EDITORIALS

Omaha

Published every Saturday at 2418-20 Grant St., Omaha, Neb.

Phone WEbster 1750 Entered as Second Class Matter March 15, 1927 at the Post Office at Omaha, Neb., under the Act of Congress of March 3, 1879.

Terms of Subscription \$2.00 per year.

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, APRIL 27th, 1935

managements want to wave the white flag and sur- investment has never been as high as five per cent. render their economic position, that is their busi

Education Comes First

financial, social, economic and other national and still rising; the other day they boosted employes' international problems than was the farmer of pre- pay to the 1929 level, a step which will cost the

cultural cooperative organizations, which have creased purchasing power, industrial development; recognized he need for educating their members in and no business can contribute its share to advancorder to make them better, more scientifically ing these ambitions unless it is permitted to charge equipped soldiers in the fight for farm recovery a reasonable price for its products or services. and prosperity.

The co-ops do not simply try to improve marketing methods and widen markets and raise prices to profitable levels: they disseminae a wealth of information and opinion that bears on a thousand problems which directly or indirectly affect the welfare of agriculture. That work, though it is little publicized, is every bit as valuable as the work the coops do in connection with the regular routine of the farming industry.

The Too Well Remembered Man

In a recent article in "Fortune," Roswell Magill, professor of law at Columbia, discusses the plight of the "Too Well Remembered Man". The American

Mr. Magill points out that there are three basic criteria to apply as yardsticks to any tax system. The first of these is adequacy; does the system produce as much revenue as is needed! The second is economy in administration; how much of each tax dollar is required to pay the costs of collection? The third is fairness in distribution; do all classes of the people pay their equitable share?

In Mr. Magill's opinion, which is imposingly buttressed with facts, the Federal Government's tax system falls down on all three coun.s.

It is not adequate; the Treasury's report for the last fiscal year shows total receipts of a litle more than Three Thousand Million as against expenditures of Seven Thousand Million.

The deficit has actually exceeded total receipts It is not economical in administration. Over a ten-year period, the cost of collection to the government; which is obviously the same thing, indirectly, as the cost to the tax payer; has ranged as high at \$2.17 per \$100 of revenue, as compared to a high of \$1.74 in Great Britain. In addition the United States develops more than eighteen times as much litigation each year out of the income tax as does Great Britain.

And finally the system is not equitable. One group of taxpayers pays more than it should; another less. And the existence of billions of dollars of government state, and municipal bonds, some free from all taxes, some free from one and not another, further complicates the problem of equitable distribution of the cost of government.

In brief, our federal tax system; along with that of other units of government; is wasteful, inefficient and outmoded. The welfare of the nation demnads that it be thoroughly and realistically re-

You'd Pay the Bill

According to Public Utilities Fortnightly, publie utilities pay considerably more than half the cost of the state government of California, through a utility franchise tax based on a percentage of their gross revenue. This percentage used to be 7 1-2 per the the patient. cent, but was increased to 9 per cent in 1933.

In all the states, public utilities are among the largest, if not the largest, paxayers. Utility dollars are a potent force in keeping schools open, in building roads and buildings, and in paying for all the activities of government.

Whether or not the utilities are taxed is beside the issue. The point that shoul engage the attention of thoughtful citizens is, who would pay the bills if the utilities were taken over by government, and tax free, politically managed plants took their

You don't have to be a seer to guess the answer. Every property owner would pay for the loss; every business, every home owner, every factory. Your taxes, direct and indirect, would soar; at the expense of employment, of industrial development, of residential building.

That's something the government ownership advocates don't like to talk about when trying to rally the public behind their banner.

A Well Deserved Rate Increase

more than that due to higher pay to employes, the ension law, and higher commodity prices.

