



## The Indianapolis Times

(A SCRIPPS-HOWARD NEWSPAPER)

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"Give Light and the People Will Find Their Own Way."

### No Strike This Year

All the people are intensely interested in the conference now in progress at Terre Haute at which the union coal miners and the coal mine operators are endeavoring to reach a scale agreement.

That conference might easily destroy this industry in this state if reason and unselfishness do not dictate the terms under which men may work and coal may be mined.

It may be taken for granted that the men of the mines understand that in these days of economic disturbance and depression, some concessions must be made in order that the Indiana fields may compete with those of West Virginia and Pennsylvania.

It is highly important that the number of men employed be increased, rather than decreased, as a result of the agreement and that the Indiana output be restored and maintained.

The coal industry in the state has not flourished in recent years. A variety of causes contributed to this result. Wise leadership of the men is needed as never before.

Mining of coal under injunctions and in conflict with so-called co-operatives has become intolerable, resulting in loss to the owners of mines and widespread misery and privation to the miners.

It is within the realm of probability that an effort will be made to direct the Indiana miners into a situation where a strike might easily result. A strike in Indiana mines this year would be fatal to the industry and, what is much more important, probably fatal to the miners' organization through which fair and reasonable working conditions are alone possible.

Any advice from leadership, local or national, that heads toward a strike should be scrutinized most carefully. A miners' strike this year is unthinkable.

### Give Them a Chance

A special session of the legislature is imperative if the farmer and smaller home owner is to be saved from bankruptcy through unfair distribution of taxes.

So far Governor Leslie has taken the attitude that there will be no session until a majority of the members of the legislature sign agreements in advance that they will write only a tax law which meets with his approval and then adjourn.

That attitude is, of course, unjustifiable on any theory that the people make their own laws through a legislative branch of government and that the Governor is elected to execute the laws, not dictate them.

Most of the members of the legislature would like to come back to Indianapolis for another term. Many of them piled up records in the regular session in which the search for some argument or even explanation for their neighbors is exceedingly difficult. They are probably sorry. They would probably do better if given a chance to redeem their records and establish themselves in public confidence.

A tax upon the intangible forms of wealth is inevitable. There must be economies. It may be necessary to shift a large portion of the highway tax to other uses.

But it is also imperative, as John White, able member from this county, points out, to pass some utility legislation that will bring relief to the consumers of electricity, water and gas.

The legislature attempted to write one law by forgery, or rather some undisclosed but powerful forces in the legislature did succeed in getting the signature of the Governor to a paper that the courts said was fraud and forgery.

It is just possible that if the Governor consents, the legislature will repent of its sins of omission and commission and write some real and needed laws. Give them a chance. It can do no harm. It might do good.

### What Experts Say

It might be assumed that leaders of the house of representatives acted upon expert advice when they wrote their vicious general sales tax. Search of the record fails, however, to reveal the opinion of one outstanding fiscal expert, inside or outside of government circles, who was whole-heartedly for this basic change in the American tax system. If there are any such experts their number is small.

No later than Dec. 14, Ogden Mills, then undersecretary and now secretary of the treasury, said that the treasury department had rejected the general or turnover tax "not only because it bears no relation to ability to pay and is regressive in character, but because of the enormous administrative difficulties and the almost inevitable pyramiding of the tax in the course of successive sales."

Again, on March 12, Mills said: "I happen to be one who in the past has not favored a sales tax. I prefer a tax system consisting of a progressive tax on individual incomes with a broad base, a corporation income tax, an estate tax, customs duties and a selective group of excise taxes." Now he merely says the ways and means sales tax plan is "acceptable."

Undersecretary of Treasury A. A. Ballantine is quoted as having denounced the general sales tax as "essentially unjust" and "grossly discriminatory."

E. C. Alvord, treasury specialist, was asked in committee hearings by Representative Crisp whether, as an American citizen, he favored the general sales tax. He replied: "At the present time, no sir."

Dr. Thomas S. Adams of Yale, a committee witness, thought the system in Canada a success, but admitted he had not talked with Canadian farmer, labor or consumer groups.

Economists have been almost unanimous in opposing indirect taxes upon the people's needs. For instance:

Adam Smith in His "Wealth of Nations"—Tax on the necessities of life operate exactly in the same manner as a tax on the wages of labor.

