none the worse for wear after several months of hot campaigning which has carried him all over the state and back again. He smoked a cigar and a "Forward-with-Scott button" was pinned to his tie. He was traveling in a Chrysler, well-covered with the green-on-white Scott-for-Governor placards.

Some 25-30 persons were at the City Hall to shake hands with the former commissioner of agriculture, including principally his supporters, but with at least one or two Johnson supporters on hand, and at least one Republican — former Post-

master J. S. Ware.
Mr. Scott made no formal speech, but told the Herald his plans for roads included work on rural roads "within the budgetary limits." He added that he did not contemplate a sweeping reorganization of the highway department except for top personnel, and said he thought the rank-and-file of highway department employees deserved a raise in pay. "Why we pay farm workers in my part of the country more than we pay highway workers," he remarked.

The Herald reporter pointed out that the Scott school platform was similar to the Johnson platform, and asked what major differences there are between the platforms of the two men.

Mr. Scott replied that there are not too many differences, but added "I have made him (Johnson) commit himself."

Mr. Scott's Kings Mountain stopover was arranged by Irvin Allen, prominent Kings Mountain Scott supporter.

Mr. Scott ran second to Mr. Johnson in the first primary by about 8,500 votes.

To avoid deterioration while in storage, many parts for Navy planes are now being bought and distributed sealed in "tin cans."

By Way Of Mention

Lois Beattie

Mr. and Mrs. Ernest Davis and Mr. and Mrs. James Lewis spent Sunday with Mrs. Davis's Mother, Mrs. Lucy Greene of Laurens.

Miss Gerald Huntley and Mr. Albert Peterson were married June 4th. Mr. and Mrs. Albert Payne had as their guests Sunday Mr. and Mrs. D. V. Fuller and son, Danny of Belmont, Mr. and Mrs. W. A. Brown and son Deane of Gastonia.

Alan Emory of Laurens is on an extended visit to Mr. and Mrs. Ernest Davis.

Mr. Troy Wright and Mr. Dave Smith Jr. spent Saturday in Gastonia.

Mrs. Gordon Beatty spent the week end with her husband, Mr. Gordon Beatty of Oteen.

Mrs. Novella Phillips spent Sunday with her brother, Mr. Plato Foster of Cherryville.

Mr. and Mrs. J. I. Hope had as her guests Sunday Mrs. Fred Sanders

and daughter Carol. There will be a singing convention at the Church of God Sunday.

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