#### OMAHA, NEBRASKA, SATURDAY, NOV. 11, 1933

### THE OMAHA GUIDE

Published Every Saturday at 2418-20 Grant Street by THE OMAHA GUIDE PUBL. CO., Incorporated All News Copy must be in our office not later than Monday at 5 p. m., and all Advertising Copy, or Paid Articles, not later than Wednesday at Noon. Entered as Second class mail matter, March 15, 1927 at the Post office at Omaha, Nebraska, under the act of Congress of March 3, 1879.

SUSCRIPTION RATES (Strictly in Advance)
One Years ...\$2.00 Six Months.....\$1.25

Three Months....\$1.00

TERMS OF SUBSCRIPTION—The Omaha Guide is

issued weekly and will be sent to any part of the United States for \$2.00 per year in advance. Foreign subscriptions (including postage) \$3,00 in advance. Trial six months' subscriptions, \$1,25. Trial Three Months' subscription \$1.00. Single copy, 5 cents. RENEWALS—In renewing, give the name just as it appears on the label unless it be incorrect, in which case please call our attention to the mistake; and always give the full address to which your paper has

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OUR ADDRESS—Send all communications to The Omaha Guide Publishing Company. Incorporated, 2418-29 Grant St., Omaha, Nebr.



# EDITORIAL

NEWS FROM NEWFOUNDLAND

The other day a news item appeared from the Island of Newfoundland. It was short and almost lost in the welter of of other news. But there is a message in it for Americans. It said that government was unable to meet her interest obligations when they fell due a short time ago, and railroads and ships it operated will be taken over by a British-American syndicate. This syndicate will not only assume the entire obligation, and take its chance on profits or losses, but has promised to spend \$21,000,000 in developing Newfoundland's resources and in new road and railway construct-

There is nothing particularly new in this—it is simply an addition to the long list of governmental failures in the province of private business. England, Australia, Germany, Austria, Switzerlandrailroads and power plants and hotels and markets and stemship lines have been built operated by government, and have provided poor service at high rates, or dave experienced terrific deficits for the taxpayers to meet. In the case of Australia, for example, matters got to so bad a state that there was, for a time, talk of national bankruptcy.

There is an obvious danger that the United States will drift, into similar errors. At the moment, the utilities are the principal objects of attack, and the "victory" gained with the Muscle Shoals development in spurring proponents of government ownership to renewed efforts. They are proposing developments wdich lack even the justification of Muscle Shoals, and if they have their way every city in the country will be operating its own power plant—and from there,, it isn't much of a step to include other businesses. Experiences like Newfoundland's and others should be carefully analyzed before we go too far.

#### THE TEST OF FIRE PREVENTION WEEK

Fire Prevention Week is over. In every community in the land six days of intensive effort were given to educating the public in the fundamentals of curbing one of the greatest of all menaces to life, property and industrial opportunity. Civic organizations, fire departments, insurance representatives, public officials-all worked for the cause, and an appreciable share of the public listened.

The real test of the week, however, has just begun. The public listened-but will it remember? In past years the memory of most of us was notoriously and tragically short. During the week fire losses went down, and kept to a low level for a short period directly after. Then they rose again to the 'normal"

Perhaps this week will have different results. Three years of depression have taught us the dangers of waste, of waste, of whatever kind. And waste due to fire is the most complete, and the most unnecessary possible. It benefits none. It harms all. It creates unemployment and is a barrier to civic development. It raises taxes and lowers incomes. It is the best friend of hard times.

The things we learned during the diffifuclt to remember. It takes little time and little money to put them into execution in most cases. There is no excuse for forgetting them. They mean money in our pockets, and safer, happier living.

#### THE COOPERATION of TOMORROW

In a recent issue, the Dairymen's League News commented on future farm cooperators—the children of the parents who belong to the Dairymen's League, all of whom are learning some of the simple, yet fundamental, rules of cooperation.

It would be excellent idea if all farm ers and others interested in cooperation made an attempt to develop an understanding of it in the minds and hearts of the producers of tomorrow. A generation raised almost from infancy with a belief in cooperative principles, and with constant opportunity to watch them evolve and win success, should make incalculable future agricultural progress.

