The Queenstown News

ONE DOLLAR A YEAR
IN ADVANCE
EVERY FRIDAY MORNING

M. W. AKER,
GEORGE STEINFELT, Owners

Make all checks for advertising, Subscription or printing payable to The Queenstown News Queenstown, Md. Phone 2161.

Advertising rates upon application.

National Advertising Representative
AMERICAN PRESS ASSOCIATION
New York : Chicago : Detroit
Atlanta : Phila.

Friday, February 25, 1944.

Contracts that Cut Costs

A man usually well informed was heard to ask recently how much of the present war production was being handled on a "cost plus" basis. He was thinking of the wasteful type of contract frequently used by the government in the last war which provided that the government would pay the cost, plus a percentage of that cost as profit to the manufacturer.

Perhaps there are a great many taxpayers who also fail to realize that that type of contract, which put a premium on inefficiency, was made illegal years ago and is not being used by the government in this war.

The best simple, popular explanation of the principal types of contracts under which war material is now being purchased by the government which has come to hand recently was contained in an employe publication and headed "How General Motors' Government Contracts Help Reduce War Costs."

Addressed to the nearly 500,000 General Motors people, not only as employes but as taxpayers, the statement pointed out that today on all conracts for war material it is to the advantage of the manufacturer to reduce costs, not increase them.

It showed two kinds of contracts used by this company, which is the largest producer of war materials. "Fixed price" contracts, which provide an incentive to the manufacturer to reduce costs, account for about 93 per cent of all General Motors war material delivered to date. "Fixed fee" contracts, which provide that the government will pay actual costs plus a fixed fee which remains the same whether the actual cost is greater or less than the estimate,are used when the manufacturer is asked to make products upon which there is inadequate cost experience. Thus the incentive is to turn out more war products in less time, and time saving means cost reduction

It is further explained that war costs are also reduced through voluntary price reductions and renegotiations, and that profits are automatically reduced by income and excess profits taxes.

Conundrums In Oil

It seems that the news from Secretary Ickes about building an oil pipeline from Iran to the Mediterranean was a trial balloon.

American oil companies have in the past been able to supply all the needs of consumers in our country. Some of those companies have indicated that they can meet all the present and future demands if the Government allows them to develop new oil properties as they have done in the past. Seventy per cent of all oil being used by the Allied Nations is being supplied by the United States. The various manipulations of oil production and distribution have decreased supplies that might have been available in our own country.

Not many weeks ago there was a great deal of criticism of our big government project in Canada, which has cost millions of dollars and most of which seems to have been wasted Now the Federal Government casts its oily eyes in the direction of the Mediterranean. That is another conundrum.

The question raised by the Truman Committee report is: How about Great Britain and the Allied drawing on their oyn oil reserves instead of running American oil ragged?

What's all the mystery about? Informed oil producers are mum on the subject of shortage of production. The trouble is that most of our oil is going abroad. Oil companies are afraid to talk but they apparently assume there is no basis for the claim that our domestic oil resources will play out in the next 20 or 25 years—if oil companies are let out of the "dog house."

As a matter of fact there was an outcry in Washington 25 years ago to the effect that our oil wells would all run dry in 20 years. Nevertheless we still appear to be pumping oil despite the prognosticators who are bureaucrating for the Government.

Square Deal vs. A Raw Deal

When the Government of the United States asked national industries and manufacturers to discontinue production of civilian goods and supplies and devote all their facilities to war production it was not at all surprising that American business leaders insisted that there should be clear understanding that the agreements must be carried out without the possibility of "frauds" being charged against the manufacturers and industries. "A burnt child dreadeth the fire," and honest business as well as honest government Administration remembered the war contract scandals of a quarter century ago. The results in this war prove the wisdom of having made a good start.

Vice President Wallace must have yielded to boneheaded prejudics when he recently declared that "hard headed business men" must be preventd from "leading the world astray" after the war. It he had employed his own "hard-headed business" judgment he probably would have omitted that nasty, unreasonable slur, "when I refer to American Fascists I mean those who believe that Wall Street comes first and the country second. . . .and who are willing to keep Wall Street safely on top of the country." Mr.Wallace should know that there are nonesuch.

Attention Farmers !

I have 2000 to 3000 new wrenches assorted sizes, Rachet wrenches. Just what farmers need. Very cheap and good quality. Stop in an look them over. Queenstown Motor Co., Queenstown, Md.

NOT TOO HOT NOT TOO COLD

Classical Expostulation

Jargon is not unknown in Wall Street and financial writers often use vague and pompous phases to express a simple idea. Suppose a sensible man writes to a friend: "Business has suffered a setback, but not a slump. You can understand the causes by studying recent events." That is intelligible and neatly expressed.

But here is how a highly-paid professor and "degreed" educator phrased it: 'That general business has not retained all of its former impressive buoyancy is evidenced by current trends in several directions, but there is obviously a sharp distinction between moderate recession and fundamental unsoundness It the rate of activity has not been wholly sustained, the change can be properly interpreted only thru recognition of what has gone before and the attainments of various maximum records, if of too recent occurrence to be obscured by present tendencies."

That is like whipping an ounce of castile soap into a bushel of suds of as Shakesphere once wrote,"Much ado about nothing." Or to use current vernacular, "making a mountain out of a mole hill."

Who's Asleep?