A short time ago the Commission handed down its decision. The railroads are not given all they asked for; but increases are granted on hauling charges for a number of important products, such as per capita. coal, iron ore, sand, etc. It is estimated that these increases, which are to be in effect until June 30, 1936, will supply the lines with \$85,000,000 of new

Whether or not the Commission has allowed sufficient increases may be a debatable subject, but it is encouraging to see a start made toward giving the rilroads a fair break. They have been among the most depressed of major industries; and their troubles did not start in 1929, as did those of other businesses. They have been in financial trais ever since the war, and return on their vast

Short sighted persons will probably denounce even this moderate rate increase; but the greater part of the public, along with industry at large, The farmer of today is far better informed on will see the justice of it. Railroad expenses are lines from 80 Million to 130 Million annually. The Much of the credit for that must go to the agri- nation wants bet.er wages, more employment, in-

Regulate—Don't Kill By E. Hofer

A bulletin issued by the Associated Industries of Alabama says: "The first Holding Company bill; The Public Utility Act of 1935 ha been introduced

"It would be bad enough if aimed only only at Utility Holding Companies, but once this sort of bill gets in o swing, the addition of a word or two

panies listed in good standing on the New York possessed race. Stock Exchange, and only forty of these are Ucility Holding Companies.

low that 'hey should have their heads chopped off; backward State.

The holding company form of management is almost as old as industry itself; and the reason for its existence is as potent now as it has ever been. The public can often be best and most efficiently served by large units, with the financial, technical and management resocures that only a large unit can command. That is true of public utilities. It is true of railroads. It is true of a dozen other kinds of business; store, newspapers, etc.; which have demonstrated the soundness of the holding

The Federal government has itself shown its belief that the holding company is necessary, in its own Tenessee Valley project. The TVA is a holding company pure and simple. It buys small electric systems and consolidates them into one great system; and is able to reduce rates and costs as a result. In principle, the TVA, pet of the politicians who are behind the present bill, is not one whit different than the private holding companies the governmen. now seeks to destroy.

That holding companies in the utility field; as in all other fields; have occasionally abused their privileges, is not denied. Nor is it denied that the government should adopt a forward looking regulatory policy toward the holding companies which ors alike. The other day one of the country's lead- ice ' ing private utility eexcutives presented specific suggestions toward that end. But it is denied; not only by utility leaders and investors, but by millions of honest citizens: that the way to cure what disease exists in the holding company structure is to throt-

The Associaed Industries of Alabama concludes is bulletin with the statement that the present bill "is wrong in principle and ought to be stopped dead in its tracks." The public interest; which means the interest of everyone who has a dollar invested in utility securities, or uses light and power, demands that that be dont. Regulate-don't kill.

Death After Dinner

The National Bureau of Casaulty and Surety Underwriters has issued a booklet, entitled "Death After Dinner," which deals graphically with the night driving problem. It shows that poor street lighting is the Dark Angel's best friend; and during the past few years many American communities, due to false economy, have permitted their street another Titanic strugge. lighting standards to drop sharply.

In the words of the booklet, "We are attempting to operate twentieth century vehicles under nineteenth century visbility conditions." The result is found in the fact that 20,950 persons were killed last year in a total of 422,000 accidents occuring during the normal hours of darkness. The economic Last summer the Class 1 railroads of the country cost of these accidents is conservatively estimated petitioned the Interstate Commerce Commission for at \$900,000,000; and in a very high percentage of venture to right the sufferings of wronged human- well. a ten per cent general rate increase. This, the rail- the mishaps inadequate street lighting was the ity; but, rather, we see it in its true light—a horriroads estimated, would produce additional revenue cause. In striking contrast, only 15,000 persons ble maelsrom growing out of fear, hatred, and annually, the industry adopts as its motto: "Finantheir operating expenses had increased considerably day as at night. The pedestrain bore the brunt of propaganda and to false patriotism? Or are we go- ing that ambiton.

nigh, driving accidents, 69 per cent of those killed ing to learn a lesson taught twenty years ago and being foot travelers.

