

EDITORIALS

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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, AUGUST 31, 1935

THE ONE SOLUTION By E. Hofer

According to an article in The Index, federal expenditures during the past four fiscal years have totaled \$25,000,000,000—a sum which represents more than 80 percent of the wartime expenditures of 1918 and 1919, and which is about equal to the total of all federal expenditures from 1789 to 1914.

The inevitable result of that spending has been increasing federal deficits, followed by an astounding expansion of the federal debt. The deficits started in 1931, with a little less than one billion dollars, and rose steadily until 1935, when that year's deficit (fiscal year ended June 30) reached \$3,500,000,000. And the gross federal debt, since 1930, has increased \$12,000,000,000—more than 75 percent.

As the Index says, a basic question raised by this program "is the extent to which present spending can be continued without threatening the financial stability of the government." There is no relief in sight—the 1936 deficit will be as great or greater than any of its predecessors. More spending on a vast scale is contemplated. And for every dollar the Treasury is taking in, in spite of abnormally high taxes, two are going out.

Some friends of emergency spending say that the whole problem can be simply and easily solved by inflation—in other words, by turning the printing presses loose to issue currency without backing. The whole history of government finance points to the tragedy of that. Inflation cannot be controlled—once it takes the wheel, it runs away with the driver and collapse of the nation's credit follows.

The only sound solution is to change our policy before it is too late—to trim our financial sail to meet the wind. Only by balancing outgo with income can the government maintain its solvency and integrity.

\$2.75 A MONTH FOR POWER

Advocates of destructive legislation toward the electric industry usually attempt to justify their position on the ground that electric rates are exorbitantly high, that they represent a real burden to the consumer, that the most severe and punitive measures are necessary if the public is to be protected.

The fallacy of that is shown by the statistics:

Last year, gross electric light and power operating revenue totaled \$1,847,000,000.

\$1,169,000,000 of that was paid by industrial power users.

The remainder, \$678,000,000, was paid by 20,500,000 household users, and their monthly bill, on the average, was \$2.75—less than ten cents a day.

It is safe to say that the average user spent much more for tobacco than he did for power, much more for amusement, for magazines, and beverages and sweets. And he spent infinitely more for taxes.

The disposition of the \$1,847,000,000 received by the power industry is also of interest: Wages took \$317,000,000. Taxes took \$240,000,000—close to half the industry's total revenue from householders. Fuel, replacements, maintenance, etc., took \$450,000,000. The balance of \$670,000,000 was spent for debt service and dividends—and it amounted to a 5½ percent annual return on the industry's investment of \$12,200,000,000.

Few industries of comparable size earn a more modest profit than does power. No industry serves the public better or more efficiently. And it is an irrefutable fact that the cost of power is an infinitesimal item in both household and commercial budgets.

The farm cooperative movement continues to go forward, as recent statistics from Pennsylvania demonstrate.

In that state, farmers who buy and sell through co-ops did a total business of almost \$35,000,000 in 1934, as compared with \$27,000,000 in 1933. Both volume and sales were substantially larger.

Milk marketing associations handled five percent more milk, and the value was 40 percent higher. Egg marketing groups sold 50 percent more eggs and livestock associations increased their volume by 60 percent.

Finally, the total membership of Pennsylvania farmers in cooperative associations in 1934

amounted to 67,953—an average of 16 per cent over the previous year.

Similar records have been made in other states, on greater or smaller scales. Each year shows advances in the size of cooperative groups—as well as improvement in the work done by the associations on behalf of their members. Cooperation is one thing that has actually flourished during depression.

SHOULD WE WEAKEN THE CONSTITUTION?

Suggestions to change the Constitution, in order to give the Federal Government powers the Supreme Court has decided it does not now possess, should be critically weighed by the American people.

Whether we realize it or not, it is the Constitution which protects the ownership and the sanctity of the home. It is the Constitution which safeguards the independence and rights of the worker. It is the Constitution which maintains the sanctity of contract. And, finally, it is the Constitution which guarantees and supports the rights, the liberties and the privileges for which the forefathers of the nation fought when they changed America from a foreign-dominated colony to a free nation, dedicated to the proposition that all men are created equal.

Those who would change the Constitution would do so on the supposition that it out of date—that it is no longer capable of meeting the problems, the conditions, the issues of the times. If that is true, human liberty is out of date. Individual freedom is out of date. Democratic government—which has as its guiding principle that the people are the masters, not the servants of government—is out of date. Private initiative and individual ambition are out of date.

Every time we tamper with the Constitution we weaken it. Under the existing Constitution, a delicate balance of power is maintained between the central government and the 48 state governments. The Federal Government is enabled to do that which individual states could not efficiently do—while the states are left free to make laws, rulings, regulations and policies that are in accord with the beliefs and needs of their people.

