

THE OMAHA GUIDE

Published Every Saturday at 2418-20 Grant St. Omaha, Nebraska. Phone-Webster 1517

Entered as Second Class Matter March 16, 1927, at the Post Office at Omaha, Neb., under 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.

All News Copy of Churches and all Organizations must be in our office not later than 5:30 p. m. Monday for current issue. All Advertising Copy or Paid Articles not later than Wednesday noon, preceding date of issue, to insure publication.

EDITORIALS

A VOTE AGAINST DECENCY

The defeat of the Hatch amendment to the "lending-spending" bill is one of the most disgraceful episodes in the history of congressional action in this country.

The amendment provides that relief officials who attempted to use relief funds to sway the votes of relief beneficiaries should be discharged. It marked a praiseworthy effort to do away with one of the most notorious abuses of relief administration.

Instead, it was beaten in spite of the fact that some senators who have been strongest for greater relief spending, such as Senators Norris and La Follette, supported it. And incredible as it seems, one senator, in speaking against the amendment, said frankly that if it were approved it would endanger the chances of certain senators being reelected this November.

The Hatch amendment, to sum up would have put measure of lost decency into the handling of relief funds. The Senate voted it down. What a commentary that is on presentday government and the moral character of public servants.

IS THIS GOOD BUSINESS?

When Mr. Ickes returns from his honeymoon vacation he will find a liberal allotment of \$114,569,298 at his disposal to be applied to the construction of 277 power projects throughout the country. Of course that amount invested in such public projects is insignificant compared to the volume of wealth that has created the privately owned utilities.

There are millions of people in the United States who are owners of stock in utility corporations. They invested their funds long ago and they depend upon the return therefrom. There are other millions who have savings, which they would like to employ gainfully, but they are fearful to use them to promote public utilities which may find themselves in competition with those financed by the government.

The rates for power are governed by the several states in the Union. Those rates are so fixed as to insure the investors a fair return upon money and with the government as a competitor, not only those who have funds invested but those who would like to invest are fearful of the future. And it is not as if the government had a surplus of revenue. The national debt today is \$37,459,000. The allotment to Mr. Ickes, to be sure, is "only" \$114,000,000 but the source of that money is through borrowing, and the borrowing will add that much more to the public debt.

citizens. And because of that competition the debt grows, investment money continues inactive and the depression remains. The Bakersfield Californian

AN ESSENTIAL INDUSTRY Legislation which unjustly discriminates against and threatens a basic business or industry with ultimate destruction, simply knocks the pegs of prosperity from beneath the entire economic structure.

The chain food stores for example purchase \$2,024,000,000 worth of goods annually from American manufacturers and producers. In addition, they pay \$334,000,000 annually in wages to 218,000 employees; \$85,000,000 annually in rents to more than 45,000 local property owners; \$37,000,000 annually for freight, trucking and other transportation services; \$52,000,000 annually for repairs supplies and other up-keep expenses; \$25,000,000 annually for advertising—practically all of it locally; more than \$13,000,000 annually for state and local taxes exclusive of the real estate taxes paid in the form of rent, and federal income taxes. Thus, the total sum expended by the food chains annually in the United States amounts to more than \$2,570,000,000!

Proponents of chain killing legislation seek to justify their position largely on the ground that, because of size and efficiency, the chains are a dangerous monopoly. As a matter of fact, the chain stores do a minor percentage of total retail business, and are far behind independents in both number and volume. Moreover, the chains have no exclusive patent on efficiency. Many independents operate in much the same manner as the chains—so much so that far sighted independents predict that the politicians will soon be attacking them also. Hence they are opposed to the present attack on chain stores. They fear the dangers of radical taxation and regulation more than they fear chain store competition.

Those who would destroy the chains would simply destroy an essential industry not a monopoly.

"The catastrophic developments of recent years, the startling events of the past weeks, offer a tragic demonstration of how quickly the contagious scourge of treaty breaking and armed violence spreads from one region to another."—Cordell Hull.

JOB KILLER

The Number 1 job killer! That is the way the Businessmen's Tax Advisory Committee characterizes the Federal Tax on Capital Gains.

The reason for that is clear. Jobs depend on investment. And the capital gains levy, because it prevents putting savings to work by exacting excessive tax penalties from those who are fortunate enough to make a profit on a business or investment venture, retards and stops investment—the source of all jobs and all productive wealth.

This organization also points out a fact that is startling and is not widely known. According to U. S. Treasury data for the year 1935, the capital gains levy is a "soak the little fellow tax." In that typical year, aggregate capital gains were much larger in the lower income than in the higher income brackets. And the ratio of capital loss (for which little credit is given in making tax returns) to capital gains was highest in the lower income brackets. It's the "little man" who gets stuck hardest!

