

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 time.

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WHAT WAR MEANS TO THE DARKER RACES

Writing under the caption of "Land of the Noble Free", Miss Layle Lane makes out a good case against war and this country's participation in another European war. We would like to point out, however, the other side of the story, especially as it affects the darker races of the world.

The statement has been made by many in authority that another world war would mean the end of the so-called "Nordic civilization." The converse of that argument is that it would mean the advance of the darker races, the Japanese, the peoples of India and Africa—into a larger place in world affairs. This would mean larger opportunity for the Negroes in this country and throughout the world.

Like other ideals to which the human race aspire, a state of universal peace is something greatly to be desired but unlikely to be attained, at least for many centuries to come. There are many people in the world who sincerely believe that there will always be wars and rumors of wars; that to fight is part of man's nature and that there are certain things, such as for one's home and the honor of one's country for which it is cowardly not to defend with physical force.

This theory that war is a necessary evil was propounded many centuries ago by Thomas Malthus when he said that at certain periods the world became overpopulated and that war and pestilence serve to correct this condition. Whether this theory is correct or not, we are not in position to say, but we do know that war speeds up social change and improves the lot of those farthest down, especially if they have large resources of man power available.

The rulers of France and England will have to depend in a large measure on their foreign legions in case of war and the leaders of these darker races are placed in position where they may bargain for the discontinuance of discrimination and proscriptions against their peoples. We venture to say that the cause of independence in India was advanced at least a hundred years by the last world war, and that such British colonies as Canada and Australia would not have gained their present status as self-governing entities of the "British Commonwealth of nations" had it not been for the last war.

Even in this country, groundwork for such desirable social legislation as the social security law, unemployment insurance, etc. was made possible by the world war. The Negroes of this country and the West Indies were given opportunity to broaden their horizons and make substantial gains economically, as well as in the estimation of the world because of their heroic conduct during the war.

Those who talk of democracy in times of war do not understand the nature of war. There is no such thing as

democratic government in times of war. Since it is necessary to have a supreme commander in any conflict, and that commander must of necessity be a dictator. While we agree with those who advocate the use of our armed forces only in defense of this country at home, we also realize that the processes of democracy are much too slow for this country to successfully compete with the other world powers in case of war, and to that extent we think the President is right in his opposition to the Luce amendment.

We are not wise enough to say whether war at this time is desirable or necessary—but we do believe that should war come the darker races will have in their hands unprecedented opportunities for advancement.

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FACT VS. THEORY

It is often argued that a reduction in railroad freight rates to pre-war levels, would increase the volume of business handled by the lines. Leaving aside the very vital question of how the railroads would meet 1939 payrolls operating costs and taxes with 1913 revenues there is a fundamental fallacy in that argument.

Freight rates are entirely unlike passenger fares. A sharp reduction in fares will often in a temporary increase in passenger revenues. But, as an authority on transportation has observed: "Nobody ships freight just to give it a ride. Freight moves only because there is someone, somewhere, to use or consume it. Unless the freight rate is a large part of the price paid by the final consumer as actually to limit his use of the commodity, freight rates have mighty little to do with the total amount of commodities shipped. Freight rates in the United States do not keep our people from eating food, wearing clothes, building homes, or doing anything else they want to do."

The argument for sharply reducing freight rates is naturally based on the premise that current rates are too high and have an adverse effect on consumption. The truth of the matter is that freight rates are usually one of the smallest items in the selling cost of any product. The freight cost for instance, on a fine big apple from Oregon, moved three thousand miles across the continent to the New York market is just a little more than one-half cent. And the rail freight on all the lumber in a \$5,000 house will not average more than \$150.

What this all adds up to is that the American railroads, under private ownership, give the nation the finest transportation service in the world, at a very reasonable cost. That is fact, as against theories.

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"VENTURESOME CAPITAL" NEEDED

"It is essential that we direct our energies toward every move that will encourage our people to invest in enterprises which will put men back to work."

That is the view not of some "Wall Street financier," but of John W. Hanes, Under Secretary of the Treasury, as expressed in an address before the Indiana Bankers Association. And he said in addition: "We are confronted today with a great surplus of capital which does not desire to take a chance, and a distinct shortage of that which does. Venturesome capital is needed to induce the investment of cautious capital. New enterprises can be started and old ones that are subject to rapid change can be continued only with capital enterprising capital willing to take a chance. Moreover, even our most stable industries need a

margin of enterprising capital willing to absorb the shock of the risks to which even those industries are subject. The employment of a dollar of venturesome capital may permit the employment of several dollars of senior capital, but if not one is willing to take a chance, projects may be abandoned even if the earnings prospects are promising.