John Stuart Mill—Exclusion must be made upon all taxes on commodities, necessities of life, or on materials or instruments employed in producing these necessities. Such taxes always are likely to encroach on what should be left untaxed, the income barely sufficient for healthful existence.

Professor E. R. A. Seligman of Columbia—The sales tax sins against the cardinal principle of equality of taxation.

Dr. William J. Schultz, Financial Economist for the National Industrial Conference Board—The supreme drawback to a federal sales tax would be its social injustice.

Dr. John R. Commons, President of the Consumers' League and Wisconsin University Economist—A sales tax reduces the purchasing power and welfare of the millions of low-paid consumers. It is a tax exactly reverse to the better principle of ability to pay.

Dr. John Dewey of Columbia—A sales tax is gov-

ernmental blackmail on hunger and small earned incomes.

The national industrial conference board report of 1929; United States Chamber of Commerce committee on federal taxation; organizations representing upward of 50,000,000 farmers, union workers, consumers and retailers all oppose the sales tax principle.

Even former Secretary of the Treasury Mellon did not propose a sales tax. When approached upon it last September, Senator Reed, after an hour of argument with him, admitted that Mellon "was not so keen for it."

Who, then, advised the Garner-Crisp-Hawley sales tax boosters of the house?

### Tax Beer

Of the many reasons given by the senate subcommittee for its favorable report on the Bingham bill to legalize 4 per cent beer, the economic reasons probably will arouse widest interest. That prohibition has increased consumption of hard liquor, spawned the bootleg industry, multiplied racketeering, corrupted the courts, increased lawlessness and disrespect for the law, and lowered the morals of the nation, are facts fairly well established.

But the serious economic consequences of prohibition have not been recognized until now. In times of depression it is the dollar and cents argument that goes home.

When a senate subcommittee finds that legislation of 4 per cent beer would give employment in a relatively short time to from a half million to a million persons, even the most fanatical dry must pause.

We are inclined to think this estimate is too high. But even if the estimate is cut in half, the figure remains significant—especially when we recall that prohibition was sold to the country originally on the propaganda plea that it would guarantee permanent and high level employment and prosperity.

The most convincing part of the economic argument against prohibition, however, is that which applies to government finances. At the moment the country is suffering from a dangerously large deficit and the necessity of increasing federal revenues.

The Democratic and Republican machines in congress are ready to impose a general sales tax—which they admit is vicious in principle—as a necessary evil.

This newspaper, and liberals generally, oppose the sales tax and desire to cover as much of the deficit as possible by restoration of war-time surtax and death duty tax.

But a beer tax—of 2 cents a pint—would wipe out the necessity of either a sales tax or of war-time income and estate taxes. The senate subcommittee estimates that such beer tax would net the government annually from \$347,000,000 to \$800,000,000.

Now the government pays millions to "enforce" an unenforceable law and is denied the opportunity of taxing the beer which flows so freely. The gain of the bootlegger is the loss of the citizen, who will pay off the federal deficit through sales taxes or income taxes. Prohibition is to blame.

### Worthless Fortunes

The miser is a phenomenon as old as civilization; and from the very beginning he has been a great waste.

There died in the middle west the other day an aged recluse who lived in a tiny apartment on a mean side street. To all appearances, he was just one notch above actual destitution.

But when his effects were examined, after his death, it was found that he owned cash and securities worth upward of \$800,000.

Cases of this kind continually are coming to light, and there is nothing especially unusual in this one. But it does make one wonder, anew—Why?

The money did the man no earthly good. It now is being divided among thirty-nine cousins, and it is doubtful if he saved it on their account. It did him no good whatsoever.

What can be the motive that makes a man treat his money that way?

Candidates for the presidency have at least one thing in common. They make plenty of speeches and seldom say anything.

A girl with a dark past is one who used to be a brunt.

Since prosperity seems reluctant to return to business, maybe it's up to business to return to prosperity.

One of the curiosities of the year in Europe is the American tourist.

A headline says, "United States to Oppose New Japan Plan." Well, turn about's fair play.

Judging by boxoffice figures, Jack Dempsey's comeback campaign proves one thing. He can take it!

We wonder if the peace Japan is talking about wanting from China shouldn't be spelled "piece."

### Just Every Day Sense

BY MRS. WALTER FERGUSON

I CAN'T sleep at night worrying over the Lindbergh baby," said a woman to a group of friends.

I dare say there is no mother in all the land who has not awakened in the dark and anguished with Ann Lindbergh.