As the crowning evidence of the tragic folly of the bookle presens comparisons of two groups of threatening to wipe out the whole of mankind? cities which were exhaustively surveyed. One group etxended i.s street lighting facilities at an increased cost of 9 cents per capita per year. As a result, it enjoyed a 25 per cent reduction in night fa alities, and a saving in economic waste of \$2.07

The other group slashed street lighting expenditures, at a "saving" of 19 cents per capita per year. Resul : A 7.6 er cent increase in night fatalities, and an increase in economic loss of 69 cents per capita.

Better street and highway lighting is one of the essential keys to automobile accident reduction; and pays its way, with dividends to boot.

Southern Officials and Defense Grid For Scottsboro Fight By John Brock

Associa'e Editor, Crusader News Agency.

Lieut. Governor Thomas E. Knight has taken issue. persosal charge of the case for the state of Alabama. have already been made by the state.

Editorials and news stories appearing in the southern press can be taken as a reflection of the official mind. These emphacically reveal a not-toothrough newspapers and official spokesman, plans the righ s set forth in the Supreme Court ruling. An editorial in the "Montgomery Advertiser" is

an example. We quote in part: Boy's Called "Gorillas."

"The Supreme Court of the United States tells Alabama in effect, that it is not primarily interest-

self it cannot see what the policical rights and privi-"It is conceivable that these forty are the bad leges of Negroes in Alabama have to do with the

"It seems to the "Advertiser" that if the Su-"Does your doctor cut off your leg to cure your preme Court of the United States presided over by Charles Evans Hughes had a more sensitive regard "Regulation, not destruction, is the Govern- for the victims -actual and potential-of felonious accusation that Negroes are "prone to rape"-and less regard for the politically dispossessed in the cumulation of rubbish, both indoors and out. home state of these victims, it would not devote an which the gorillas aferesaid had been convicted."

> page of the Jackson County Scottsboro Sentinel. In a letter to all trial judges in the state, Gov- ards.

ernor Graves instructed the revision of jury boxes. He also added:

remedial leigslation as will be needful along the "I intend to ask the Legislature to enact such

Wilcox County, Alabama. The Senator has preelectors." He states:

situation caused by the Scotsboro decision, this one to accomplish that latter task on a windless day, will go far to protect the Black Belt. "Take my with the aid of an incinerator. couny, for instance, we do not have a single Negro the state are qualified electors, while under the jury the same state of disorder as your attic. Due to the

Senator Bonner thus admits that his bill is de- mables. signed to maintain all white juries in the Black Belt where the Negroes are a majority of the popu-

Are We Going to War?

Today as in 1914, Europe is an armed camp. Jealously greed and suspicion among nations have started the whole continent in a wild race for bigger and better arms.

Germany has scrapped the Versailles treaty and ing eighty per cent of the total ordinary life insuris steadily rearming; France has moved thousands together the veterans of 1914 and has etxended the type sold, in relation to all sales. time of her men already enlisted. Meanwhile, England, feeling secure in her might, ostensibly is doing everything to relieve the strained conditions of European nations.

Sooner or later the sinister clouds hovering over increased by more than 400 per cent. Europe will burst and spread war and destruction

the far fung investments of our capitalists, there tection; it is almost entirely of investment value, can be not doubt as to whether an European war inasmuch as its primary purpose is to assure the would inveigle the United States.

lege students is, what attitude are we going to take that guaranteed protection for their dependents in toward the war?

realize the utter inhumanity and futility of war? Again I raise the question. What is going to be permitting street lighling standards to deteriorate, our attitude toward this barbarous practice that is

The Scottsboro Decision

Edior's Note-The following editorial appeared in the forum column of the Knoxville News-Sentinel on April 7. The writer is a prominent Knoxville minister, active in interracial affars, and wellknown at Knoxville College.

> By Cranston Clayton. Pastor, Park City M. E. Church

Now that the Supreme Court of the United States has squarely faced the fact tha Negroes are ler, finally disappeared almost enbarred from jury service in the South and has cate- tirely. Last year the passage of forically ruled that his makes a conviction of a the bit erly debated Securities Negro invalid, how is law, from this time on, to be Act put an additional crimp in enforced among Negroes? It a Negro can't be con- of the bill were so sweeping that victed of rape unless others of his color be allowed corporation executives were literto serve as jurors, how can he be convic.ed of any ally afraid to offer the public other crime unless Negroes are jurors?

