. . . 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, SEPTEMBER 7, 1935

THE RURAL PRESS

THERE are some 15,500 newspapers and periodicals published in this country. The greatest proportion of them are small-town weeklies, dailies, and semi-weeklies, and magazines whose principal appeal is to the rural dweller.

The inportance, the influence, and the worth of these publications can hardly be exaggerated. They are, as the San Francisco Arginaut has written, "the chief influence in the thought habits of our rural population of fifty-four million." And the character of their comment, both in news and editorial departments, well repays those who peruse them.

As a resu't, the recent contest held by the magazine "Country Home" to pick the best country newspaper correspondent in the United States, was of much more importance and interest than contests usually are. The winner, a woman, lives in a Missouri town which has a population of twenty-seven, and is fifteen miles from the nearest railroad. For forty-four years she has been local correspondent for a rural paper in her county.

Urban editors, on reading excerpts from her correspondence, have been amazed by its quality. It does not deal with crimes and misdemeanors. Instead it tells of the crops, the trials, tribulations and achievements of farm people who rarely make the metropolitan headlines, but who, happily, are more numerous and more vital to nation than our gangsters, our political and business renegades, and our ex-show-girl divorces.

Most interesting of all, this woman's correspondents. Winners of lesser prizes in the contest show the same qualities—the same command of clear and vivid English. The country newspaper, little known as it is to the city dweller, is one of the finest, most permanent, and most deservedly successful influences in our American life. Last, but not least, it is the outstanding guardian of the nation in upholding our Constituiont and American ideals.

UNIROFM DRIVING LAWS ARE NEEDED

ONE of the greatest barriers to fair and efficient enforcement of traffic laws is the lack of uniformity in the traffic codes of different states and towns.

As one traffic authority recently pointed out, when he drives from one state to another, he doesn't have to stop and change his nickels, dimes and dollars into other and different kinds of money; but, if he wishes to operate his car in accord with the law, he must at once revise his driving habits. He leaves a state where the maximum speed allowed is 40—and then must remember that now he must hold his car down to 30. He has been accustomed to traffic lights and signs placed on corners—now they are overhead in the middle of streets where he is liable to miss seeing them entirely.

Suppose that motor car manufacturers pursued the same practices as many cities and states. Suppose a man who had been driving the Smith car wanted to trade it in for the newJones model, and discovered that it had a different kind of transmission, required a different kind of fuel, and presented major points of difference in othr respects. Such a policy would be no more absurd than is the existing policy of our governmental units in adopting traffic codes that are utterly at variance with those of a town or state 10 miles away.

The Uniform Vericles Code and Model Municipal Ordinance, prepared by traffic experts, could and should be adopted by every town and city. This would not only give the motorist a break—it would immensely expedite the efficiency of our police and traffic patrol departments, and make an important contribution to the cause of highway safety.

THE FALLACY OF "SELF-INSURANCE"

ON DECEMBER 1, 1934, a school in Fitchburg, Massachusets, was deluged by fire. The loss was $500,000—and it was not covered by insurance.

On January 29, 1935, fire claimed a Chicago high school valus dat 250,000. Again the building was uninsured.

Less than a month later, a Detroit high school was burned with a loss of $1,000,000—none of which was covered by insurance.

On February 8, the State Arsenal at Springfield, Illinois, burned. Loss was $500,000—and there was no insurance.

On April 25, the 65-year-old Oregon State Capitol was almost totally destroyed by fire. The building cost $700,000, and its contents were valued at $800,000, making a total loss of $1,500,000. The building was "protected" by a state insurance fund—which contained $140,000 at the time of the disaster.

These are just a few of the many public structures that have been destroyed by fire in recent years—and which, being uninsured, represented total loss to the taxpayers. In the best of times, a drain of a million dollars on the taxpayers of a city or state to restore a destroyed building, is a burden—in depressed times, when every dollar of tax revenue should be used for new productive purposes, it becomes doubly unfortunate.

The belief that a governmental unit can save money through "self-insurance" is an old and persistent fallacy. In the bulk of instances, insurance could have been carried during the life of destroyed buildings for a fraction of what was necessary to replace them. "Self-insurance" saved the taxpayers a penny—while it wasted a pound.

The tragic example of the many uninsured public buildings which have been ravaged by fire, will not be wasted if it causes other communities and states to think—and then take the proper acion.

1-100 OF 1 PER CENT

By E. Hofer.

IT IS reliably estimated that the public utility industry spent approximately $1,500,000 in efforts to present its side of the holding company issue to the public and to government officials. It has been subjected to a vicious political attack for spending this "vast sum".