If we broaden the powers of the Federal Government we shall simply be giving bureaucracy a greater free and unchecked field for action—at the expense of the states, of industry, of workers, of every citizen.

\$25,000,000 A DAY FOR SECURITY

The Life Insurance Sales Research Bureau reports that during the first six months of the year sales of ordinary life insurance in the United States equaled the relatively high mark set during the same period of 1934.

During every working day the American people purchased more than \$25,000,000 of new insurance protection, in addition to the enormous sums being invested in annuities.

Social security obtained through life insurance is of permanent, real worth—it is obtained through the efforts, the thrift, the foresight and often the sacrifices of individuals. They are working out their own economic salvation—they are not depending on government or any other outside source to provide it for them.

Every working day \$25,000,000 of protection is being contracted for the dependents of wage earners—and to safeguard the future of the wage earner himself. That is worth thinking about.

BACKBONE OF TRANSPORT

In spite of all claims to the contrary, the railroads remain the backbone of the nation's transportation system.

Other carriers may supplement the rails, and perform a valuable service. But it is a limited service.

Trucks can handle but a fraction of the nation's freight, and almost none of its heavy, transcontinental freight—wheat, machinery, etc.

Buses can provide inexpensive and excellent short-haul passenger service—but the vast bulk of travelers still go by rail when embarking on a lengthy journey.

There are definite limits to the airplane—its high cost, its relatively sparse coverage of the nation, its inability to handle freight.

The waterways are limited by geography and by seasons. In addition, they have proven to be constant money losers, and can only be kept in operation by vast governmental subsidies.

The railroads touch every portion of the country. They provide service to remote areas, tiny hamlets, little known farming and mining districts. They run on regular schedules. They provide maximum service at a minimum cost. The railroads did much to bring civilization to the wilderness in the beginning of this nation's expansion—they do much to keep civilized places from degenerating back to wilderness now.

In addition, the railroads are one of our greatest taxpayers, employers, purchasers of supplies. They offer a gigantic market in normal times for lumber, steel, copper, coal. They are the bulwark of all industry—and an essential public servant.

ECONOMIC HIGHLIGHTS

happenings That Affect the Dinner Pails, Dividend Creeks and Tax Bills of Every Individual. National and International Problems Inseparable from Local Welfare.

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Statistics indicate that both the current business situation and the business outlook are improving. Many important industries are doing better now than since 1930—some are actually running ahead of their 1929 experience.

A much asked question is: "To what extent are government policies responsible for the improvement?" A few think they should be given credit for stimulating business. But most business men seem to feel that we are making recovery in spite of, not because of, political activities. They think that if Congress took a swing to the right, the course of recovery would be immeasurably accelerated. That is a matter of opinion—and, in the light of recent Presidential statements, there seems little chance that the Administration will go conservative. Here are some business briefs of interest:

RETAIL TRADE: Well above last year, with chain systems having a particularly favorable experience (Sales for J. C. Penney dry-goods chain recently broke all records for first-half-year sales.) National Retail Dry Goods Association forecasts that the fall season will bring a 10 to 15 per cent additional increase.

CONSTRUCTION: Substantially above last year. Residential awards in a recent month were 143 per cent over the same month in 1934. General Motors has announced that it will spend \$50,000,000 for new plant capacity—this represents the largest sum any corporation has decided to spend for building in a long time. For the first seven months of this year, industrial contracts totaled \$99,000,000—within a few millions of the total for the entire year of 1934.

FARM EQUIPMENT: Belief is that 1935 will be the best year for this industry since 1930. Farmers are buying again because their existing equipment is inefficient or worn-out, and they want to replace it. Most farm equipment manufacturers have taken heavy operating losses in recent years—now they are again in the market.

AGRICULTURE: It is forecast that total farm income for 1935 will be more than \$1,000,000,000 over 1934—which exceeded 1932 by \$1,000,000,000. Some crops will be short—but better prices will make up for that. At Chicago, incoming hog shipments recently touched an all time low, while prices reached highest level since 1929.

ELECTRICAL POWER: Dow Jones News Service, expert fact-finding and forecasting organization, says there is considerable indication that power production in the third quarter will establish a new record for any comparable period in the industry's history. However, this experience may not be duplicated in earnings—rate-cuts in many localities have resulted in the industry selling more, but netting less. The fear of new tax and punitive legislation discourages normal progress in the electric industry.

AIRCRAFT: Big manufacturers are doing better. The Army and Navy are both carrying on aggressive air-defense programs and manufacturers naturally benefit.

STEEL: Operations are stable with price firm. Machine and machine-tool makers are especially heavy buyers of the basic metal.

LUMBER: Production has spurred. This is partly due to the temporary settlement of labor troubles—and partly due to the fact that lumbermen are producing heavily no win anticipation of additional Pacific Coast labor difficulties this fall.

