

EDITORIALS

The Omaha Guide

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Race prejudice must go. The Fatherhood of God and the Brotherhood of Man must prevail. These are the only principles which will stand the acid test of good citizenship in time of peace, war and death.

Omaha, Nebraska, Saturday, March 9, 1935

TRUE DEMOCRACY IN BUSINESS

It is for that reason that life insurance has been President and Actuary of the Bankers Life Company of Des Moines, described the "average life insurance policyholder."

Some Sixty-Million of these average policyholders live in the United States—many more than in all the rest of the world combined. They are ordinary citizens, neither rich nor poor—the kind of citizens who make the backbone of the nation. They possess total insurance to the tune of One-Hundred Billion—which means that each policyholder possesses about \$1,670 worth.

It is for that reason that life insurance has been called the most democratic of all businesses. Occasionally we hear of very large policies amounting to a million or more on one individual—but such exceptions are rare. They don't make a drop in the insurance bucket.

It is an interesting fact that the person who carries a million dollars in insurance pays precisely the same unit rate as the person who carries a thousand. He gets no "discount for quantity," no special favors. The average policyholder rules the insurance industry—and it caters perfectly to the needs of the ordinary thrifty and foresighted citizen who manages to spend a little less than he earns, and puts the balance away to provide for the future of his family and himself.

CODE LAWS VS. ECONOMIC LAWS

The President has stressed the need for more adequately applying the fundamental principles of the anti-trust laws to NRA codes.

Many of the codes have violated anti-trust laws and the result has been either unjustified price gains, or the squeezing out of small business which could not survive, once the opportunity of offering lower prices was denied them.

It seems to be an inescapable fact that efforts to eliminate the ancient laws of supply and demand are doomed to failure.

DOUBLE TAXATION MENACES LIBERTY

In a recent survey of "The Burden of Taxation," the Index points to the growing trend toward double taxation—where similar, duplicating taxes are levied by more than one governmental unit.

The imposition of double taxes, in the Index's opinion, seriously infringes upon the equitable distribution of the tax burden as a whole. And, as municipal, state and Federal budgets increase, the danger of tax overlapping becomes steadily more grave.

In 1932, for example, the last year for which complete figures are available, 17 states imposed an income tax similar to that of the Federal government. Five states and two territories imposed taxes on corporation incomes, in addition to the Federal levy. Thus, business and individuals paid an identical tax twice, to the discouragement of industrial expansion, employment and normal spending.

Conditions are even worse in the field of special or class taxation. In 1932, there were 172 specific items where taxes were duplicated by two or more units of government. Since then, the number has increased. The example of gasoline is the most common—it is taxed heavily by all states, is taxed in addition by the Federal government and, in a number of areas, is taxed again by counties and municipalities.

From a nation founded on the cardinal principle of tax equality, we have changed to a nation of class and special taxation—the rocks that have split asunder many a ship of state in the past. Will we remain blind to all the signals that point the way we are drifting?

THAT FEELING OF UTTER HELPLESSNESS

As the current year gets underway, the belief grows that times are better. Recovery may not be just around the corner—but it may be within sight.

One of the ways to expedite recovery—a way that is in the power of every citizen—is to reduce fire loss. Fires the great destroyer. It is the enemy of all the things that make prosperity, employment, industrial activity, business expansion, home and farm development. The dollars that go up in smoke are lost beyond recovery—they represent a complete and utter waste of financial lifeblood.

A fire that destroys a factory may cause a direct loss of but \$10,000—and an indirect loss of ten times that amount, in lost jobs, destroyed purchasing power, higher taxes for the community. Cases are on record where a single disastrous fire has brought progress in a flourishing town to a definite halt—and set it back a generation in its develop-

ment. Insurance may take care of the direct loss—but nothing can compensate for indirect waste.

Resolve to do your part in preventing fire. Inspect your property and correct hazards. If you are building or rebuilding, make certain that an up-to-date, approved building code is followed undeviatingly. It will take little of your time and the cost will be small—and it will mean dollars in your pocket.

One never experiences a greater feeling of helplessness than when he sees his home or place of business being consumed by flames and no adequate fire protection available to save his property and possibly the lives of loved ones.

All persons should cheerfully join in fire prevention and fire protection measures.

SELF HELP IS BEST HELP

It is forecast that the government is going to make a change in its policy toward agriculture. It will have less to say about what the farmer should do and not do—and will leave more up to the farmer himself.