"There are a number of places where sympathetic action by government might help restore courage and willingness to launch out in new enterprises."

Risk capital doesn't go "into hiding" because it wants to, but because it is forced to. It is forced there by killing regulatory policies, by taxing policies which take the profit out of successful speculative ventures, while leaving the investor with the losses in case of failure, and by the general political drive against private enterprise as we have known it in the past. Our planned discouragement of investment over a period of years has been far more responsible for the maintenance of depression and unemployment than most of us realize.

Mr. Hanes told part of the story, but the reason capital is cautious is the point the public must begin to understand.

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A LESSON FROM HOLLAND

The American people can learn a valuable lesson from the lifeguards at the beaches Holland!

For, according to an item in the Dairymen's League News of New York, these guards make a practice of drinking a glass of milk every hour to give them greater endurance.

Medical men and dieticians often observe that the per capita consumption of milk in this country—by both children and adults—is far lower than it should be, in the interests of health. Few foods contain as much nutritive value as milk, few are more palatable, and few are less expensive. A national milk consumption double or more that existing today, would result in marked betterment of the average standard of health. And, incidentally, it would mean a great deal to the dairy farmer, who has been faced with excessive production over consumption.

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OBSOLETE

Speaking of a sizable group of politicians and officeholders Senator Tydings of Maryland, recently described them as "counterparts of those who wielded power in ancient Rome. These men preach democracy and free enterprise while they set in motion the machinery to destroy it."

The very insidiousness of the attack against democracy is one of its most menacing attributes. The men involved never preach socialism, fascism or nazism as such. Always their position is camouflaged, and always they talk ringingly of democracy.

Unless the American people see through this transparent disguise, democracy will eventually be nothing more than an obsolete word found in dictionaries.

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CAUSE AND EFFECT

The fact that banks are doing more and more advertising and soliciting for worthy loans would seem to thoroughly blast the argument that the banks are intentionally hoarding their capital, and are not helping to build up their communities, state and nation.

No industry is more interested in obtaining new business and increasing old, than banking. Banks are constantly seeking to better their service to the small borrowers as well as the large.

Many banks, for example, have gone actively after such "little stuff" as personal loans and automobile financing and are offering money to reasonable borrowers at very favorable terms.

This doesn't obviate the fact that there is a serious lack of new investment, and that the browning amount of idle money in banks is a very real problem. But to lay all the blame at the door of the bankers is to confuse cause with effect. The barrier to investment and to substantially increased banking loans, lies primarily in the lack of confidence in the future felt by individuals and by both small and large business. You can't expect a man to go into debt to expand his business or for any other purpose when he doesn't know where the money is coming from to pay out. There is, of course a minority of wishful business men who are eager to experiment at any time with somebody else's money—but in cases such as these sound banking practice, to say nothing of the rigid state and federal laws regulating banking, make it necessary to refuse loan applications.

A concern which doesn't want business would hardly advertise and solicit it—and that is as true as any other industry. The banks have the money, and they want to put it to work—after all, their very existence is dependent upon a large and stable volume of sound loans. Money will go to work when conditions in this country are such as to give the legitimate potential borrower faith in the future.

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HAMSTRINGING OF BUSINESS OPPOSED

The Institute of Distribution recently issued a large book containing the opinions of responsible persons and groups in this country which have gone on record as being "opposed to hamstringing chain stores."

It is truly a remarkable record, for it lists hundreds of views by individuals and organizations representing every conceivable sector of our national life. Prominent publicists, high government officials, newspapers and magazines—large and small, press associations, union labor, agricultural associations, property owners, consumers organizations—these are but some of those who have added their telling voices to the mounting chorus of protest against laws and taxes which would destroy an essential and legitimate industry, artificially inflate the cost of living, lead to widespread unemployment and collapse of property values and establish the dangerous principle of "class taxation" in this country.

The American Federation of Labor at its 1938 annual convention, passed a resolution saying: "The destruction of chain store operation would dislocate upwards of 1,000,000 wage earners, an increasing number of whom are members of union labor." The Consumers Council of Colorado states that "legislation which seeks to hamper or put out of business any legitimate system of distribution is harmful to the best interests of wage earners, farmers and all consumers." The American Farm Bureau Federation condemns "discriminatory and punitive taxes of all types designed to favor or penalize a selected group." The Texas Press Association stands militantly opposed to "all efforts calculated to substitute restrictive regimentation for the American System."

This is real American speaking. The interest of the chains is the least of the problem. The real issues are honest government, the preservation of free enterprise, and a decent break for worker, producer and consumer.