Businessmen aren't the only ones who are fighting the capital gains measure. An army of distinguished economists are fighting it. Publicists by the score are describing its dangers. Thus, Mark Sullivan recently wrote: "If America is to be kept a going concern, the capital gains tax must be repealed or greatly modified." That is the strong statement—but no stronger than the subject justifies. What sane man will take a chance on financing a new endeavor, whether it be a grocery store or a steel mill—knowing that if he loses his investment, he must bear the entire loss—but that if he makes a profit, a large part of it will be taken from him by this tax?

All the evidence can be summed upon one sentence: We must change the capital gains tax if we are to en-

courage recovery and progress in this country.

RUIN BY REGULATION

Had the federal government deliberately and with malice aforethought, sought to conceive a regulatory policy for the railroads that would ruin them swiftly and surely, it could hardly have done better than it has done!

In other words, largely because of a transportation policy that was supposed to guarantee the lines a fair return in their investment, and to protect the interests of shippers, workers and investors alike, the entire railroad industry is today on the verge of bankruptcy with a substantial part of that industry already in the hands of receivers.

A bad situation? Yes, and it seems certain that it will become worse unless swift and decisive remedial action is taken. The Association of American Railroads says that nearly 50 per cent of the roads operated in the last year, a condition that is bound to lead to more failures, more receiverships. And the RFC estimates that 27 more Class I roads may be forced into receivership before the dawn of 1939.

The decision of the ICC, which gave the railroads but little more than a third of the 15 per cent increase requested, was a bombshell to the hopes of investors, to the hundreds of industries which were dependent on the rails for all or part of their sales, and to the cause of reemployment in industry in general.

This great problem, which in some touches the life and means of livelihood of every American, can only be solved by an awakened, aggressive public consciousness that will demand a fair deal for the railroads.

H. C. OF L.

That old demon the high cost of living, is again in the headlines. The tremendous slump in business has made it a very real problem to millions of families.

In the light of that fact, it would seem that this is a very poor time for the proposal of legislation to destroy merchandising methods whose cardinal principle of operation is to give buyer more and better goods for less money.

And yet laws are being proposed, aimed at bigness and efficiency, which would levy so excessive a tax against mere size that increased prices, dissolution, or both, would be forced. Whatever the politicians say, measures like these hit straight at the poor—at those who have the greatest stake in economical merchandising. The great need today is a lower cost of living—not a higher.

AN ECONOMIC NIGHTMARE

The current government plan to transmit power from Bonneville Dam, on the Oregon-Washington border into Southeastern Idaho for the purpose of developing that state's great phosphate beds, looks like an economic nightmare.

The only basis for estimating the cost of such a transmission line, according to an article in the New York Herald Tribune is the cost of the line which now brings power from the federal project at Boulder Dam to Los Angeles. This line, with substation facilities necessary for moving power over long distances, cost about \$97,500 a mile.

On that basis, the cost of a similar line from Bonneville to Southeastern Idaho would cost \$55,000,000—which would be close to \$400 per kilowatt for the 150,000 kilowatts that such a line, according to engineering surveys, could deliver.

Investigation has proven that steam plants could be built near the phosphate beds for \$1. or less per kilowatt just 25 per cent of the kilowatt cost of the line from Bonnesville. And if water is desired a report of the Department of the Interior states that here are 285 known undeveloped power sites in the Snake River basin (close by the phosphate deposits) with a potential production of 3,000,000 horsepower.

In other words, if the politicians actually tried, they would be hard put to discover a more expensive source

for the power needed to develop the phosphates than distant Bonneville dam. The very fact that the project is being seriously considered, and apparently even has a chance of being added shows the waste of taxpayers money and the disregard for efficiency and private enterprise that characterizes politics in business.

PROFITLESS PROGRESS IMPOSSIBLE

Politicians and social theorists the world over are continually striving to crush one of the most basic urges of mankind: the urge of the individual to labor for profit. For some curious reason they think that once the profit motive is destroyed, the way to Utopia will be clear. They persistently refuse to heed the lessons of history which have proved beyond the shadow of a doubt that without a fair chance for profit the human animal ceases to put forth efforts. Without profit progress gives way to a lethargic day to day existence, and personal liberty soon goes by the board, social theories notwithstanding.

When an individual buys a bond or a share of stock he does it for profit, and to help assure financial independence. The greater the risk, the greater the possible profit unless the two go hand in hand the individual will bury his savings in an unproductive hole in the ground.

When a man works 15 hours a day and burns the midnight oil over some new invention or labors tirelessly year after year to build up a business, again he does it for security and profit. He works in the hope that the fruits of his labor will bring comfort and happiness, not only to himself, but to his family.