ELECTRICAL MANUFACTURERS: Seventy-eight makers of storage batteries, household power devices, industrial equipment,

etc., reported 10.5 per cent more business in the second quarter of 1935 than in the first. Demand is still gaining in most parts of the country.

While the foregoing are facts, they should not be taken to mean that all is clear sailing for industry. Much remains to be done, and constant fear of governmental interference, at expense of recovery, is prevalent. The new tax bill, for example, seems destined to be a seriously dampening influence on industry. On the other hand, adjournment of Congress, which may be effected by the time this is read, will be a relief to business.

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A few months ago it looked as if there MIGHT be an Italian Ethiopian war. Now it looks as if there MUST be. Pressure and argument by the other great powers has not changed Mussolini's determination a whit—and Ethiopia answers that she will fight for her independence until her last man has met death on the battlefield.

Italy wants Ethiopia for one simple reason—natural resources. Today, Italy is dependent on foreign supplies of raw cotton, oil, coal, iron, copper. Lack of these national essentials—which Ethiopia is supposed to possess—is hampering Italy badly.

It's the old case of a big nation going after a small one when the later has something it can use.

Reduce It Further

During the past few years there has been a slow, but steady, decrease in the nation's fire loss.

The decrease is extending into 1935, according to figures issued by the National Board of Fire Underwriters. During the first six months of this year, loss totaled \$136,460,000, as compared with \$158,064,000 during the same period in 1934.

The trend is encouraging—about a decade ago the annual fire loss ran in excess of \$500,000,000 a year. However, it is still much too high. At least 80 per cent of fires are unnecessary—at least 80 per cent of them could be prevented by thought, care, perhaps the expenditure of a little money.

Every citizen should voluntarily enlist in the fire-fighting army in an effort to further reduce this useless waste. He should periodically inspect his property, and correct any hazards that exist from basement to attic. Piles of papers, improperly stored, inflammables, old or amateur electric wiring, defective furnaces, pipes and flues—these are among the great causes of fire in dwellings. And a prolific outside source of fire that is especially dangerous during summer months, is dry, uncut grass.

Any local fire marshal or fire department is glad to give a citizen assistance in the matter of discovering and eliminating fire hazards. Insurance companies are equally cooperative. Ignorance of hazards, like ignorance of the law, is no excuse—the knowledge that will prevent fire can be easily obtained.

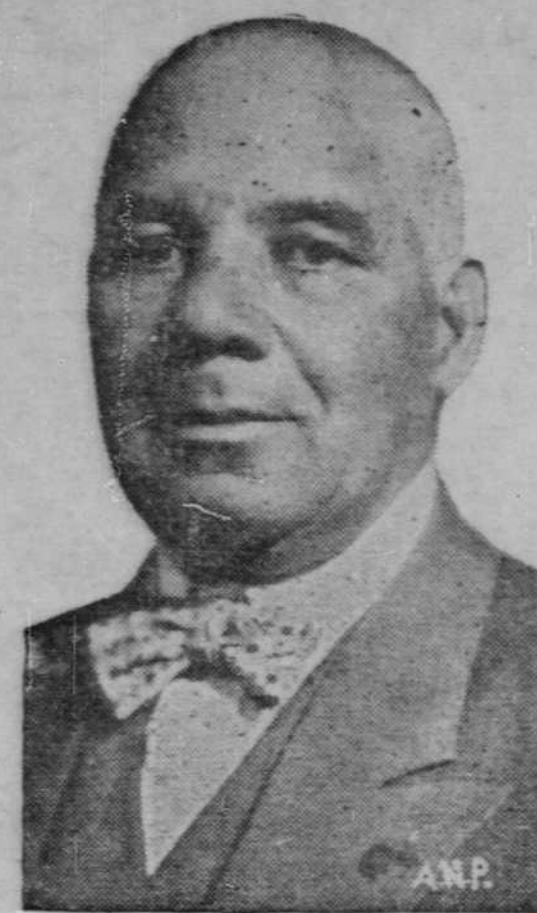
In the long run, fire loss determines the cost of insurance, and if we lower losses it will be reflected in our premium rate as soon as it is proved that the waste is going to stay down. Fire loss increases taxes and is a burden to every member of the community. Fire prevention should be regarded as both a privilege and a duty—that saves lives and money and preserves irreplaceable resources.

England Will Lose India If Italy Conquers Ethiopia

Nigeria, West Africa, July 27 (ANP) England cannot afford to permit the rape of Ethiopia unless she desires to lose her Indian empire, writes Duse Mohamed Ali, editor, in the current issue of the Comet, weekly magazine published here.

Mr. Ali, an Egyptian historian,

ENGINEER



Titus Alexander, one of Los Angeles' best known citizens and who occupies a unique position in the civic, official and business life of that city. Mr. Alexander, a native of Arkansas, educated at Oberlin and the University of Michigan, where he took engineering, is associated in a responsible capacity with the business division of the Los Angeles Bureau of Power and Light, the largest municipally owned and operated plant in the United States.

