

THE OMAHA GUIDE

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AMERICAN HIGHWAYS A SHAMBLES

A recent release of the National Safety Council points out that laws to control pedestrians on streets and highways may be necessary, unless walkers themselves take steps to eliminate the pedestrian hazard.

In an average year about one half of all automobile deaths are suffered by pedestrians. And, contrary to the general belief, the pedestrian is not an innocent bystander run down by a Machiavellian motorist.

Larger cities, for the most part, have laws against jay-walking—the practice of crossing streets against the signal bells or lights. Smaller towns may be called upon to pass similar legislation—pedestrian carelessness isn't limited to the metropolitan centers.

There is great need for unremitting, concentrated educational work against automobile accidents, modernization of driving laws, and law enforcement. The American highway is a shambles—over 30,000 killed in 1933—where the reckless, the incompetent and the careless menace the lives and property of us all.

The country needs honest, well-reasoned opinion—not blind idolatry or partisan ranting on either side.—Industrial News Review.

PROTEST AGAINST PUBLIC DESTRUCTION OF PRIVATE PROPERTY

The Board of Directors of the Illinois Manufacturers' Association has adopted a resolution of more than ordinary significance. In it they protested the use of federal funds for the construction of publicly-owned utilities to compete with private plants, and called upon the Public Works Administration to change its policy.

The protest is based upon purely business grounds. In the opinion of the Association, construction of a tax-free plant alongside of a privately owned plant, undermines investments and menaces employment. It tends to increase taxes for all other types of property, and gives the users of municipal power an unfair financial advantage over users of private power.

The Illinois Manufacturers' Association consists of experienced, realistic business men. They own factories of all kinds, and employ workers of all types. They are fully conversant with power costs, with taxation, with working conditions and employment.

DEMONSTRATING FINANCIAL STABILITY

At the close of 1930, according to an article in the Index, approximately 68,000,000 persons, including holders of group insurance and about 2,000,000 who live in foreign countries, owned life insurance policies written by American Companies. The total of insurance outstanding had reached the gigantic sum of \$107,000,000,000.

Since 1930, because of termination of contracts made necessary by depression, and the natural obstacles encountered in writing new business, life insurance in force has fallen somewhat. But the decline has been small compared to industry in general—reliable estimates place the amount held at the end of 1933 as being \$95,000,000,000, a drop of less than 8 per cent from the 1930 high.

—they will deny themselves almost everything before giving it up. And at the moment, with economic conditions gradually improving, life insurance sales are on the up grade.

The Index likewise quotes statistics indicating how the life insurance industry, as a whole, can withstand depression. It has demonstrated that it comes as near as is humanly possible to being impervious to financial storms.

CONSTRUCTION AND RECOVERY

The importance of the construction industry, as an employer of ordinary and skilled labor and as a stimulator of all manner of other industries, is vividly illustrated in statistics published in a recent editorial in the American Builder.

In the years between 1923 and 1926, inclusive, home construction (which amounts to a little more than fifty per cent of the construction industry as a whole in normal times) was a four billion dollar business. It gave employment to several million men actually employed in building, and to as many more in factories, mines and forests supplying necessary materials.

In 1929 one-tenth of all gainfully employed workers were engaged in construction. And in 1930, when census figures were taken, there were 167,500 builders and building contractors, 929,400 carpenters, and 34,070 lumber and building material dealers.

The nation's normal requirement, to quote the American Builder again, is 800,000 new homes each year. At the moment, a tremendous housing deficit exist, due to the almost entire lack of building, particularly in the low and middle cost field, during the past four years, and the abnormally high rates of depreciation and obsolescence caused by insufficient repair and maintenance.

FIRE PROTECTION FOR MERCHANTS

Hundreds of merchants from all parts of the United States had a splendid opportunity to visualize the protection offered them by stock company fire insurance when they viewed the exhibit of the National Board of Fire Underwriters at the recent National Retail Dry Goods Association's twenty-third annual convention.

The exhibit, occupying two large booths, pointed out that engineering and inspection service for holders of stock policies is available everywhere, for all classes of property. Accompanying this was a list of the many types of insurance written to fit every conceivable commercial need. Fire, lightning, tornado and damage by other elements; consequential loss insurance covering rentals, use and occupancy, and so on; inland marine insurance covering loss in transit and innumerable risks—these and many other types of essential coverage are offered.

Merchants are but one class of business men who are saved millions of dollars every year through the work of the stock fire insurance industry in waging an unremitting fight for better building codes, more efficient municipal fire equipment and water alarm systems, and in promoting many activities designed to lessen fire hazards.