This is an especially interesting supposition in the light of present agricultural conditions. It is said that much of the difficulty experienced by the Department of Agriculture in raising the farm income is due to the fact that too many farmers are still disorganized, and it is a long and arduous task to bring them together on a common footing. The cooperatives are making valiant drives to enlist more numbers now — and they are succeeding. But they would have succeeded in a much shorter period and the farmer of today been schooled in cooperation by his forebears.

Stronger cooperatives, better supported-that is the ideal now. And along with it, there should be plans for assuring the fullest flowering of the cooperative scheme through preparing farm children to take their place in organized agriculture.

> SOVIET RECOGNITION (From The Daily Worker)

The diplomatic negotiations looking towards recognition of the Union of Socialist Sovet Republics by the United States is an acknowledgement of the achievements of the Soviet Union, of its stability and its policies of peace. All militant workers throughout the United States who have constantly worked and fought for recognition, will rejoice on the occasion of this victory for the Soviet

American imperialism, one of the bitterest enemies of the victorious proletarian revolution in the Soviet Union, one of the chief instigators of war against the Soviet Union, is forced to take steps to extend diplomatic recognition. British, Japanese and French imperialism, for some time have already taken this step, without in the least slackening their preparations for war. Japanese imperialism, whose recognition is of long standing, is at this very moment seeking to provoke war.

Why does the Roosevelt regime at this time open diplomatic conversations?

The downward sweep of capitalist economy in the United States, the collapse of the N. R. A. as a promised solution fo the capitalist crisis, is making Wall Street scour the world for markets. The Soviet Union peacefully building Socialism is ready to open trade relations with the United States as it already has with other capitalist powers. The Roosevelt regme now grasps for this market. That the foremost imperialist power stands ready to open diplomatic and trade relations, is powerful testimony to the stability, the strength and Socialist advances of the U.S.S.R.

At the same time, in the rapid preparation for imperialist war, the Roosevelt regime while arming itself for war, spouts phrases and engineers maneuvers to give the appearance of peaceful intent. Recognition of the U.S.S.R. which is contemplated, is a peace maneuver that does not lessen one jot the rapid moves to war on the part of Wall Street.

The Roosevelt regime, through the Wall Street bankers supports the Hitler dictatorship in its anti-Soviet war thrusts. While antagonistic to Japan, the United States seeks to provoke a war of Japan against the Soviet Union to weaken both, and then to hammer out the unit ed front of all the imperialists against their main and implacable enemy — the victorious proletarian revolution symbolized by the U.S.S.R.

While recognition would open the way for trade relations, which together with loans would provide a market for some of the overproduced commodities in the United States, it by no means offers a solution for the corroding capital-

The chief conflict in the present-day world is between the system of advancing Socialism and of decaying world capitalism. The foremost representative of crisis-ridden capitalism, the United States, is now forced to step aside from its traditional policy of non-recognition and undertake diplomatic negotiations with the yorkers' fatherland.

All workers while greeting this achievement of the Soviet Union should realize that now, more than ever, they must be prepared to resist the trend toward Fascism and war developed by the imperialist nations, particularly the United States. They must, now more than ever, be on their guard ready to defend the Soviet Union against all its ene-

#### A BIG MAN SPEAKS

With so many influences and agencies working to extend the socialist program in the United States, it is heartening to those who believe in the superiority of private initiative and enterprise, to read the following courageous expressions from a recent address of former governor Alfred E. Smith at the Century of Progress exposition in Chicago. Mr. Smith said, in part:

"As I went through the fair I thought to myself that there is still another great lesson for the people of this country to learn—Aside from the assistance of Divine Providence, what has made this

century of progress? "If you will study this fair, you will be obliged to come to the conclusion that this century of progress was brought about by individual; by the strength, the power, the courage, the brains and the ability of the men and women of the Republic of North America. Whether you point to progress in industry, science, invention, transportation, or the arts, what you see here is the triumph of the mind and the hand of free men, without dictatorship.

