

EDITORIALS

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 time.

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PROGRESSIVE MERCHANDISERS SERVE U. S.

The consumer cooperative movement, once widely heralded as the perfect solution to the cost of living problem, seems to have fallen on evil days in this country. This method of retailing has grown slowly, when at all, and the volume of business judged by total retail sales, is microscopic.

There is a very sound reason for that—and it's name is our competitive system of trade. The consumer goes where he gets the best service, the most for his money, and is offered the widest selection of goods from which to choose. Under our competitive system, private merchandisers, of both the single and multiple type, have given the consumer a service unmatched in the world. The resident of a little hamlet gets the same selection and the same goods at about the same price as the resident of a great city a thousand miles away. Every merchant is continually on his toes to meet his competitor in the next street or the next town, and the result is a steady reduction of "in between costs," improved services of many kinds, more advertising, increased turnover and a better break all around for the consumer.

The comparative lack of success of consumer cooperation can be ascribed to its failure to offer the consumer something he couldn't get better in the ordinary way of business. Only in rare instances has it been able to undersell modern low-cost stores. The consumer has found no reason for deserting a highly satisfactory retail system for a more or less untried and cumbersome experiment.

Consumer cooperation, as many an authority has pointed out, has but one chance to achieve great success in this country—and that chance is if we continue to plague regular merchandising with unsound, price-boosting laws. Such laws tend to increase prices, to lower standards of service and thus to penalize the consumer.

MORE FOR YOUR MONEY

In this day and age, we're used to workers of all kinds making demands for shorter hours and pay for less work. But, believe it or not, there is one "servant" which reverses this familiar process—and which, instead, asks for longer hours and smaller pay. That servant is electric power.

In the last quarter century the cost of practically everything we use has gone steadily. Your dollar, for instance, now buys 30 per cent less clothing than it did in 1913. It buys 20 per cent less food. It buys 15 per cent less shelter.

But there is one vital adjunct of living of which it buys a great deal more, and that is electricity. According to the U. S. Bureau of Labor Statistics today's electric dollar measured in the energy it will purchase on a national average, is worth close to twice what it was worth in 1913.

This has obviously saved us all a

lot of money—and don't forget that the saving was made by a heavily-taxed, strictly, unregulated, deficit-breeding public business. Equally important as the saving in cash involved is the fact that cheaper power has been a tremendous factor in improving our living and working standards, doing away with drudgery in home and factory, and so increasing the output of the worker that his wages have risen. Where the average household used about 260 kilowatt-hours of electricity in 1913, it uses almost four times as much, 950 kilowatt-hours, today. That's real progress—the kind of progress that is felt in every home, and can't be adequately measured in dollars and cents.

Yes, the much abused private electric industry has made it possible for Americans to use far more power than any other people, and to attain a standard of living far beyond that known broad. Keep that in mind next time you hear the politicians talking about the mythical "power trust."

A MATTER OF ARITHMETIC

The American press is largely united in a desperate drive for a balanced federal budget. This is not strange. Editors are well informed, practical observers of history in the making. They know that no nation or no government can exist indefinitely under such a profligate spending policy. They know that ruinous spending leads directly to national bankruptcy, loss of individual liberty—and loss of freedom of the press. They know fully that only the weight of public opposition can curb public spending. They are not fighting a altruistic crusade. They are fighting for self preservation, and the preservation of our constitutional government which is our only safeguard of free speech and free press. And they are fighting while they still have a chance to fight.

The magazine, Liberty, recently pointed out that, "American liberty as we know it and value it above all else—will end unless the deficits end. It's a matter of arithmetic." The federal debt on May 22, 1939 was \$40,234,652. Like the mileage on a speedometer, the rising debt clicks off the distance run toward chaos. If and when that destination is reached the fight by the American press will be finished—so will freedom.

"BACK DOOR SOCIALISM"

"We've all heard so much political denunciation of the electric utilities, that it comes as a pleasant surprise to find a public official who has examined the problem realistically and arrived at the conclusion that the cause of prosperity isn't served by legislative assassination of legitimate private business.

Speaking on the floor of the House recently, Representative Dondero of Michigan made these pointed remarks: "In the 10 years from 1923 to 1933 the electric industry constructed in new lines and plants an average of \$711,000,000 annually. In 6 years, from 1933 to 1939, the building average was \$282,000,000 annually. On the basis of the previous 10 years, this was an annual building deficit of \$429,000,000. Moreover, in the last 4 of these 6 years there had been a consumption of electricity far higher than in the boom days of the preceding 10 years."

Mr. Dondero wondered what caused this situation—so he went to authoritative governmental and private statistical records and found out. He found that in the earlier 10 years the general public invested new money in the electric business averaging \$638,000,000 a year. In the last 6 years,

this average dropped to \$49,000,000 (a decline of well over 90 per cent) because of "the policy adopted by this Congress of putting the government into competition with its citizens."