The public utility industry's total investment is, in round figures, $15,000,000,000. In other words, its $1,500,000 expenditure amounted to just one one-hundredth of one per cent of the industry's value! The money was spent in the hope that if the people and congress were given facts one of our greatest and most progressive industries might be saved from uncalled for injury.

Contrary to what the politicians claim, the $1,500,000 did no come out of the pockets of rate-payers, but out of the pockets of stockholders. Under the American system of state regulation of utility operating companies, they are permitted to earn only a limited and definite profit above the expenses of carrying on their business. That profit, when they are able to earn it, belongs to the owners of the property. If it is spent for some other purpose than dividends, the consumer is not affected at all.

The politicians have likewise said that spending $1,500,0000 by utility managements amounted to misappropriation of stockholders' money. The number of utility stockholders in existence is reported to be in the neighborhood of five million—and if the $1,500,000 had been divided among them, each one woul dhave received an average of about 35 cents! Not very much to defend a $15,000,000,000 business.

It would appear that utility managements did not spend too much in combatting the punitive bill that faced them—there is a question whether they spent enough.

Is it fair to critize a man for spending one one-hundredth of one per cent of theworth of his property to keep it from being crippled by legislative fiat?

SEDITION BILL BEFORE HOUSE

Opposition Voiced By Many Groups

ON AUGUST 13 the Kramer Sedition Bill (HR 6427) was favorably voted onto the floor of the House of Representatives by the House Judiciary Committee.

If passed, this bill would multiply the number of political prisoners in the country and it would also be used as a strikebreaking weapon, it has been indicated by observers of the application of state sedition bills in the past.

The text o the Bill. "BE IT ENACTED . . . . That any person who knowingly makes any statement orally or in writing which advocates or urges the overthrow of the Government of the United States, or of any State or Territory, by force or violence, or by assassination of the Executive head or any other official of such Government, or other unlawful means, and any person who knowingly prints, ublishes, issues, edits, circulpates, sell, distributes, or diplay in public any written matter containing any such statement, shall, upon conviction thereof, be punished by a fine of not more than $500 or imprisonment for not more than five years, or both.

Sec. 2. As used in this Act, the term "person" includes an individual, partnership, association, or corporation."

Requests to defeat the bill have been sent by groups including the International Labor Defense, American Civil Liberties Union, and the National Committee for the Defense of Political Prisoners. Many members of Congress have already expressed disapproval of the bill.

ECONOMIC HIGHLIGHTS

Happenings That Affect the Dinner Pails, Dividend Crecks and Tax Bills of Every Individual. National and International Problems inseparable from Local Welfare.

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One of the most dramatic acts of the late Congress occured, entirely unepectedly as far as the eneral public was concerned, just before the session passed into history.

This act was the passage of the so-called "neutrality plan," proposed by the White House, originated by the Senate, and forced through the House by Administration leaders under a gag rule which forbade any forced amendments and limited debate to the absolute minimum.

Reason for this unprecedented occurence does not require a microscope to discover. Everyone knows that Europe is closer to a major war than at any time since 1914. The American State Department doubtless has a much better idea of how close was is than any other domestic agency—it is a possibility that inside Secretary Hull's handsome, impassive, white thatched head there is knowledge that, if disclosed, would make headlines throughout the country. And, with the memory of the "incidents" that brought America into the World foreign policy, seems determined to keep us out of future conflicts if that is at all possible. High spots of the neutrality plan include:

Prohibition of the export of arms and amunition to any foreign belligerent until February 29, 1936 (by that time another Congress will be in session, and will be able to cope with chan ed conditions.)

Prohibition of the use of American vessels in arms traffic until February 29, 1936.

Establishment of a strict licensing system for American munitions manufacturers and exporters.

Authorization fo rthe President to require or entirely close ter itorial American waters to the submarires of belligerents.

Authorization for the President to forbid American citizens to travel abroad during war except at their own risk, unless such traveling is made necessary in order to escape a zone of conflict.

It is an interesting fact that the neutrailty bill passed both houses by close to unanimous votes—yet a number of Congressmen, including some who voted for it, are dubious. Senator Johnson, oldtime advocate of U. S. isolation, said it would not prevent our gettin ginto war. And a few voices, including that of Senator Wadsworh, potential Republican Presidential candidate, spoke up aiainst the principle it represents, on the grounds that small, persecuted nations will be harmed by the policy, while big, aggressive nations will not. For example, Italy could get by without purchasing arms abroad—while closing of foreign buying to Ethiopia, which has no industrial resources that might be turned to munitions production, would make it impossible for her to defend herself in the event of war.