"Ninety per cent of the exhibits here mark advances in our civilization due entirely to individuals, private individuals, working without inspiration, compulsion, control or even suggestion from the government itself. In fact, it is noteworthy that the government has done very little to contribute to this century of progress, while on the other hand, much has been prevented, much has been thwarted, much has been hindred, by the heavy, cold, clammy hand of bureau-

"Now let us not be too cynical about the motives that have actuated the men who have wrought these buildings which house miracles of science and invention. Pride of achievement, ambition to excel, love of work and art have had more to do with it than the mere desire to make money or to exploit others. And it is a matter of common fact—that government is at its best when it supplements and cooperates with private industry.

"And a century from now another exposition will arrive here, to mark another century of triumphant progress of free men, under the American Constitu-

#### THE RAILROADS' FINANCIAL HOUSE

In a recent address Philip A. Benson, President, National Association of Mutual Savings Banks, commented on the ancient supposition that one trouble with the railroad industry is that it is vastly over captalized. Mr. Benson's association comprises some of the largest buyers of railroad bonds, so it's a subject on which he can qualify as an expert.

According to him, the rails, if anything, are under capitalized. Their funded debt amounts to only 40 per cent of their present reproduction cost. If the entire railroad structure were destroyed tomorrow, it would require five billion dollars more to replace it than it acutally

Enemies of the railroads can't blame their plight on top-heavy financing. Their economic house is in order. Nor can it be blamed on inefficiency and waste-no business in the world has made such spatan efforts to lower costs in recent years. The trouble with the railroads is unfair competition, outmoded regulatory practices, and tax discrimination—and so long as these exist there will be a railroad problem affecting every American worker and investor.

### March Events

By REV. ALBERT KUHN

In Cuba the revolutionary government set up by the army and the students and their Allies is still existing though its collapse is expected from week to week. The chief reason for its weakness is the refusal of the rank and file of the people to pay taxes. The opponents of the gofernment add to this refusal the organization of general strikes. In the meantime business has come to a stand-

still and large parts of the population are HOW ABOUT THE TAX at the verge of starvation. And yet Cuba is one of the most fertile countries in the world. Less than twenty years ago she was figuring among the wealthiest. It just goes to show what great harm a corjust goes to show what great harm a coradvertisement in newspapers of that rupt government by thieving politicians area. It dealt with that mythical can do to a country. We do not however ogre, the Power Trust, and said in have to go as far as Cuba to learn the part: "Now this 'Power Trust' prosame lesson. The city of Chicago is so paganda is largely political racketwealthy that with honest men in its ad- eering. Some of the boys must have ministration it could easily conduct its straw men to lambast, and like Don municipal affairs efficiently, with a guixote, windmins to light. All this agitation of the power quescion moderate tax rate and all and 'a clean keeps folks' minds off the all-imslate as far as debts are concerned.

many's withdrawal from the Disarm- the security of homes and incomes ament Conference and from membership than electric rates. Tax reduction ofin the League of Nations seems to have in the League of Nations seems to have would effectively serve in public ofsomewhat subsided. Hitler continues to fice." emphasize that this government does not The letter might likewise have intend to wage war in order to win back said that taxes are a very important lost territory. France remains skeptical, factor in the making of electric wonders whether it would not be the rates. Power and light companies wisest to provoke a new war with Ger- pay an extremely large percentage many before the latter has rebuilt and re-equipped her army. So long however ent example of this is the Commonas England and Italy are lukewarm or wealth and Southern Corporation even opposed to such a renewal of war which has recently come into the she is just a little shaky about the adven- limelight because of threatened taxture. In the meantime she does her best to free governmental competition from keep the public opinion of the world un- the Muscle Shoals development. The favorable to Germany. In these efforts she seems to succeed admirably. In the United States at least nine tenths of the domestic power sold in 1932 was 5. newspapers and magazines are unsym- 46 cents. During that year these compathetic in the selection of news and in panies paid in taxes an amount comments that have to do with the Fath- equaling over one-half of their gross erland. In the meanwhile Hitler in Ger- receipts from domestic service. Had many is about in the same fix as Roose- operations been tax-free, with this velt is in the United States. He is popular electricity, his rate would have been and the rank and file of the people be- 2.72 cents—less than half. lieve in his unselfishness and his eager- The so-called Power Trust is a ness to improve conditions but there is great deal less important to the peoalso a host of critics both among the con- ple of America than the tax trust. servatives and the radicals and things The latter is a definite threat to are mending to many too slowly. The reports indicate that unemployment has decreased somewhat, that those who are without income are provided with at YES - COOPERATION least the essentials in food clothing and shelter and that order and thrift prevails in the country. The coming election for Here is an interesting fact, apthe German Reichstag is of course some- pearing in a bulletin of the American the German Reichstag is of course something like a joke. No other political party thing like a joke. No other political party During the past half-dozen years than the National Socialists, known popularly as the "Nazi" is allowed to put up the average, more than twice as a list of candidates. Only the bravest or the average for all gins. They have the most foolhardly dare to oppose this made money in many instances list of candidates openly. For the time where other gins have failed, and a being freedom of political action outside large part of the money received by the ranks of the governing party is abolished. History teaches that such an en- In addition, the cooperative gins have forcement of political discipline has nev- improved cotton quality through iner lasted long. It is only the utter disgust stalling the best and most modern of the rank and file of the nation with machinery and achieving the highest the endless confusion created by the standards of service. party politics of the last 15 years which male this suppression of political organizations possible.