Mr. Dondero summed up in these words: "The time has come when we must make up our minds whether we want prosperity in this country or whether we want back door socialism."

The forced decline in construction by the utilities has been responsible for an immense amount of unemployment. It has been responsible for an immense loss of potential tax revenue to government. It has, in brief, been a heavy contributing factor to prolonged depression. And—here is the crux of the matter—it was the inevitable and inescapable result of a suicidal, socialistic policy of reviling, hampering and destroying wealth-producing, job-producing, tax-producing, opportunity-producing private enterprise.

GREEN LIGHT

On June 5, the Supreme Court of the United States handed down a decision of immense significance to the farmers of America.

The decision upheld the constitutionality of a Federal-State marketing agreement, established by the producers of the New York milk shed in 1938, designed to further the development of agricultural marketing cooperation, and to aid the farmer in getting a fair price for his milk.

The fact that the highest court in the land has thus definitely and finally upheld this policy will give the farm marketing cooperative movement a strong impetus. Its importance is not limited to New York—other groups of farmers in other states, face the same marketing and price problems.

So marketing cooperation, under light. The rest is up to the farmers themselves—for after all, it will be their own work rather than political charity which will wind the day for them.

"An increase in the national income to \$80,000,000,000 of present day dollars would amount to a 'real' income in terms of 1929 prices of over 95 billions, or 15 per cent more than even in that boom year. Such a figure may be obtained in due time, but if the nation is to wait for it to put the federal finances in order, the outlook is not very promising."—The New York Times.

RECEIVER IN BANKRUPTCY

Fantastic as it may appear, the possibility of Fascism in America is sufficiently alive to warrant serious consideration by all thinking citizens. William Yandell Elliot, Chairman of the Department of Government at Harvard University, recently discussed the growth of this form of dictatorship abroad, and finds certain definite ominous parallels in this country.

"Fascism," said Mr. Elliot "comes in various guises, but always as a receiver in bankruptcy. The bankruptcy is most obvious in the economic sphere but it betrays a more fundamental failure—the breakdown of a nation's faith in its institutions."

The trend in this country toward national bankruptcy is inescapable. Within the past decade we have added more than \$20,000,000,000 to the federal debt. Moreover, according to latest reports, the annual cost of government will rise \$1,000,000,000 during the next fiscal year.

Most of this staggering debt increase, we are told, is due to the failure of private enterprise "to take up the slack" in the economic machine, and until it does demonstrate an abil-

ity and willingness to forge ahead (regardless of debts, confiscatory taxation and political attack) there can be no substantial let-up in government spending. Thus we have rising deficits and a threatened breakdown of faith in American institutions—requisites of Fascism.

"Sooner or later," concludes Mr. Elliot, "the pinch of public credit will take us into this dangerous region (chronic economic disorder). If the way out that is chosen lies along the familiar lines of Fascism, even relative freedom is done. Fascist discipline tramps upon the very hands that lift it to power."

In the meantime, the politicians continue to beat business to its knees with fanatical legislation, regulation while asking it between blows to struggle up and carry a heavier and heavier load.

MONEY AND TIME

"The most useless things Robinson Crusoe salvaged were gold coins," said an economist recently. "Money has a time utility. When it buys the things we need when we need them most, as life insurance money does, its value to us is greatest."

There, in different words, is the old, sad, familiar story to the effect that dollars needed most when they are hardest to earn—and that the money wasted by the young man, secure at the height of his earning power, is usually beyond the frail reach of the old. No one knows how many people life insurance has saved from a dependent old age, but their name is legion. They are the happy ones of this earth, who thought ahead.

REAL SOCIAL SERVICE

Private enterprise built this nation as we have known and enjoyed it. It always pioneered in social service. Social service was good business not alone for the benefit of the public, but because it paid dividends to the industries enlightened enough to promote it. It was part of the profit, individual initiative under that system, actuated by the idea of worthwhile service and the hope of a reasonable profit for meeting an unquestioned public need, has given America the greatest human advantages in the world and constitutes the backbone of America's economic strength and opportunity.

A typical example of American industry rendering such service, has been fire insurance. Nearly a century ago it accepted what might be termed the social responsibility of business to help conserve created resources of the nation. In cooperation with duly constituted authorities it has worked consistently to help promote fire prevention, lessen the crime of arson, aided in obtaining adequate water supplies, efficient fire departments and better and safer building construction. As a result, capital stock company fire insurance has been able in the last 25 years alone, to reduce the average fire rate from 1.04 to 0.67.

That is real social service affecting a common necessity, regardless of wealth, class, creed or geography. It is a record of which any industry may well be proud.

DRINK MORE MILK

The solution to the dairy problem seeks, simply enough, increased milk consumption. According to the Dairymen's League News of New York, if everyone over five years old drank an extra glass of milk each day, the farmers' annual cash milk income would increase by more than \$500,000,000 or 36 per cent.