However, editorial response to the plan has been highly favorably—papers which oppose the President in most of his policies are for him when he attempts to keep us out of the pending European super-war. The provision whereby Americans traveling on ships belonging to belligerents must do so at their own risk is perhaps the most important single part of the bill—remember the Lusitania!

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The last Congress was unusually spoken of as lethargic, slow-moving, dead on its feet. But, with September approaching and Congressmen anxious to get home in order to pay attention to their political fences, the closing days witnessed an amazing burst of activity.

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Passed was the banking bill—in its final form it represents a compromise between the Administration and such conservatives as Senator Glass. Government will control the banks—but the administerini board will apparently be as non-political as possible.

Passed was the 250,000,000 "soak-the-hich" tax bill, much in the form first asked by the President.

Passed was the bitterly debated Utility Holding Company bill. The "death sentence" clause is out, though there is considerable difference of opinion as to what the bill really provides. Some say it gives the government the power to put holding campanies out of business if it wants to—others say it simply provides strait-jacket regulation. Still in the air is the burning question of the bill's constitutionality.

Passed was the bill setting up a "little NRA" for the bituminous coal industry—a measure whose constitutionality seems more than doubtful.

Passed was a measure giving the federal iovernment control control over liquor, made necessary by the Supreme Court's abolition of the old NRA.

Passed was a bill placing a ban against gold-damage suits after January 1st.

Passed was a bill to provide interstate compacts to restrict crude oil production.

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THE PEOPLE REVILT AGAINST DEBT

Signs indicate that the American people are at last awakening to the danger to tax-creating, property-confiscating bond issues.

A few weeks ago a special election was sheld in Rhode Inland, in which the voters were called upon to pass on a number of proposals for building public works, and carrying on other activities in the name of relief. In spite of the facts that pasage of all the bills would have increased the state's bonded indebtedness by about 50 per cent, the "dope" had it that the measures, with their political backing, would pass.

The "dope" missed. Rhode Island citizens voted down all but one of the measures, by heavy majorities. The measure that passed provided for direct relief for the needy, and was designed to achieve the necessary purpose at a minimum of cost—without saddlin gthe taxpayers with unnecessary and expensive public works.

A short time later the voters of California met a similar crisis at the polls. Several measures which would have put that already debt-ridden state farther into debt, were on the ballot. An awakened citizenry swung the axe—and when the votes were counted the measures had taken hearty lickings.

It is to be hoped that these elections, in widely separated states, are symbolic of the national trend of thought. The most menacing governmental ventures of recent years have been those which have piled debt upon debt, put government into competition with private business, increased taxes, weakened state credit and created industrial fear. This course has made it next to impossible to impossible to create normal jobs because private industry, sole source of productive employment, is afraid to take chances in the face of confiscatory taxation, legislation and regulation. We are drawing capital into tax-free federal bonds where its chief benefits accrue to our growing bureaucracy, not to the people of the needy.

Follow Rhode Island and California in defeating debt-creating bond issues.

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LIGHT FOR NOTHING!

An industrial publication recently printed a letter from a man who had been thinking about his electric bill—long a burning topic where the politicians gather.

This man had run across one of his ol dstatements. He found that, seventeen years before, he had paid a monthly bill of $6.58 for 92 kilowatt hours—while now he pays only 27 cents for more than 180 kilowatt hours.

Doing some further figuring, he discovered that he was getting current for his lights, vacuum cleaner, radio and refrigerator for what he had formerly paid for light alone.

He then estimated that he was getting the current for all these appliances for what he had formerly paid for ice alone—so, in effect, his lighting was costing him nothing!

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.

Throughout the nation this experience has been duplicated to a greater or lesser degree. While the politicians have been crying about the high cost of power (instead of about rapidly increasing taxes for which rapidly increasing able,) the private electric industry has been steadily cutting the bill. It has increased economies in operation, and passed them on to the consumer. It has broadened its field of service, thus cutting the unit cost of doing business. It has stimulated use of electric appliances—thus increasing the load, and again making a dent in the rate level.

The politicians talk while private enterprise does things. That always seems to be the case. Politics provides non-productive rhetorial fireworks, while ordinary, ambitious citizens pave the way for real achievement.

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EDUCATION FOR THT FARMERS OF TOMORROW

The satisfactory solution of many agricultural problems, in the opinion of Dean Chris L. Christensen of the College of Agriculture, University of Wisconsin, will be greatly advanced by better education for farm youth.