In France the Government is grap- fruit. They've revolutionized old pling with the budget. The people de- methods and banished ancient and mand on the one hand that the govern- fallacious ideas. They've shown the ment should not plunge into further progressive farmer which side his debts and should reduce the taxes; on the bread is buttered on. They've demonother hand it demands an undiminished army and navy, more government help for all kinds of organizations and the organization can bring agriculture maintenance of good salaries for all its more permanent worth hthan all the hundreds of thousands of employees. The farm relief schemes ever proposed. government warns an unsympathetic Parliament that if it will not listen to its advice, cut the expenses and increase the taxes, the French Franc will have to be

Recent elections in England indicate | eral aid, is this: Will it provide that the present government is growing increasingly unpopular. And yet conditions in England have improved and the government does all—on all a good job.

In Russia crops have been unusually good. Stalin ought to be able to overcome class fire apparatus is one of the the terrible famine which has prevailed best of public works. It is a proespecially in the Eastern Part of the tection to all lives, and all property. country. The world is looking forward with interest to the discussion between stroy productive property result in President Roosevelt and Foreign Min- increased burdens on other property. ister Litvinoff concerning the possible It is an attraction to industry. recognition of the Soviet government by Because fire engines are painted the United States. This recognition red, and all of them look alike to the ought to have been granted long ago.

Five governors of states of the Mid- large cities and small towns and dle West have propsed to President rural areas alike, have disintegrated Roosevelt a petition that the government seriously the past few years. Old should fix the price payable to the farm- engines are kept in operation when er on the main agricultural products passed. Necessary repairs are halfraised in their states at a figure which done or left undone. And, in some would insure at least cost of production cases, cheap new engines and apparand that in turn the farmers should be atus have been bought or assembled obligated to obey the requests of the in place of time-tested standard government as to the amount of grain es that is in danger of learning that that each farmer could raise. The Presite es that is in danger of learning that the most extravagant and wasteful dent, to the disgust of the governors "economy" is the kind that toys with and their advisers, refused to accept the safety of lives and property. their program on the ground that he did | Fire apparatus has a place in evnot have the constitutional right to fix ery public works program. And comprices and the scale of production. The result of this refusal will probably be a revival of th Farm Strike in th Middle

## TRUST

Recently a letter signed by the President of the Puget Sound Light Quixote, windmills to fight. All this portant tax question. Taxes are to-The first excitement caused by Ger- day very much more of a threat to

sum credited to the domestic user of

prosperity and progress-and all the political chatter in the world can't eliminate that fact.

cooperative gins have handled, on them has been returned to growers in the form of patronage dividends.

This is just one more testimonial to the achievements of farm cooperatives-whether they deal in cotton or wheat or dairy products or strated beyond argument that disorganized farmers are farmers on their way to the receive's court—and that

#### FIRE APPARATUS MEETS THE TEST

The test of any public works project, whether it is to be paid for by a community alone or through fedsomething essential and permanently valuable that benefits all citizens alike and is an influence for prosperity and progress?

On that basis, and it's hard to argue that it isn't a sound one, first It is an influence in favor of lower taxes, inasmuch as fires which de-

lay eye, should not obscure the fact that thousands of departments, in