Progressive American farmers will welcome that change. And they will also welcome the change it will give them to show the stuff they are made of. Farmers face great problems—and the only way they will ever be satisfactorily solved is by the efforts and work of the farmers themselves. Even if government, by fiat, could make all rosy in the agricultural world, it would be of small worth if the farmer became a financial and mental dependent in the process.

Today several millions of farmers are banded together in cooperative associations, handling dairy products, cotton, walnuts, wheat and other goods. The coops are controlled by the farmers—they reflect farm sentiment and farm ambitions. They represent real private initiative through collective action that doesn't ask for favors, it doesn't depend for existence on government, and that gets results. Cooperatives are the best weapons the farmers could have for fighting depression.

FINAL CHAPTER SPRING SURPRISE

Dr. Warren Persons, formerly professor of economics at Harvard, has completed a survey of the domestic electric rates charged by public and private plants. The purpose of the survey was to find out which charged the lowest rates.

He compared 290 municipal plants with 290 private plants similarly situated. He found that, on the average, the bill for a monthly consumption of 60 kilowatt hours is \$3.50 in the case of public plants, and \$3.77 for the private plants.

That looks like a victory for the municipal ownership advocates. However, there's a final chapter to the story. The private electric systems pay heavy taxes—public systems are tax exempt.

Consequently, in order to make the comparison accurate, Dr. Persons allowed for the taxes paid by the private plants.

As a result, if private plants take the money they now give the tax collector and apply it all to reducing rates to domestic consumers, their charge for 60 kilowatt hours would average \$2.45—\$1.14 less than the public plants which pay no taxes.

The public ownership advocates will have a hard time laughing that off.

INSURANCE WITHOUT PREMIUMS

In a recent address, Harold P. Jackson, President of the Bankers Indemnity Insurance Company pointed out that the insurance companies holding membership in the National Bureau of Casualty and Surety Underwriters sustained the staggering underwriting loss of a Hundred and Fifty Million Four Hundred and Fifty thousand dollars from 1927 to 1933, inclusive. This group of companies includes practically all of the major casualty institutions doing business in the United States.

As a result, the thousands of American citizens who have invested money in insurance companies rendering an essential service, not only have received no return on their investment, but have been faced with steadily mounting deficits. The upshot of the matter, in Mr. Jackson's belief, is that if the current trend continues, casualty insurance rates must be raised, and policies will become less liberal and more restricted in their provisions.

Reasons for the deficits the casualty companies are sustaining, are not hard to find. The principal reason lies in the broadening of workmen's compensation insurance benefits—which our commissions have given award after award to workmen in cases which, in the opinion of insurance underwriters, cannot fairly be considered within the scope of workmen's compensation laws as intended by legislatures. Compensation has been made in various states, into a sort of old age and general sickness insurance. The consequence is that insurance companies pay out a great deal more than they take in from compensation underwriting.

Second, increased accident frequency in the automobile liability field, along with a growing number of claim frauds, have likewise taken the profit out of heavy losses. These two fields of underwriting of that type of insurance—and replaced it with automobile and workmen's compensation, are the principal branches of the casualty business, and other types of insurance written by the companies are of relatively small importance.

It is inevitable that casualty rates will go up if court decisions continue to read into policies coverage that were never intended to be there and for which no premiums were collected.

ROGERS BOOSTS TOWNSEND PLAN.

In his usual comment in a local paper, Will Rogers says "A real old stand-pat republican governor of the great state of California reached the Townsend plan age today. And I am a telling you that I am on the waiting list not many years away."

I don't know where the money would come from, in fact, I don't know where any of all this money is coming from we are spending now, any more than a congressman does, but if Americans are going to stop and start worrying about whether they can afford a thing or not, you are going to ruin the whole characteristic of our people. There wouldn't have been a dozen automobiles sold if that was the case."

ECONOMIC HIGHLIGHTS

Happenings That Affect the Diner Pails Dividend Checks and Tax Bills of Every Individual.

Washington has been the center of national interest during the past few weeks. A great deal that is momentous has happened there—and is happening.