LAUGH THIS OFF

The Quinquennial Report of the Bureau of the Census of Electrical Industries for 1932 is out. It's a rather embarrassing document to whooperups for municipal ownership.

Like all government reports, it is terse, casual and it sticks to the facts. It doesn't deal with theory—it doesn't favor either side of the argument. It simply tells what happened. And the facts, in this case, speak volumes.

In 1932 there were 1802 municipal plants in the country, and 1627 private plants. The municipal plants charged an average of 3.1 cents per kilowatt hour for all power sold by them. The private companies charged 2.7 cents.

Between 1927 and 1932 the rates of private utilities were reduced 19 per cent. The rates of municipal plants were reduced 14.5 per cent.

Municipal plants, according to the report, have done little in developing farm service. The vast majority of rural electrification projects have been carried on and developed by private utilities.

Municipal plants, in 1932, charged an average of 5.6 cents per kilowatt hour for farm service. Private plants charged 2.8 cents—almost exactly the same rate as their average for all types of consumers.

And to all this it should be added that the private utility pays out about 17 per cent of gross revenues for taxes—and municipal plants pay nothing at all.

These are cold, hard relentless facts that every citizen should know. They require no comment. It is going to be interesting to watch the enemies of private enterprise and private investment attempt to laugh them off.

SILVER—THE NEXT STEP

The Presidential proclamation fixing the price of silver at 64½ cents per ounce is, in the view of a number of monetary experts, simply the first important step in bringing the silver problem to a logical conclusion.

The 64½ cent price marks a definite advance over recent silver quotations. But during the last few months there has been a jump in the value of gold of more than fifty per cent, as part of the government's dollar devaluation policy. The result is that silver, in relation to gold,

is actually cheaper than usual.

It is the belief of many that the essential thing is the establishment of a definite relation in the values of gold and silver—so that when gold goes up or down, the value of silver will automatically follow. They believe that only in this way can foreign trade be really stimulated, and our lost commerce regained.

This theory, of course, has its expert opponents, precisely as it has its expert advocates. That is an excellent thing—the debate will bring it before the public, and widen our general knowledge of the whole question of money. It is something for every citizen to watch.

"Soaking the rich too hard and too often would ultimately leave nobody but the poor to pay all the taxes."—Weston, Oregon, Leader.

"DEBT CERTIFICATES" GROW

A question which will shortly arise in this country is this: In spending public money for relief and recovery activities, where does the point of diminishing return occur?

In other words, it is possible to reach a point where the best intended activities, simply because of their cost to businesses and individuals, defeat the ends they are designed to further.

The public debt will be the greatest in history by June 30, next, and climb steadily to June 30, 1935, according to present program, when a halt is contemplated. The estimated total Federal debt will then be about \$31,000,000,000.

States and municipalities are similarly burdened. Their position is worse because their credit is obviously much less solid than is that of the Federal government. They have spent, collectively, untold billions—with slight idea of how the money will be repaid. They have frightened investors, property owners, prospective builders of homes and factories and stores. They will suffer for it accordingly—as will workers, taxpayers and the entire public.

When Mr. Roosevelt said that, unless something extraordinary occurred, he meant to begin reducing indebtedness within a year, as all expenditures necessary to his policies would have been made, overwhelming public approval greeted him. That shows which way the wind blows. All branches of government, down to the smallest hamlet in the land, should take decisive steps to reduce public debt and eliminate the fear of taxation which is rapidly becoming confiscation.

THE CO-OPS GROW

"Continued growth and improvement in farmers' cooperative associations during the past few years—constitutes one of the hopeful factors in the agricultural situation," says the Dairymen's League News editorially.

"There are now more than 11,000 cooperative associations actively engaged in business in the United States. The dollar volume of business of these cooperatives last year is placed at \$1,340,000,000.

"Emphasis is everywhere being directed toward strengthening the organization structure, management, and financial positions of existing cooperative associations and in assisting associations inadequately organized and lacking sufficient capital, to meet the present situation."

That is something worth talking about—and it is an indirect tribute to the wisdom, foresight and plain good sense of the average American farmer. During depression a number of the better co-ops, dealing in cotton, dairy products and other goods, have shown what aggressive organizations can do for their members. The steady, accelerating growth of the cooperative movement is one of the brightest signs of recovery.

TRANSPORTATION BEFORE CONGRESS

Within the next few months the Congress will consider changes and additions to the laws governing regulation of our transportation agencies. It's a matter which deserves the greatest interest not only of every legislator and public official, but every citizen who is interested in his country's future.