It would seem that the South has its choice of Fast moving developments, subsequent to the three ways of proceeding. One would be to secede began to show signs of life for momentous decision of the Supreme Court, point from the Union and thereby escape the jurisdiction o a stiff struggle for the freedom of the Scotts- of the Supreme Court. Another Civil War however is obviously too expensive for the value of the

A second alternative would be to enforce law sues; five of the nations's largest He has announced that prosecution will continue among Negroes illegally; that is by terrorism and corporations filed applications ex-"to the end." Steps for re-indictment in the cases lynchings. This is all too likely to be what will really happen. Now that the white citizens of Alabama have to recognize the futility of spending further time and money trying to get a conviction against the Sco.tsboro boys with Negro jurymen restrained impatience with the recent decision and being allowed, they are a thousand times more the mass campaign to free the defendants. Both likely than ever to resort to the rope or the torch. nancing log-jam had been broken And hereafter in Alabama and other places bar- at last. A targe number of bond and investigations are expressed to rob Negroes of berism is all to apt to replace even the semblance men, however, were dubious of orderly process of law.

Yet barbarism can not last. It is unthinkable that it can. We are too human to go on forever brutalizing our fellows and degrading ourselves ing the issues were merely retirthrough the practice of community murder. What ing old bonds, paying high rates then must be the final outcome? There is nothing of interest, to replace them with would quekly include other or all holding companies ed in otherwise credible evidence demonstrating left except to admit Negroes to jury service. And human depravity, but it is primarily interested in why not? In practically any county in the South that was true, but said that a "There are some four hundred holding com- the academic political 'righ s' of a politically dis- there are Negro citizens qualified in every way, in period of refunding always preeducation, native ability, and character, to be accedes any attempt to raise "The Advertiser may be dumb-but to save it- cep.able jurors. As sure as there is a good God "wholl new" tunds, inasmuch as who in the long run always establishes justice in his world, these people will finally get their rights. The ones that must go? And, conceding that some past guilt or innocence of the gorillas who are charged big, the magnamious, the Christian thing for us to practices might not be considered good practices with criminal assault upon two women, it being do is grant the Negro his constitutional right of today; though considered good in 1929; does it fol- agreed that rape is a felony under the law in this jury service without going through any further increase in financing, but most obperiod of hatred, struggle, and violence.

When Spring is in the Air

This is the time of year when that seasonal "disease," spring fever, runs its course. One of its company's expense. Since the assault"—here the Advertiser repeats the lynching more common manifes ations i an urge to clean up commission revamped its rules one's property, in order to get rid of winter's ac- and forms, applicants no longer

These individual clean up campaigns are usually entire opinion to an academic political discussion, inaugurated for the purpose of improving a home's but would offer some comment on the evidence by physical appearance; but, whether the property the March issues involved the preowner realizes it or not, they likewise contribute paration of but 70 pages of data The entire editorial was reproduced on the front toward fattening his pocketbook, inasmuch as they on the ocmpany's status and opeliminate many ordinary and unecessary fire haz-

The attic is one of the places in the home where odds and ends accumulate; and it is also one of the " lintend to ask the Legislature to enact such commonest starting places for residential fires. That accumulation of ancient newspapers; those dog eared magazines; those old clothes which you'll and Million of refunding issues by The nature of the "remedial legislation" has never wear again; that broken down furniture, all private corporations will appear been announced by Senator J. Miller Bonner, of offer an invitation to fire. Start your clean up campaign by giving these cast offs to the needy, pared a bill limiting jury service to "qualified either directly or through some local charitable or- English security market is the ganization, where they can give comfort and use "While there may be other remedies to meet the again. Then burn the sheer rubbish; and be sure

Closets should be subjected to the same process. us. voter. . . only a small percentage of the Negroes in And the chances are that your basement is in about law, in view of the recent Scottsboro ruling, a vast- nearness of the heating plant, basements are one of would protect the interest of the public and invest- ly larger number might be qualified for jury serv- the most prolific sources of fire and should be kept free of papers, rage and improperly stored inflam-

Spring is likewise an excellent time for having ernment's request, the Court disthe furnace and heating equipment gone over, to prepare it for fall. Another worth-while job is inspection of electric wiring; old, defective and substandard wiring starts many a fire.