First and foremost comes the Supreme Court's long delayed decision on the gold clause cases—held by some to be the most important decision in a great many years, inasmuch as the Administration's whole recovery and reform program hinged upon it. Readers of newspaper headlines obtained the impression that the court, by a five-to-four majority, upheld the Government 100 per cent. But, as a financial commentator said shortly after, it really upheld the Government about 99.44 100 per cent—implied in the decision was a warning to Congress to the effect that there were limits beyond which it could not go.

The majority decision, read by Chief Justice Hughes, held that the case against the Baltimore and Ohio Railroad, which was sued by a "gold" bondholder who wanted his interest paid on the gold dollar basis, must be dismissed, inasmuch as Congress had the power to control, regulate and determine the gold value of currency. Of greater interest was the decision in the Liberty Bond cases, where a bondholder sued the government itself. The majority opinion held that Congress had gone beyond its constitutional power in abrogating its gold contract—but that the plaintiff was not entitled to recover damages, as he could not show that he had actually lost anything. The reason he had not lost, said Mr. Hughes, was that if he were actually paid in gold he would not be able to use it; he would have to turn it into the government at once and would be paid at the old rate per ounce. He could not trade with it, could not export it, could not get more for it than he could get for the same amount of existing currency. The warning to Congress lies in the admonition that Congress went too far—and in the implication that, if a person can prove loss in the future through abrogation of a government gold contract, he may be entitled to recover damages.

Result of the decision was a temporary boom in the stock market which immediately subsided. Frade A bonds rose, held the advance. Observations on the decision, whether favorable or unfavorable, seemed to be that the Court had simply followed the law. Most editorial comment regretted that the decision had been by so narrow a margin—in effect one man had the power to make or break the policy of an Administration.

It is an interesting fact that this man, Mr. Hughes, was once a Republican candidate for the Presidency. When Supreme Court votes are taken, the Chief Justice votes last, so that when Mr. Hughes' turn came the Court was evenly divided, and he had the power to throw the balance either way. Also interesting is the fact that the biting minority opinion was read by Mr. McReynolds, a Democrat who served under Wilson as Attorney General.

After the Supreme Court, the Washington gaze focuses on Congress, which is exhibiting an unlooked for independence. Before the session started, most observers forecasted that the President would have a harder time getting what he wants than he did last session. But no one thought that opposition to his wishes would be as strong as it is. At this writing, the work relief bill is not yet passed and it probably will not become law for some weeks, as Congress has done something the President is strongly opposed to—made it obligatory to pay public works employees wages as high as those paid by private industry. The President wants the scale to be lower, so that workers will keep an eye out for private jobs, will not be satisfied to work indefinitely for the government. Senator Glass fought on behalf of the Administration to stop Congress from putting in the undesired provision, but failed.

Senator Glass then said that the President would veto the bill. The President's much-anticipated NRA message has gone to Congress. If its recommendations are followed, there will be less government control over industrial management, less bureaucratic regimentation of industry hours and wages provisions will be continued—but jail terms for NRA offenders will be dropped. Price fixing will be modified or eliminated—the President said

TALKING IT OVER

By Mildred Bronson

BE A FRIEND

Oh, you'll not be any poorer
If you smile along the way
And your lot will not be harder
For the kindly things you say,
Don't imagine you are wasting
Time for others that you spend
You can rise to wealth and glory
And still pause to be a friend
Friends:

I will ask you to read this poem over very slowly, three times through, and then stop and relax in your easy chair. Throw off your working shoes, draw your chair up before the fire place, if there happens to be one, and let your mind wander down Memory Lane for about five minutes. Then carefully read your poem over. Compare it with yourself. Ask yourself these questions. Am I a Friend? If so, have I lost anything by being a friend? Ask your self if you feel any better after you say a kindly word to someone or after you bawl someone out.

All of these questions are deep, sensible and educational questions and are ones that confront every living human being on earth, whether he realizes it or not.

Take the first two lines of this poem: Oh, you'll not be any poorer, if you smile along the way."

Let's wander back to our discussion of a few weeks ago, entitled "Smiles." This is for all of us to discuss, Friends, you and I; so try very carefully to recall the subject I have brought to your attention. "Smiles" Does every one recall? Well, that's fine. Now, we may continue. Let your glance go back to the first two lines of our poem this week. May I here ask you if they are true or not? Are you any poorer for smiling along the way of Life as you onwardly trudge? Do you lose anything by smiling? Look at your discussion on "Smiles."