The railroads will come before Congress with a very modest request. Briefly it is this: That equality of regulation be extended to all forms of transportation, and that all be considered part of a unified system in which each will serve the public to the best of its capabilities, rather than as separate entities accorded divergent legal treatment. That is certainly about as logical a program as anyone could desire.

The railroads are still the most important gear in the transport machine—and they're getting the least grease. Minimum rates are established for them—and they are not allowed to make reductions even though highway carriers and waterways parallel their lines and provide transport at a much cheaper price. Before they can make any rate changes whatsoever they must give 30 days' notice—while their competitors can make changes overnight, and a dozen times a day, without notifying anyone.

The rails will ask that these two provisions of the law, along with similar restrictions which have made it impossible for them to meet increasing and partly subsidized competition, be changed. They will ask that all transport regulation be handled by a central agency, preferably the Interstate Commerce Commission, which has been in existence for decades, knows transport problems intimately and has an expert organization built up. If the changes are made, as most observers believe they will be, it will be to the interest of all investors, all workers, all citizens.

TO WORKERS FOR WORLD DISARMAMENT

Dear Friends: The Vinson naval building program which is being rushed through Congress this week is the most formidable threat to enduring peace on the Pacific that has occurred in many years.

You have read in the January News Bulletin which was sent out on January 17th the open letter to the President protesting against this billion-dollar naval program and urging him to adhere to his "good neighbor" policy in our relations with Japan. I enclose a reprint of this letter.

A comparison of our navy with those of Great Britain and Japan shows that the big navy advocates are grossly misrepresenting the situation. The following figures have been compiled by William T. Stone of the Foreign Policy Association from Navy Department statements. First, the United States fleet today is not inferior to the British fleet and is considerably above that of Japan. On January 1, 1934, on the basis of ships actually built, the comparative strength of the three great navies was as follows:

United States, ships built 372, No. tons 1,038,560; British Empire, ships built 293, No. tons 1,174,339; Japan, ships built 221, No. tons 753,261.

Secondly, a larger proportion of the American fleet is made up of technically over-age vessels, especially in the categories of destroyers and submarines. To improve our relative position by 1936 the United States is now building, partly from the regular appropriations and partly with \$238,000,000 borrowed from the Public Works Fund, 52 ships totaling 222,060 tons as compared with 47 ships of 123,785 tons for Great Britain, and 47 ships of 123,372 tons for Japan. You will observe that we are building big ships while the other nations are building small ones. The results are shown by the following table, compiled by the United States Navy Department, showing ships now built and projected that will be under-age in 1936:

United States, ships built 113, No. tons 988,520; British Empire, ships built 161, No. tons 999,395; Japan, ships built 133, No. tons 75,370.

The Vinson bill authorizes the construction in addition of 100,000 tons of destroyers, 35,000 tons of submarines and an aircraft carrier, and in addition to that replacement of all the battleships under a general clause which says:

"Provided, That the President of the United States is hereby authorized to replace, by vessels of modern design and construction, vessels in the Navy in the categories limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, when their replacement is permitted by the said treaties."

This would add approximately one thousand million dollars (1,000,000,000) to the navy bill and give the United States a navy, the upkeep and maintenance of which will, according to the Navy Department spokesman, cost approximately \$500,000,000 annually.

It will also give the United States the greatest fleet in the world, stimulate naval building in Japan and Great Britain and increase the tension on the Pacific to a highly dangerous point. Moreover, with such fat contracts awaiting them if the 1935 Naval Conference fails, is there any doubt as to the efforts that the shipbuilders with their Shearers will make to wreck that Conference?

These are the essential facts with respect to the Vinson naval bill. Its magnitude is out of all reason. It is being rushed through Congress before the hard-pressed taxpayers, the educators who are seeing our schools close from lack of funds, the churches and the organized peace forces can express the tremendous opposition that exists in this country to so outrageous a measure.

Regardless of what happens to this bill this week, will you express to the President immediately your opposition to it? Will you ask your friends who agree with you to do the same? Will you get a resolution adopted in your club protesting against the whole spirit and purpose of the bill? Will you urge upon the President that he carry the "good neighbor" policy through the whole field of our foreign relations? It is not for our country, which initiated the Kellogg Pact, return to the fatal era of the "big stick."

Don't delay! Don't be content with securing just one letter. Pay no attention to what Congress may have already done with this atrocious bill. Tell the President how you feel in order that he may know that there are millions of Americans that support the policy of goodwill.

Sincerely yours, Frederick J. Libby, Executive Secretary.