Many critics, when approaching the question of medical care, immediately assume that the doctors are their "opponents." The truth is that doctors are as anxious as anyone else to alleviate human suffering. They have for years to develop sound health plans whereby more people could secure high quality medical service at mainimum expense. Thousands of doctors contribute a large proportion of their time absolutely gratis to persons who either cannot or will not pay even moderate charges. Therefore, it is a rank disservice to hold them up as indifferent to medical progress.

By its title, Paul 'de Kruif's book "Kaiser Wakes the Doctors," raises a false impression which is maintained from the first page to the last. It paints the prepaid medical plan, developed in the Kaiser shipyards, as a revolutionary discovery that can be easily applied to other industries and finally to every urban and rural community in the nation. The plan is not new and, unfortunately, has handicaps—not the least of which is its compulsory aspect The Journal of the California Medical Association describes it as follows:" . . . . Fifty cents per week is deducted from wages of each employee (there being practically no acquisition costs in securing members to the plan, certainly a great administrative saving!); the wage deductions being taken from a group of about 100,000 workers (the families, however, are not included!); the plan being in operation in enterprises where all the workers reside within a small and limited geographical area. In essence, the discovery. . . . is nothing more than an application of the age-old principle of prepayments on an insurance basis, designed to give protective coverage to a limited group of poor risks thru acquisition of a large number of paying good risks."

The doctors have always welcomed practical plans to broaden medical service. Critics who accuse them of being asleep should first catch up with them.

Separate Chaff From Wheat

It has been fun and highly patriotic to lambast the war profiteer and others who have sought to capitalize on the national emergency.They deserve lambasting. But when the lambasting begins to include most of the productive capacity of the country, it is time to call a halt to generalized name calling and begin to segreagate the chaff from the wheat. Inflation cannot be licked by holding to prices that discourage production and cripple distribution. And that is precisely what is being done, with respect to many of the nation's basic industries.

In the field of distribtution, dry goods retailers have been forced to drop various lines of clothing because of excessive price restrictions. And food retailers face a critical year in which the most important need will be to maintain sales volume. In the latter half of 1943, that volume showed a tendency to fall off and net profits dropped to the near vanishing point. If volume continues to fall in 1944, companies will be writing their profit and loss in red ink unless the Office of Price Administration modifies ceiling price regulations. According to Chain Store Age, the net profits of seven representative food chains for the first nine months of 1943, were about one-half of one per cent of sales.

Mass distribution has always relied on a hairline relation between prices and volume for its existence. Ordinarily, private management is free to seek the most efficinet balance between the two which automatically results in maximum consumer service. But currently prices are subject to Washington edicts and retailers have had to seek a living by a grim fight for volume sales.

The distribution induustry is no different from scores of other industries. If costs rise, private must rise. Name calling will never halt that vicious spiral.

The Low Down from Hickory Grove

You know, it is hard for me to get myself worked up and feeling carry for the way our grandpa and grandma used to live. As we look back she seems to me like they must have been just as happy, or even more so, than we are now.

For one thing grandpa and grandma didn't have any wrong numbers on the telephone to wake them up at 3 a. m—radio and crooners were unknown. Grandpa had no income tax blanks to perplex him. Also, he got along without the AAA the SEC, the TVA, and 3 million folks on the Govt. payroll.

In the old days, grandma had a dozen hams hanging in the storeroom and grandpa had a couple barrels of applejack in the cellar. They didn't know anything about brown and green coupons. No Govt. bureau had told them they were downtrodden or were underpriviledged and should be pampered, so they went ahead and were contented and happy.

Grandpa and grandma lived on the fat of the land.

Yours with the low down,
JO SERRA

Rives Matthews
For U. S. Senator

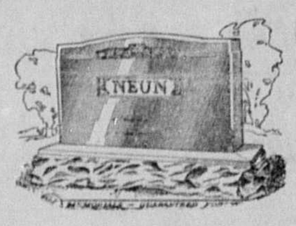
S. M. OMAN
EASTON'S OPTOMETRIST
Have Your eyes examined Regularly.
You will find no increase in our prices because of the war.
Dover at HarrisonSts Easton.Md

FOR SALE—32-ft. Log boat 7 ft. beam, in A-1 condition. Can be seen in Winchester creek. Samuel R. Brobst, Grasonville, Md.

Pin-up for Those Not Buying Bonds

Army Signal Corps Photo

This American soldier took refuge under a truck during a Jap bombing raid of our positions on Rendova. A Nipponese bomb, however, had his number on it. Here you see his comrades gently removing his body from under the engine. When you are asked to buy War Bonds think of this picture. *From U. S. Treasury*



MAURICE E. NEWNAM & SON
125 S. Washington St. Phone 522.
Easton, Maryland.

MRS. WILLIAM McKENNEY, JR.
Special Representative
Centreville, Phone 330R Maryland.

COLE'S GARAGE
JOHN C. COLE,
QUEENSTOWN, MD.
GAS and OILS
Sales and Service
Crane Service Day orNight
All work Guaranteed
AAAService
PHONE QUEENSTOWN, 2341-2721

Williams' Funeral Service

Rendering a Service thoroughly Dependable.
The Desire of this Service is to aid you in securing the most for
The Price You Wish to Pay
Complete Funerals as low as
$115.00
College Trained Embalmers
Calls Answered Anywhere at Any Hour.
JOHN D. WILLIAMS MORTUARY
EASTON'S FINEST
108 S. HARRISON ST., EASTON, MARYLAND.
Phone Day or Night, Easton 194
Queenstown—Day Phone 2601 Night & Sunday 2051.

Concrete Vaults $$22.50 including use of tent, lowering device and grass, no extra charges for oversize vaults.