

## 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.

James H. Williams & James E. Seay—Linotype  
operators and Pressmen. Paul Barnett—Foreman.

### EDITORIALS

#### ECONOMIC HIGHLIGHTS

Over a considerable period of time, the factors influencing business are almost purely economic—purchasing power, abundance of credit, supply and demand, labor conditions, taxes, etc. But, as a private research service recently pointed out, over a shorter period of time these economic considerations may carry weight than what may be termed an emotional factor—that is, the reactions of individuals to the events taking place in the nation and the world, and their fears and uncertainties as to the future.

That factor has been unusually forceful of late. Rightly or wrongly, many have become convinced that war is inevitable. A considerable number believe that eventual American participation is likely. This tragic outlook has clouded all our acts and opinions. It has lessened our faith in the world of tomorrow. And the tremendous worry and uncertainty involved has cast a shadow over our economic and commercial affairs.

This helps to explain the abnormal shrinkage that has taken place in security values. Every authority seems convinced that industry in this country is in nowhere near as unhealthy a state as late stock and bond prices would indicate. They feel that there has been much unwise panic selling, and an equally unwise disinclination of potential purchasers to buy. Economic factors dictate that point of view. But, logical as they may be, they have little weight at present when pitted against the emotional factor. Many people assume that the outbreak of war would send security values crashing downward, in spite of the fact that past precedent indicates that for some months at least they might soar, so far as many manufacturing industries are concerned. And so the markets remain stagnant.

The writer of this column has read a considerable number of forecasts of conditions in the business world, all of them of a responsible character. Practically all hold that the longer-time outlook for domestic industry is definitely favorable. And all of them are sure that there will be no significant drop in industrial production for a reasonable period of time. It now remains to be seen whether public sentiment, which has been of a severely pessimistic character ever since the turn of the year, will take another tack.

Some business briefs of interest follow:

**RETAIL TRADE:** Outlook is good. Recent business has been at excellent levels, comparatively speaking, and the March rise was better than seasonal. There seem to be very few sections of the country where trade has declined.

**BUILDING:** Residential construction is still one of the best of the good business signs, and better-than-season rises have taken place month after month. Non-residential building, ex-

cept for public works, has also shown signs of improvement. Public works projects have been considerably under past levels.

**STEEL:** Production has tended down and consumption up, which means declining inventories. Upshot is a forecast of considerable improvement this summer.

**LIGHT AND POWER:** This industry is still perplexed by its political problems, notably that of just how much farther government competition will extend. There has been a considerable amount of private expansion, however, due to increased demand for electricity by both industrial and residential consumers. Big scale expansion will depend on whether or not talked about "peace pact" between the utilities and the Administration is effected.

**RAILROADS:** Car loadings recently took a sharp decline, due primarily to a sharp reduction in soft coal production, as a result of labor troubles. The immediate future of carloadings therefore depends on just how long those troubles will continue.

**MOTORS:** Latest available figures, for the end of March and early April, show a sharp rise in sales, and summer business, as figured now, will be good.

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Congress hasn't been doing much of late. European troubles have taken most of the lawmakers' energies, and discussions of possible changes in our neutrality law have kept Capitol Hill busy. Many a solon is going gray trying to figure out a way to keep us out of war, and at the same time to help the much beset democracies across the sea.

However, the sentiment of Congress toward domestic issues becomes contently more clear. And the trend is strongly to the right. Never was Mr. Roosevelt's influence at so low an ebb. And those White House advisors who used to write most of the major bills and who threw a tremendous weight, are far out of the limelight.

The attitude of the White House is in itself proof of this. When the President wants something done, he makes requests which are moderate in tone, and there have been no "must demands" for a considerable time. And his plea to his party to keep internal peace shows the way the wind is blowing.

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#### THE MOST PRESSING PROBLEMS

The officers of one of the leading public utility companies of the nation, in their annual report to the stockholders, recently said: "The problems faced by the federal power program are the most pressing now confronting the industry and its investors.

"It is to be presumed that the objectives of both government and the utilities must be the widest possible use of electric service at the lowest possible cost—the achievement of this end and the solution of the existing problems of competition lie in cooperation between the government and the privately owned electric utilities and the coordinated use of the existing generating and transmission facilities of both. We believe that such a program would go far beyond the direct benefits which would accrue and would be helpful in encouraging general business expansion and increasing employment."

One of the worst phases of the whole federally subsidized government ownership movement has been the rampant, unnecessary duplication of facilities which already existed. Towns have applied for and have been given federal grants and loans for the purpose of building municipal systems in spite of the fact that adequate, up-to-

date private companies had abundant generating and distributing equipment to serve their needs. Down in the TVA area in the Southeast, the government has built transmission lines which virtually parallel existing lines more than capable of carrying the load. And out in the Pacific Northwest, it is proposed to build a costly federal transmission network to carry Bonneville and Grand Coulee power—a network which will actually blanket a territory which has been served long, well and cheaply by the private industry.

