

Forum Notes . . .

Is Labor Justified?

Hicks Says 'No'

(Editor's Note: This is the first in a series of articles written by university professors in conjunction with the group of old fashioned town meetings to be held weekly on the campus.)

BY CLIFFORD M. HICKS.

At the outset, every student of this problem should be cautioned, the question as framed is far too broad a one. The very lack of uniformity among business firms and business fields indicates that no answer can be given to this question uniformly and categorically. The volume which wage payments consume in total expenses of different kinds of business varies radically. For example, tobacco manufacturers have a ratio of 19%, chemicals have a ratio of 27%, iron and steel have a ratio of 44%, and automobiles and equipment have a ratio of 48%.

It should be obvious that a common wage increase in each of these cases creates immensely different burdens for the companies. Likewise, these business firms do not have common levels of return on the capital used, or an equal capacity, in other words, to contribute to wage increases. In the year 1944, chemical industry average return was about 11%, the return for the steel industry about 4.7% and the automobile industry about 12%. A recognition of these wide differences is the first step in understanding the current problems.

Is 30% Increase Objective?

If the exact amount of a 30% wage increase is not our sole objective, but a better understanding, we should then weigh the relative positions of the parties involved—capital, labor and the public. Note the addition of the public as a party to the question—since the public comprises the

consumers of the products made, it is probably the most important factor in the picture. At times, to listen to the arguments you cannot recognize it.

From the standpoint of labor, the reduction in overtime, decrease in hours worked, and possible rate-down in job classification means a serious loss of dollar pay. This loss, when adjusted to the cost of living, as shown by estimates, would leave an effective income lower than in 1939. This is labor's chief point—a sacrifice in the current standard of living may be involved, without some wage adjustment.

Position of Capital.

The position of capital is not, however, a case of protecting "swollen profits." All industry over the war period has tended to show profits, some having risen from deficit periods to profitable operation in this war period. But in the well-established fields the federal taxes have absorbed much of the dollar increase in profits. As an example, General Motors showed profits on assets in 1938 at 10%, and in 1939 at the level of 13%.

By contrast, for the year 1943 the profits on assets were 6½%, and in 1944 the return was 8%. All of this is verified by the fact that the stockholder of that concern is today getting smaller dividends. The reserves which business firms possess today have been created under the control of the federal income tax system and are necessary for replacement of machines, reconversion of physical plant, and development of new products. These provisions are necessary in order to give employment at any wage.

"Guaranteed Market."

But perhaps the biggest problem faced by business is the fact that in the war years products were sold into a "guaranteed market" by virtue of the government purchasing program. With this influence gone, sales volume will shrink heavily. Just what each seller will succeed in holding of the existing market is an uncertainty, and what the general market will be a year or so hence is a serious conjecture. But to keep the market improving prices will need to be lowered. To do this while increased costs in wages are created is difficult. If labor would give increased production per man

it would do much to help offset an increase in hourly rates.

The report of the Bureau of Labor Statistics shows that in many fields of business the productivity of labor has fallen seriously in the war period, as in canning, cement, printing and smelting and refining of non-ferrous metals, being less in 1944 than it was in 1939. Business management has offered some wage increases as evidence of their belief in holding up wage levels but they know the many uncertainties ahead will create costs not present in the war period. For example, in the war period many firms had little or no selling expense but now they must reconstruct sales forces and out of current prices pay substantial expenses not previously existing.

Public Needs Lowered Prices.

But to speak of the public as a party to this question. The public needs lowered prices. The bulk of the consumers for the general markets are not uniform members we should remember. Many of these consumers have had only moderate wage increases, people living on invested capital have had decreases, and salaried people have had very modest additions. A large increase of wages in a segment of the American business system will not distribute itself as purchasing power over a widely scattered market. Increases in costs which result in price increases now, are certain to invite a slow shrinking of markets, ultimately both the manufacturer and his labor will be the loser.

Slow Adjustment.

Perhaps the only conclusion which is warranted from the point of view of the public would be that a slow adjustment rather than a major grant of 30% is better. These slower changes can be integrated into the situation after the facts of how well sustained the markets prove to be, and how the productivity of workers does compare to dollar wage increases have been actually demonstrated. There is more to be lost in serious injury to the broad general market capacity to purchase than in failure to adjust wages at a particular rate of 30%, thus maintaining such workers at their exact war level income. The general consumers' interests need to be weighed heavily in this question.

The Nebraskan

FORTY-FIFTH YEAR

Subscription Rates are \$1.00 Per Semester or \$1.50 for the College Year. \$2.50 Mailed. Single copy, 5 Cents. Entered as second-class matter at the post office in Lincoln, Nebraska, under Act of Congress March 3, 1879, and at special rate of postage provided for in Section 1103, Act of October 2, 1917, authorized September 30, 1922.

EDITORIAL STAFF

Editor: Leslie Jean Glottfetty
Managing Editors: Betty Lou Huston, Janet Mason
News Editors: Phyllis Teagarden, Mary Alice Cawood, Shirley Jenkins, Bill Roberts
Sports Editor: George Miller
Society Editor: Betty King

BUSINESS STAFF

Business Manager: Lorraine Abramson
Assistant Business Manager: Shirley Hampton, Dorothy Rosenberg
Circulation Manager: Stuart Harrison

Anderson Spots New Kosmet Show in China

Editors Note: By Staff Sergeant Norris Anderson, a Marine Corps Combat Correspondent, formerly sports editor of the Daily Nebraskan.

TIENTSIN, China. (Delayed)—A successor to the most madcap of University of Nebraska Kosmet Klub shows has been located. Fraternity and sorority Kosmet Klub managers, kindly board the first plane for China if you want a sure-fire winner.