Any sound curriculum of study must be built around social and cultural, as well as vocational interests. The young farmer must be taught nutritional chemistry, bacteriology, farm mechanics and engineering, forestry, the handling of farm insects and pests. And he must be taught, as well, the importance and methods of cooperation activity, which is the greatest social, as well as economic factor in the lift of the modern American farmer.

The farmer's reliance on cooperative organizations Dean Christensen believes, will steadily increase in the future. These organizations, when well-managed and supported, have proven their worth—they have passed the relm of theory. They have brought business technique to agriculture—and doing that, in many cases, has wrought order out of chaos.

The youth of the farm is its great hope for the future—and soundly-conceived programs, designed to educate boys and girls in all the problems they will face as time passes, will immeasurably brighten the long-pull outlook for agriculture.

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CUTTING THE FOOD BUDGET

The price of pork and pork proucts recently returned to the 1929 high levels. Other fasic food products are climbing the same ladder, with the result that the cost of living is daily becoming more of a problem to the average American family.

As prices thus advance, the need for food distributing methods that eliminate handling charges between producer and consumer, becomes constantly more evident. This same problem faced the consumer in the early twenties and caused the creation of the large-scale food buying and selling organizations which have done such valuable work, not only in reducing the cost of maintaining the consumer's dinner-table, but in benefiting the producer.

In this connection, it is well to remember that the producer of farm products, the farmer, likewise constitutes a great consuming market. The producer, therefore, is greatly interested not only in what he receives for what he sells, but what he must pay for what he buys. Growth of chain grocery merchandising, by eliminating needless middlemen transactions, has tended to increase the farmer's share of the retail selling price of his products, while materially lowering the cost of what he must buy as a consumer.

In the single state of Califrnia one large chain grocery system bought foods valued at more than $46,000,000 from the state's farmers in one recent year. Other chainss and independent groups made similar vast purchases—to the benefit of everyone concerned.

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BILLIONS LOST TO INDUSTRY

Figures don't lie—and in the case of railroad purchasing, once the backbone of scores of American industries, they tell a sad but truthful story.

In the five years from 1925 to 1929 inclusive, railroads had a net operating income of about $6,000,000,000—and their purchases totaled almost $7,000,000,000.

In the next five-year period railroad income dropped to $2,600,000,000—and railroad purchases declined to the abnormally low total of $3,117,000,000. Where even in the bad year of 1931, the rails bought $615,000,000 worth of goods from factories, mines and timber-producers, they bought only $319,000,000 worth in 1933. Last year the trend turned somewhat upward, bringing purchases to $625,000,000, which was $65,000,000 more than their net operating income.

These statistics certainly provide proof of the oft-made statement that revival of freight and passenger business, which would be immediately reflected in soaring railroad buying, would be a mighty influence for recovery. Ever since the war, the rails have faced more and more problems—they have been overtaxed and overregulated, while some of their competitors have been subsidized with public money, and others have been practically free from government supervision.

The newly-passed bill, whereby highway carriers will be regulated in the same manner as the rails, is a progressive step. However, before the rails can resume their place as the greatest single employer of labor and patronizer of industry, they must be freed of such unnecessary restrictions as the long-and-short-haul law, and of the fear of ne wand inherently vicious legislation of the 30-hour week and train limit law type.

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SECURITY COMES FIRST

There are two main reasons for the exceptional record of stability and safety made by the life insurance industry during years of unparalleled stress.

First, the whole investment program of life insurance has but one watchword: Maximum safety. The men entrusted with the handling, investing, selling and reinvesting of life insurance assets are thoroughly trained and are intimately in touch with industrial conditions throughout the country. They have expert fact-finding organizations at their disposal, which produce important information long before the public is aware of it. In brief, they provide what the average investor is absolutely unable to provide for himself—scientific, realistic, hard-headed security analysis that makes few mistakes. As one life insurance executive has said, "Eternal care and study in selection is the price of safety".

Second, life nsurance assets are widely distributed—both from the standpoint of geography, and the type of holding. For example, the investment set-up of a representative life company is something like this: Government bonds, 9.9 per cent; railroad obligations, 15 per cent; public utility obligations, 9.4 pe rcent; other bonds an dstocks, 3.1 per cent; farm mortgages, 7.9 per cent; other mortgages, 24.7 per cent; policy loans, 17.7 pe rcent; real estate 5.8 per cent; cash, 2.5 per cent, miscellaneous, 4 per cent.

Wide distribution of risk to obtain maximum security, is the guidi gnprinciple of life insurance. The experience during depression shows how sound that principle is.

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