Today we have a depression. We hear loud cries of "capital strike." The politicians howl because heavy industry is ominously quiet. They howl because unemployment is increasing. They howl and curse Wall Street for bringing all this about. So what! Wall Street had nothing to do with the present depression. Punitive taxation government competition with private business and an orgy of experimental regulation and legislation are largely responsible for the present troubles. In short, the profit motive is dangerously near extinction and the country can enjoy no normal recovery until it is brought back to life. And government spending the country into bankruptcy is not the way to bring it back to life.

PREVENT ACCIDENTS!

Stop the appalling loss of life on highways. Stop the loss of life from accidental causes in home and industry. That is the program of the Western Safety Conference, to be held in Los Angeles, September 12 to 16. Represented at the conference will be the eleven western states and British Columbia, Alaska, Hawaii and Lower California.

Uniform legislation will be projected for the entire territory. Safety experts connected with every branch of the industry, along with automobile associations, state traffic bodies, schools, service clubs and similar private and public groups will take part. The purpose of the conference is to bring closer the day when every person in the Western states and contiguous territory will be governed by uniform safety regulations.

Other sections of the country would do well to hold similar regional conferences. One of the greatest barriers to the advancement of safety, especially in the highway field, is the diversity of laws, regulations and ordinances such as stop signs and warning signals. What is legal in one state may be illegal in the next. One town next town ten miles away may use the overhead controls, or one town may have several styles of controls. The motorist doesn't know what to expect.

Equally important, such conferences as these make it possible for experts in many branches of safety work from far scattered places to come together for a meeting of minds, present opinions, and thrash out problems. This is an important phase of the organized safety work we need so greatly today.

Calver's Digest

By Floyd Calvin

Radio Appeal

It was a stirring radio appeal for the relief of the South African natives made by Bishop R. R. Wright, Jr., over the Columbia system from Cleveland, on the "Wings Over Jordan" program, June 12. Giving a clear, concise, and brilliant historical and factual outline of the vast land that is South Africa, the Bishop painted a sympathetic picture of the 7,000,000 natives and 2,000,000 whites. "As yet," he said, "the natives enjoy but little of the civilization of South Africa. They do not live inside the magnificent cities except by special permission, but live in locations from one to a dozen miles from the city proper. They have been nationally disfranchised, have no compulsory education, and are at the bottom of the economic scale. They are about where the American was just after the Emancipation of the slaves—poor, illiterate and unskilled with only a few educated laborers."

We of the United States, surrounded by the most advanced education in the world, engrossed in our protests for equal rights, are apt to forget that things might be much worse for us, and that we are only a fractional part of the darker peoples so blessed by the nearness of our participation in the march of progress. We sometimes criticize our own ministers because they do not in their jobs of teaching the people of heart and to give. But if we gave more to better causes, we might do even better. We have money far beyond what colored peoples in other lands have, but as Harris Dickerson says in "King Money," we are still an underdeveloped money, seemingly unable to discriminate between unproductive use and individual dissipation.

It is encouraging to see that the organization, representing people in the lower income brackets, has given Bishop Wright fifty dollars (\$50)—two scholarships or the South African. It is the United Government Employees of Washington, headed by Edgar Brown, which on the Sunday following the Bishop's broadcast raised the money at its public meeting. This same organization immediately subscribed the sum of \$10 and sent it to Cleveland to help rebuild the great St. James church which was burned recently. "Always, there are some thinkers to be found."

Half Year

As the first half of 1938 closes, there are a number of things which might be mentioned as depicting progress. The Southern Negro has just celebrated their 50th anniversary on the air. The Afro-American is perhaps the best exponent of improving the printing art in Negro journalism. The issue of June 18, 1938, is one of the finest examples of advertising we have ever noted in the Negro Press. If it were possible, this paper would deserve the serious consideration of the N. W. Ayer Typographical Award Committee. The National Negro Insurance Association has just moved up from its best attended meeting in its 18 years of history, and that spring moved up from \$1,800,000 to \$18,000,000 in membership during Insurance Week. The National Association for the Advancement of Colored People (NAACP) has the Interborough Rapid Transit Company (privately owned) of New York City, and the grade of postmaster and newspaper operators. And the Saturday Evening Post has brought in national notice the new mass movement among Negroes to gain their economic rights.

More Birthday Heroes

During the month of June there were the following important birthdays of famous Negro heroes: Mrs. Meddelle Boufford, Chicago School Principal, native of St. Louis, birthday June 4; Roland Hayes, tenor, native of Curryville, Ga., 51 on June 3; Light-Col. Chauncey M. Hooper of the New York National Guard, native of Jersey City, N. J., 44 on June 5; Editor C. A. Franklin of the Kansas City Call, native of Denison, Texas, 58 on June 7; Dr. J. S. Clark, retiring president of Southern University, native of South Carolina, 67 on June 9; Dr. Peter Murray, noted New York physician, native of Houma, La., 50 on June 9; Dr. Charlotte Hawkins Brown, educator, native of (Continued to Page 8)