We speak of the North China Opera company, a collection of harnessed bedlam that would touch the heart of the most imaginative Kosmet Klubber. A night at this opera also touches the heart of both eardrums.

Native custom dictates that the last portion of the operatic routine be the choicest. Therefore, it is necessary to doze through three hours of assorted bedlam before viewing the feature attraction which was a little number called "The Thirteenth Sister."

Flaming Damsel

A damsel in a bright red gown, with redder lips, Lei Yp Ru, seemed to be the thirteenth sister and the heroine of the play. Even a bumper Theta or Delta Gamma chorus line couldn't produce a number like Miss Lei. She brought our imagination to a top peak in one scene which typified the entire evening's program. Imagine this scene in a Kosmet Klub production:

The villain was waving a murderously-looking hatchet at a prince he had tied to a stake. A property man races to the footlights with a table and hoists Miss Lei to the top. Then the villain rears back to launch the stroke which was to behead the poor heroine. But Miss Lei turns a bow on him and fires an imaginary arrow and, alas, the villain drops dead.

As Miss Lei descended from the table (supposed to represent a rooftop), a far from cadaverous villain arose from the floor, brushed off his toga and sauntered off the stage. Miss Lei stood quite unconcernedly, sipping hot tea.

A terrific amount of clang-clanging by Miss Lei's orchestra (every Chinese star has a personal orchestra) marked the end of "The Thirteenth Sister," and brought on another crew of Chinese Artie Shaws. They were bearded gents, brandishing cymbal-like copper discs with which they beat out a discord equal to the loudest New Years Eve dishpan chorus.

Music Makers

Gou men (drummers) pounded thunderously, followed by the hoochin (violens), labah (flutes) and nanhoo (violins) in that order. Even the property men, who should be hardened to such music, were noted to be wearing cotton in their ears.

The 1942 Kosmet Klub show, which featured such acts as cotton-throwing from the balcony

SNIPES HUNTIN'

with JUDGE MASON

Thursday, November 30. . . .

Today's shopping guide—uh, I mean Nebraskan—is about to go to press and here we are with nothing better to do than write . . . and how it breaks my heart to see George Miller methodically knocking his head against a pencil in contemplation of composing the sports page . . . such talent wasted, when he could be writing those hilarious features which he doesn't for fear the Awgwan will get them.

And The Nebraskan office still has papers littered about the floor while the Awgwan office is spotlessly clean with Ruth Korb sitting on the desk trying to look officious and at the same time keeps her skirts in subjection to her unconquerable wml. . . . The Awgwan office looks so uninviting that we can't see how anyone can possibly work there amidst all the straight shelves and neatly-stacked papers. . . . Someone has just dragged Bob Gillan out of the third drawer of the cabinet where he was reading stories for the next issue and groaning in loud, pointed tones to make his opinion particularly clear—which is not an extraordinary feat with Bob Gillan.

Lou Huston is sitting at her desk throwing stories into the waste basket and informing us that our column will not make the next edition because there are too many ads which is not a new story to us. . . . So, she says, wait until you're on and you can put your own column in unless, naturally, the biz manager decides to put a full page ad on editorial page at which event the editor would again yawn and say, so what. . . . Why is it that when buzz's tongue wags and her eyes blaze no

and a hectic minstrel show, could not touch this.

A small crowd of onlookers crowded the backstage during the performance. They started the evening by merely peeking at the performers and wound up by sauntering in and off the stage, setting down on whatever props were not in use and scattering peanut shells everywhere.

Opera in the states usually features a snooty audience whose main gyration is operating yard-long glasses. Here, the audience

drinks cup after cup of hot tea, during the performance, eats peanuts and shouts at the performers in the best Brooklyn rooting fashion.

Miss Lei could not be reached after the performance to sign for a Nebraska Kosmet show. Some other stage-door Johnny (who spoke Chinese) had the advantage.

John Lund, appearing with Olivia de Havilland in Paramount's "To Each His Own," is taking daily lessons in wrestling.

one will stand up for her (huh, just ask me) so-o-o-o this column doesn't appear until—well—when you see it.

From our den of iniquity down here we sit in malicious glee and discuss everything we can't cuss (we are getting sticky from sitting in the glee) . . . Senator Wherry thinks that all the communists should be taken off the payroll. . . . Good old Nebraska senators . . . always have to pipe up once in a while to let the rest of the congress know that Nebraska is still in the union

By the time this comes out the six eligible bachelors will no longer be a mystery and they will probably have grown beards, or more likely muddashes (never did know how to pronounce that word) which generally happens to eligible baches sooner or later. . . . Pee Wee Novotny is dubbing herself a sober-minded Cornhusker worker—we always wondered what was the matter with the Cornhusker.

Rex Hoy has just walked in out of the library with a book in his hand. . . . Someone must have sold him a ticket to the new downstairs tavern. . . . If anyone cares to visit it we have just taken over complete sales rights so please see us . . . all of which brings up our new money-making scheme which is to think up new rules for coeds and sell them to AWS at ten cents each at which rate we could finance our master's degree in less than two years. . . . And on the subject of scholastics, briefly, we have figured out other things, such as—

In our physics class yesterday there were six people asleep at one time. . . . This is an improvement over the last recitation period at which time there were only four people asleep. . . . There are twenty-three people in the class . . . at this rate according to our calculations on January 6 everyone in physics class will be asleep . . . and that is why Christmas vacation lasts until January 7 this year.

Frosh Women's Honorary Initiates

Alpha Lambda Delta, honorary scholastic society for freshmen women, initiated Helen Bengson, Ardith Smith and Barbara Speer in a ceremony Tuesday night.

A 90 average for the second semester of last year was the scholastic rating required for initiation into the organization, according to Bernice Young, president.