What does it say is the cost of a smile? What can you sell it for? How long does it say it will stay on the market? Do you remember? Yes, it says a smile costs nothing, but it can be sold for millions. It says its time on the market is very limited. It gives you examples of two people on a job, one with a winning smile, the other without it. Which one does it say holds out? The one with the winning smile, does it not? If, my Friends, we will ravel on to the next two lines of our poem, which is as follows:

"And your lot will not be harder, for the kindly things you say." How true. There is no possible way to make your lot harder by saying kindly things, if any, it will help to improve your lot.

significantly that the anti-trust laws, which were completely abrogated when the NRA was first born, must be put into force again. This obviously stems from the growing consumers' revolt against soaring prices.

Recent business reports shows a slight let down from the upsurge that characterized the past two or three months. However, many optimistic signs are still to be seen.

Best of these signs is the announcement that Big Steel, U. S. Steel Corporation plans to spend Forty seven million for new plant capacity.

The 1935 for sugar is said to be the best in six or seven years.

The Automobile industry continues to lead the forward march—for any recovery achieved this year, motors must be given the lion's share of the credit.

HEARST'S NEWSPAPERS SLANDER NEGROES

Mirror Runs Anti-Comic Strip.

The Mirror is featuring a contest for the naming of two Negro children, characters in a cartoon strip entitled, "Henry—the Funniest Living American—" by Carl Anderson. The children play the despicable role of flunkies and yes man to the white child, "Henry." Their pictures are drawn in exaggerated fashion with the intention of ridiculing the physical features of Negroes.

"Have you named the little pickaninnies yet? The pickaninnies can't go much longer without names," states the Daily Mirror. It publishes suggestions as, "Dot and Dash, Whitey and Mose, Sooty and Dusty, Dim and Blur, Kinky and Woolly, Yam and Sam, Button and Shoelace, Carbon and Cotton, Jazzbo and Sambo, Do-Do and Ja-Jo, and Diddadle and Daddie."

ADVERTISE IN THE GUIDE

the most vicious dog on earth will not growl and bark long at a person that speaks kindly to it. It is not long, if you notice, before this dog will be running to meet the person who is forever speaking kindly to it.

The next two lines are as follows: "Don't imagine you are wasting Time for others that you spend." Two very old sayings can be given here to bring out the thought desired. "What ye sow, ye shall surely reap." If you sow good and kindly thoughts, words and deeds, they will surely come back to you double fold. The second adage, "Do unto others as you would that they should do to you." When you "Holler" at a person or say unkind things or bawl a person out, do you ever stop to think how you would feel if someone did the same to you? All of these things are to be taken into consideration, my Friends, our people are too hard headed, too quick tempered, too stubborn, we may say, to realize that if they stop to think before they commit a certain act, before they give someone a frown in place of a smile, they would not do those things. Their lives would be happier. We would be more prosperous. Our people would not be considered by the other races as being backward. Little as anyone may think, the Negro race is one of the smartest races on the face of the earth.

And it is no one but ourselves holding the race back. On account of time and space we will continue to the last two lines of our poem, "You can rise to wealth and glory, and still pause to be a friend." Is the above true or not?

I do not think I hear one NO among our group. Just because one wishes to rise to fame is no reason why he cannot be a friend. No matter how high one may climb on the ladder of fame, he should never get too high to forget to be a friend.

Remember, one should keep his old friends and add new ones to his list. But to add new ones and drop the old will prove to be tragic to the individual in the long run. Because, sooner or later, he will be marked as a fair weather friend. No one wants to be called that kind of a friend, I am sure. So, my Friends, we will close our discussion for today. We will push our chairs back from the fireplace, gather our thoughts together and come back once again to the rustle and bustle of our everyday walks of life until next week at this same time, when we will again gather around our fireplace for another interesting discussion between you and me.

So, Good Friends, so long, and Good luck, until we meet again.

N. R. A. HIGHLIGHTS

Building Trades Agreement: An agreement was signed a few days ago by all the international building trades unions affiliated with the American Federation of Labor to settle jurisdictional disputes through available facilities set up in the Planning and Adjustment Board of the Construction Industry code. Division Administrator Berry, of the NRA states that the agreement gives assurance to private industry that peace, as far as jurisdictional disputes are concerned, is guaranteed. Mr. Berry accepts the agreement as a step toward the time when all differences between industry and labor will be considered to fall within the possibilities of arbitration machinery.