Responsible utility executives have signified their willingness to cooperate with the government 100 per cent. They have offered to buy and distribute the power generated at the government dams, at rates to be approved by government officials, and to be regulated by government bureaus. Yet the wasteful duplication goes on—to the destruction of private enterprise, and at the expense of every taxpayer in America.

Is it any wonder that the thinking public is becoming weary of the drive to socialize the electric industry—and that the opinion is growing widely that fair treatment for this great industry, which under favorable conditions would spend billions of private dollars (not tax dollars) for expansion, is essential to orderly recovery?

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#### TAX GOVERNMENT BONDS

The Supreme Court's decision that government employees may be taxed, in the opinion of a number of well known, opens the way to stopping the issuance of any additional tax-free government bonds, if Congress will pass a bill to that effect. According to the legal experts, the principle is identical and there is no constitutional obligation which holds that government securities must always be tax free.

Various high government officials including several Presidents, have at times spoken of the desirability of taxing government bonds. At present, government issues are a haven for those who wish to escape taxation of income. In many cases, where large sums of money are involved, the net return to the investor on a government bond paying three per cent is larger than on a private security paying five or six. Two unfortunate results follow this. First, the nation is deprived of tax revenue from the billions of dollars worth of government issues now outstanding. Secondly, the attractiveness of tax-free bonds deprives private industry of capital it sorely needs.

Certainly there is no reason why a man with an income in five figures from government bonds should entirely escape taxation, while a man with an income from private sources is taxed to the hilt. And, as matters stand now, when private industry goes into the money market for the capital needed for expansion and improvement, it cannot compete with the tax-free issues. More and more of the nation's wealth is going into non-productive channels—at the expense of private employment and opportunity.

The court decision making possible the taxation of government workers on the same basis as private workers is a long step in the right direction. The next step should be a refusal by Congress to permit the issuance of any more tax-free securities.

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#### YOUR DESTINY AND YOUR COUNTRY'S DESTINY ARE ONE

Booker T. Washington's body lies a-mouldering in the grave but his philosophy goes marching on, as we have found in the fact that your freedom and America's freedom have become one and indivisible.

Last week's news columns carried a story in which a Louisiana district at-

torney called in unmistakable terms for Negroes to not only on petit juries but on grand juries. Why?

Well, it is, as one might expect, because as a nation we have reached the place where we are observed by all the world—even to how we treat our peons and other all-but-enslaved citizens. Our international complications at this time have grown to such proportions that our potential enemies abroad are picking flaws in a social system which we have been able to keep hidden in the past to the extent that when we shed crocodile tears and reached sympathy to hands across the sea to the disadvantaged Jew, Herr Hitler, Japan and Mussolini not only told us to stay in our own back yard but asked us to consider the beam in our own eyes.

The powers that be in Washington see the effect of this and are calling on our Federal courts—even those branches that operate in faraway Louisiana of the "deep" South, to lay the emphasis on the Law rather than on the local custom of going lax where Negroes are concerned. It is so much social or legal reform; it is not a situation which at all approaches the millennium—it is merely a matter of self-defense where the skeletons in our national closet are being aired internationally.

This is but another straw that shows which way the wind is blowing. It is also an indication that we of a minority group should stand up and do our part toward meeting the new challenges that will come to us as a result of new points of view and the opportunities for us that grow out of them.

These opportunities will arise out of the army, navy and air service situations, which steadily improve in our favor; out of the educational situation in which we have not only the recent decision of the supreme court favoring our full opportunity in the schools of all the country but the increasing acceptance of our scholars in scientific fields and in positions of responsibility the country over. The economic advantage, as well as the intellectual recognition that these advances carry are not to be accepted lightly. One door of opportunity easily opens another, so that we may confidently look forward to seeing those who are beneficiaries of this position show that in many a way our destiny is tied up with that of the other citizens of this country, and that the great problem is to get all concerned to see that fact clearly.

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#### PERSISTENCE PERFORMS A PUBLIC SERVICE

We've all heard the jokes concerning the persistence of the life insurance salesman. And we've all been annoyed by him personally.

But, as many a man has learned eventually, that quality of persistence performs a tremendous public service. Most of us dislike to spend money for things that bring us no immediate pleasure or return. It has to be dredged out of us. We admit life insurance is good and necessary—but if it weren't for "super-salesmanship" not one of us in ten would buy it.

A life insurance salesman's persistence has saved many a man from a poverty stricken old age—and many a family from want when the breadwinner died.

An El Paso man bought a second-hand flivver which he soon took back to the dealer.

Seller: "What's wrong with it?"

Owner: "Every blamed part of it makes a noise but the horn."

"Since I met you, I can't eat, I can't sleep, I can't drink."

"Why not?"

"I'm broke."