Spring is here. Clean up; lest you burn up.

Annuities Win Public Favor A survey recently made of 28 companies writ-

ance in force in this country, shows a continued of soldiers to the German border: Italy has called increase in the number of policies of the annuity

During 1934, for example, annuity premiums represented 16.5 per cent of the total premium income of these companies ,as compared with 10.9 per cent during 1933. Since 1930, annuity income has

This brings statistical proof that more and more over all, and will gradually embroil the world in people are purchasing life insurance as an investment, as well as a protection for others. The ordi-Because of the interdependence of nations and nary annuity policy contains relatively little propurchaser himself that he will have an income in Therefore, the question of concern to us as col- ol dage. In brief, peronss who once bought policies case of the wage earner's death or disabiliy, are No longer is war pictured to us as a glorious ad- now looking after their own financial futures as

During Life Insurance Week, which is observed NRA will have won a small point to the extent of \$170,000,000 a year; an increase they held to be absolutely essential, inasmuch as though traffic is three times as dense during the last year; even the desire for profit.

Are we going to gain fall victims to insidious a splendid thing that millions of citizens are achieving the last ambiton. cial Independence Through Life Insurance." It is trol over wages and hours, the

Happenings That Affect the Dinner Pails, Dividend Checks and Tax Bilis of Every Individual. National and International Problems Inseparable from Local Welfare.

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One of the natural results of depression was a gradual slowing down in corporate financing. Bond issues grew fewer and smalfinancing operations; provisions even the choisest securities.

During March, the bond market the first time in several years. New security registrations totaled \$281,000,000; a rise of 31 per cent over February. They were not confined to small, speculative isceeding \$20,000,000 each. Leader was southern California Eqison, which applied for an issue of \$73,000,000.

Officials of the Securities Exchange Commission were jubilant. offered the opinion that the fi-They pointed out that the issues were not really new, that they refunding operations. In other words, the companies maknew bonds at lower rates.

SEC head Kennedy admitted corporations must adjust their financial structures to fit market conditions. Mr. Kennedy did not say that the simplification of SEC rules had anything to do with the servers give much of the credit to that. Last fall, one applicant for an issue was forced to fill 20,000 pages with data; which had to be have to keep their accounting departments on 24 hour shifts in order to prepare the necessary information. One of the largest of

Whether or not any brand new bond issues appear in the near future, there will be continued activity of the refunding order. The Literary Digest says that it is currently predicted that One Thous-

It is a noteworthy fact that the scene of many new capital issues. Great Bridan's low point in financing occured two years before ours; and now, apparently, she is coming back a year or so ahead of

Much comment was occasioned by the Federal Government's recent refusal to contest the constitutiosality of the NRA in the Supreme Cour when, at the Govmissed the case against a lumberman who had deliberately refused to obey the code.. Critics of the NRA were acrid, friends were silent and worried.

Now both sides have cause to feel better. The government is going to the high court with another NRA case which is as important and as clear cut as that of the dissenting lumberman.

The case involves a company which was indicted on nineteen counts for violating the Live Poultry Code. These counts run all the way from selling diseased birds to overworking and underpaying workers. The Manhattan Circuit of Appeals decision on the case; which prepared the way for a Supreme Court appeal: is interesting. The judges held that, inas much as the chickens sold by the company crossed state lines they were within inter-tate commerce, and were legally subject to NRA control. But they also held that the working conditions of the company's employes were not an inter-state affair, and so could not be regulated by the NRA or an yother federal agency. It is obvious thta if the Supreme Court custains this opinion the

(Continued on Page 8)