A life long Democrat and member of the state Democratic committee, Mr. Alexander has served as president of the Los Angeles Democratic club of which he is the only colored member. He has received the annual Fellowship award for outstanding service to his city and group and wears a gold badge, symbol of his election as an honorary captain of the Los Angeles fire department. (ANP)

spent many years in Europe and America. Critical of European diplomacy in respect to Mussolini's Ethiopian venture, Mr. Ali writes further:

"Sir John Simon's (Sir John Simon was British foreign secretary) lack of diplomatic courage in 1931 has greatly assisted in international immoralities. Should war start in Africa, Europe may say goodbye to the League, because the big European powers will no longer consider themselves bound by covenants which no one respects."

Churchmen Call Attention to Horrors of Mussolini's Designs on Ethiopia

New York City, Aug. 28.—In a ringing challenge that must be taken up by every thinking human being who is appalled by the horrors of the imminent war, I. Alleyne, chairman of the Action Committee of the Provisional Committee for the Defense of Ethiopia, yesterday called upon every black man and woman, "who smarts from the blows of oppression the world over," to join the August 3rd march against war, scheduled to take place in the Harlem section of New York City.

"A victory for Mussolini would wipe out centuries of progress and would lay the foundation for a system of slavery more brutal than any that existed heretofore," Mr. Alleyne declared. "Defeat of the war plans of the Italian government, now bent upon applying internationally the imperialist maxim of Nordic superiority, would be a gain for the Black people of the world over. It would also add in furthering world peace and progress," he continued.

In calling upon members and friends of the Provisional Committee, to march on August 3rd, Mr. Alleyne pointed out the necessity of acting "with all groups fighting for the defense of Ethiopia in the present crisis against Mussolini's plans for invasion."

"Make this a monster demonstration of the indignation of the people of Harlem against the robber war and their will to fight for the independence of Ethiopia," Alleyne urged all members and friends of the Provisional Committee.

Captain Altiori, former Italian army man who was cited several

times for heroism under first and wounded in the last World War, hailed the Provisional Committee's statement as a milestone of working class unity of Negro and White. Recognizing that many of his former countrymen now face death and destruction in Africa due to the vicious war plans of Il Duce, he cited the fact that recently, when the class 1911 was sent to Naples, prior to their embarkation to Africa, they refused to leave the country. The carabinieri, (King's Guard) attempted to force the soldiers to board the ship. A conflict took place resulting in three deaths to the forces of the king. Many others were wounded.

"The Italian people do not want war," Altiori asserted. "They hate war, and it is up to Italians throughout the entire world to reveal to mankind that Il Duce does not speak for the Italian people. Rather he is the spokesman of a small band of industrialists and financiers who seek to plunge Italian youth to its death in Africa."

Calling upon every worker, student and professional to come out on August 3rd, Altiori stressed the achievement of unity as a result of the honest sincerity of the American League Against War and Fascism in building a strong united front.

Hold State-Wide Sunday School C. E. League

Tampa, Fla., (ANP) The Annual Institute of Sunday School and Allen Christian Endeavor Leagues closed a five-day session here at St. Paul A. M. E. Church, Friday. Bishop J. S. Flipper is the presiding Bishop, L. M. Moore State Supt. of Sunday Schools, while C. S. Williams is State President of Leagues. A regular class school was held each day at the Harlem School, where teachers of credit were used. Rev. R. L. Pope is the pastor of St. Paul.

Senate Passes Bill For \$35,000 For Safety of Masons and Elks

Washington, D. C., Aug. 28.—The Senate last Monday, passed the joint resolution authorizing an appropriation of \$35,000 for the maintenance of public order and the protection of life and property during the conventions of the Imperial Council Ancient Egyptian Arabic Order Nobles of the Mystic Shrine and the Improved Benevolent and Protective Order of Elks of the World.

The resolution is now awaiting signature of President Roosevelt. The bill as originally introduced by Senator William H. King of Utah, chairman of the committee on the District of Columbia, made the "appropriation available only during the period of the Elks convention. It was amended so as to make the fund available during the Shriners' convention as well.

The fund will be used to provide additional police facilities, including personnel, from August 16 to August 31.

The resolutions provides also, \$4,000 for facilities for comfort stations, including the employment of personal services in connection with them.

The \$39,000 fund, when available, will be disbursed through the regular disbursing officers of the District of Columbia and cannot be used for any purposes other than those stated in the resolution.

Similar appropriations in the amount of \$54,000, were made for the white Shriners who met here in June.

Six drinks and a fellow gets below "see level."

Statistics prove that Americans are drinking less whiskey than they did prior to 1917. True. They have less money to pay for it at double the price was prior to 1917.