It has, I hope, awakened women from their pleasant dreams of "God's country." For the mothers of America must help to bring the nation back to decency and to make it a safe place for all babies. What a challenge that is! What a magnificent job we have before us, if we only will recognize it!

And I do not believe that this job can be done merely by passing more harsh laws against kidnapping. We know the futility of laws. They never can remedy the evils from which we now suffer.

We must substitute education for edicts, because no law is any good unless it can be enforced and we now have so many that it's a physical impossibility to do that with any success at all.

IT'S futile to ask for good men and women while two-thirds of our children live in frightful holes, victims of poverty, without cleanliness for their bodies or beauty for their eyes. Criminals and half-wits breed like flies because we haven't the courage to look facts in the face.

I was shocked to find some time ago that two children, 6 and 8 years old, were locked in a cell in the city jail. Their parents were petty criminals. There was nowhere else for them to go because—and this is the craziest fact of all—the detention home for which municipal money had been spent could take only children convicted of misdemeanors.

Think of it! A 6-year-old baby locked in a cell without a toy to amuse himself! That is the sort of thing that makes the tragedy of Charles Lindbergh possible. It is perhaps too late to reform most men and women. But the children can and must be saved.

Dr. John Dewey of Columbia—A sales tax is gov-

## M. E. Tracy

Says:

*It Is All Wrong to Imagine That Prosperity Can Be Restored Through the Roof. Our Trouble Is on the First Floor.*

NEW YORK, March 22.—At first thought it seems no more than fair to revalue the estates of those who died just before the crash.

What looked like an inheritance of \$1,000,000 in the early part of 1929 might easily shrink to \$200,000 or \$300,000 by the end of 1930. If the heirs were called upon to pay the tax on \$1,000,000, they might easily be left with less than nothing.

The provision of the new tax bill which permits revaluation of estates eighteen months after death would seem to be equitable.

But let us consider some other cases.

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### Woe to Rest of Us!

TAKE the small business man, for instance, who was operating on a \$10,000 line of credit in the early part of 1929, and who couldn't meet his notes after the crash.

Take the home owner who lost his job and couldn't meet the local tax bill.

Take a thousand and one of us ordinary folks who found ourselves caught in the backwash of depression, but with owed debts that had been agreed upon during the boom.

Has the government passed any measure for our relief? Has it shown any consideration for the losses we have sustained through reduced income, or lack of work?

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### Saving the Rich

THOUSANDS of little people for instance, who was operating on a \$10,000 line of credit in the early part of 1929, and who couldn't meet his notes after the crash.

Thousands of little shops have been closed; thousands of homes have been sold; thousands of notes have been called; in obedience to the theory that the nation's future hung on relief for a few gigantic concerns.

Whether consciously, or not, our whole campaign of recovery has centered around the idea of saving the rich, regardless of what happened to the poor and middle class.

Such an idea does not square with the record of American progress and prosperity.

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### Trouble's at Bottom

LITTLE people make the business of the country. They consume the food, wear out the clothes and pay the rent.

It is all wrong to imagine that prosperity can be restored through the roof.

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### Deceiving Palaver

TRUE statesmanship never would have permitted unemployment to creep upon us as it has, or allowed the financial structure to exert such pressure on those least able to bear it.

The very first move should have been to protect small independent business, and provide work in every possible line, especially new lines.

The American Legion and the American Federation of Labor are showing what could have been done two years ago.

Nothing has done more to mislead and deceive people than this optimistic palaver at Washington. Millions fell for the bunk that all they had to do was stand and wait for a few big boys to set things right.

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### The Last Gasp

THE sales tax represents about the last gasp of an unwise policy.

All it amounts to is just another effort to put the burden on those at the foot of the line.

If the rich no longer can stand the pressure, which seems to be in favor of this measure, how can the poor, or those in moderate circumstances?

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### IT SEEKS TO ME

BY HEYWOOD BROUN

SOME of the Governors who responded to Senator Bingham's questions on hunger and unemployment took in a good deal of territory.

Vermont's executive is praised in certain quarters for his Yankee economy of words because he replied, "No people starving."

I am struck less by the economy than by the arrogance of such a report.

After all, precise statistics on starvation are not available. "I do not know for certain," would have been a fair answer in almost every case.

But at best I think that the inquiry was couched in terms a little tricky. It is probably true that the millions are not as yet actually failing in the streets from lack of food.