Steel Wage Rates Increase: Employee's earnings in the steel industry are approximately One-Hundred Million higher than they would have been on the basis prevailing before code wages went into effect. Statistics required by the code show that in September, 1934, when production reached its lowest level under the code, there were 43,683 more employees than in June, 1933. The hour day and 40 hour week has increased the number of workers, while the code pay provisions have advanced wages, offsetting reduced hours.

Codes To Increase Pay: Wage increases for approximately 25,000 workers in the paper and pulp industry will result from a code amendment just approved by the President. The NRA has also approved an amendment providing for better pay in the paper bag field, benefiting 3,000 workers. The increases not only apply to the minimum wages paid in the productive field, but advance the pay of office workers as well.

Wage Restoration Total Mounts: It is estimated that the total wage restorations arranged for by NRA field officers and the newly organized regional compliance councils has now reached \$3,152,103. Figures were not formally tabulated in the first year of NRA, but the estimate for the restitutions in that period is one million dollars. A formal record has been kept since June 16, 1934, and the number of workers benefited was 87,922.

Upholds Cotton Picking Minimum: The Industrial Appeals Board has checked an attempt to develop a new minimum wage of 10c an hour under the Cotton Picking Code. The minimum set in the code is 15c an hour which is for women workers. D. Nacuman and Co., of Augusta, Ga. told the NRA last December that it could not afford to pay 15c an hour and asked for a 10c rate. Division Administrator Riley refused and the company appealed. In handing down its decision, the Board said that the Company was required to show that it was in an unfair competitive position through no fault of its own. The appellant could not prove that this was the case nor could it show inability to mechanize its plant and thus effect a considerable savings through wage reductions. Code Costs to Industry: Accounting experts estimate that coded industries pay for code administration 10.65% of 100 per cent of the volume of their sales. This yields a total of \$41,400,000 a year. The investigation was conducted by Hiram S. Brown, NRA budget director. The figures are not final and the indications are that the total will be reduced when complete organizations are formed under the codes. Exact estimates are difficult to make, as code assessments are not all the same. However, for 352 budgets, it was readily ascertained that the assessments amounted to 1.19% of 1 per cent of the annual sales volume, making the cost of code administration \$38,118,000 for coded industries doing a business of Seventy Billion Three Hundred and Eighty Million a year. Only 14 budgets provided for an expense as high as 1 per cent of the annual sales volume, or more.

Forest Preservation Rules: A long step forward in the plans for saving American forests from fire, insects and disease has just been taken. The Western Division of the hardwood distillation industry has submitted to the NRA rules whereby owners and operators of woodlands may cooperate with the Forest Service and other public agencies in protecting the forests and providing for the regrowth of timber. The rules, when approved, will be added to the code provisions. The Southern and Eastern Divisions are expected to have their rules drafted soon.

Knitted Outerwear Homework Commission: A short time ago, the NRA decided to allow homework in handknitting operations until April 1, though the Code of the Knitted Outerwear Industry provides for its elimination. Under some conditions, employment and wages were found to be improved through homework and the Code Authority asked that it be permitted to a limited extent. The NRA has appointed W. H. Dillingham, of the NRA Division of Research and Planning; Rose Schneiderman, President of the National Women's Trade League of America, and R. H. Lowe, Executive Director of the Code Authority, to report by April 1, on the most practical method of enforcing the homework provisions. Thousands of workers are affected.

Handkerchief Homework Commission: Can women engaged in some forms of handwork get along better at home or in shops and factories? The answer to this question seems less simple now than when it was raised at the time of the formation of codes. Several industries are gathering data to prove their contention that the rules prohibiting homework should be further relaxed. A commission a month on the advisability of allowing handkerchiefs to be embroidered in homes. The body is headed by Charles Green of the International Ladies' Garment Workers Union.

Label Amendment to Art Needlework Code: The NRA approved an amendment to the Arts Needlework Code making the use of URA labels mandatory beginning May 1. Other amendments provide 64 hours overtime in the calendar year and for the availability of reports and necessary data for Code Administration. A homework committee of 4, including 2 industry representatives—one from the stamped goods division, one from the yarn division and 2 governmental representatives—one from Research and Planning and one from the Labor Advisory Board, is required to prepare a schedule of wage rates for homeworkers in finishing samples and display models not for resale.

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