



The Indianapolis Times

(A SCRIPPS-HOWARD NEWSPAPER)
Owned and published daily (except Sunday) by The Indianapolis Times Publishing Co., 214-220 West Maryland Street, Indianapolis, Ind. Price in Marion County, 2 cents a copy; elsewhere, 3 cents—delivered by carrier, 12 cents a week. Mail subscription rates in Indiana, \$3 a year; outside of Indiana, 65 cents a month.

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PHONE—Riley 5551 MONDAY, JUNE 6, 1932

Member of United Press, Scripps-Howard Newspaper Alliance, Newspaper Enterprise Association, Newspaper Information Service and Audit Bureau of Circulations.

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

The Chilean Revolution

Any revolution led by Carlos G. Davila is apt to amount to something. Davila is not only the outstanding personality of Chile, he would be a leader in any country.

When he was in the United States as Chilean ambassador, he earned a reputation of knowing more about American business conditions than most American bankers and economists. He is a politician of the post-war school that puts economics above political dogmas.

Short, quick and smiling, Señor Davila takes the most direct route to his objective. If that means using an airplane for a speaking tour, he uses it. If it means forcing a revolution to accomplish his purpose, he produces the revolution—as he did in Santiago Saturday.

Of course he did not cause the revolution in any basic sense. Terrible economic conditions were the cause. But Davila apparently disciplined, led, and timed the revolutionary elements.

At this distance and this early, it would be futile to attempt to measure the effects of the Davila revolt. Perhaps even he does not know how far he wants to go in revolution. Like other leaders of revolt, he not only leads, but is led, by his revolutionary army.

News dispatches describing the Davila dictatorship as socialistic easily may be misunderstood. Certainly Davila has as little kinship with the American Norman Thomas as with the Russian Stalin.

His platform includes the familiar revolutionary slogans, but that is the way Mussolini and Hitler started. Probably a cross between state Socialism and Fascism would be a more accurate description of what Davila is driving at than Socialism.

But whatever he is driving at is important to the United States. For us Chile is the key country of South America. She holds vast American investments. She is the only naval power in the south Pacific. What Chile does one day, other large South American countries may do the next.

The Myth of the Short Sales Cushion.

The great argument in favor of short selling is that this practice serves as a cushion to the market. When stocks move downward, the "shorts" hasten to cover. Hence, they put in orders to purchase, which boost the market price of the securities involved and gives renewed confidence. This prevents the collapse of security values on the Stock Exchange.

That any such contention is contrary to the whole logic of short selling has not seemed to put a damper on this cushion talk. It is the aim of the professional shorts to depress the market as far as possible. Therefore, they are not likely to step in and buy until the market has gone into what practically constitutes a collapse.

Only a bunch about a decisive upturn in security prices will send the bears scurrying to buy and cover their obligations. If a bear ever serves as a cushion, it is contrary to his interests and intentions and a result of supposed necessity.

The cushion myth is exposed by the well-known financial expert, John T. Flynn, in an article in the New Republic. He illustrates his case by using the example of American and Foreign Power and J. I. Case common stock, two securities in which there was considerable short activity at the close of last summer.

On Aug. 1, last, American and Foreign Power common had been sold short to the volume of about 125,000 shares. At that time it was selling at about 27. It oscillated in price for a couple of weeks, rising to its high for this period, a little over 30, at the middle of the month.

Then it broke sharply and settled down to about 12 at the end of September. Within six weeks it thus had declined to little more than a third of its value on Aug. 16.

Did the "bears" step in to save the stock from collapse when it appeared to be breaking—thus sustaining the cushion theory? They did not.

When the prices seemed to be hitting the tobboggan, they did exactly the opposite. They greatly increased the short sales, thus giving the stock an additional kick into the cellar. On Aug. 20 the short interests stood at 122,000. On Sept. 11 they stood at 141,600.

Further, the number of daily sales of this stock greatly increased after the break began. In short, the stock deliberately and sharply was hammered down.

After Sept. 11 there was some attempt to cover, but this moved slowly. When the stock had sunk to 12, there still were 50,000 short shares which had not been covered. Such covering as was done was in large part a result of England's going off the gold standard and the temporary suspension of short selling on the New York Stock Exchange, which frightened many bears into covering activities.

Thus the cushion turned out to be a trapdoor into the basement.

The J. I. Case short activities were equally impressive. There are only 195,000 shares of Chase common. Yet, on Aug. 1, 1931, there were 83,965 shares short which had not been covered. The stock then stood at 60. By the end of September it had dropped to 38.

Did the bears put their sturdy and benevolent shoulders under Case and stop its slide? No more than they did with American and Foreign Power. During August they sold more and more shares short. By Aug. 18 the short interests had mounted to 120,000 shares. By Aug. 28 they totaled 139,600, or 71 per cent of the entire issue of common stock.

Moreover, there was the most vicious and persistent hammering of the stock through excessive daily sales. Through August and the first half of September the weekly sales of Case common far exceeded the total stock outstanding. The total issue of Case common we have seen is only 195,000 shares. Look at the following record of weekly sales:

Aug. 3.....	288,600 Shares
Aug. 10.....	213,000 Shares
Aug. 17.....	428,000 Shares
Aug. 24.....	432,000 Shares
Aug. 31.....	382,000 Shares
Sept. 7.....	310,000 Shares
Sept. 14.....	204,000 Shares
Sept. 21.....	348,000 Shares

If anybody is interested in the rape of sound industry by high finance, let him read this record and weep.

Wilkinson

One can not avoid contrasting the forthright action of the house judiciary committee in voting unanimously to probe the receivership scandals in the court of Federal Judge Louderback of San Francisco with the senate judiciary subcommittee's major action regarding Judge Wilkerson of Chicago.

While the house committee, under inspiration of Representative La Guardia voted to investigate the San Francisco affair, the senate subcommittee majority voted again to confirm for advancement the Chi-

M. E. Tracy

Says:

'Am One of Those Who Believe Our Political System Has Become Obsolete or Impractical.'

NEW YORK, June 6.—We enter the month of conventions with no great issue in sight, no definite line of cleavage between the two major parties, no chance to express ourselves on the various questions of public policy which have arisen as result of depression.

Prohibition has failed to produce a stand by one party which could be distinguished from that of the other. The Republicans will endorse a liberal dry plank, or a conservative wet plank, as you prefer to call it. The Democrats will charge them with pusillanimity and then do exactly the same thing.

As to the tariff, power, Russian recognition, farm relief, disarmament, and a host of other important matters the political leaders have logrolled, compromised, traded and stalled, until neither party can make an honest, coherent declaration.

What a mockery of American intelligence and the democratic form of government! The greatest republic on earth is about to put on its quadrennial strut, with the usual drive for campaign funds and the usual organizations to spend them; with tons of speeches and pamphlets for the postoffice to handle; with the claim that all citizens should vote, and, if they lack the interest to do so by themselves, that means should be provided to drag them to the polls. And what is it all about?

What's the Difference?

WHEN we get through with the show, a Republican or a Democrat will have been elected President. With the exception of the man's personality, it won't make much difference as far as we can tell right now.

Democrat, or Republican, we shall be right where we are with regard to the Volstead act, war debts, foreign trade, and Muscle Shoals.

Wilkerson's record also is blemished with a series of anti-labor injunctions, showing him one of American labor's most relentless enemies on the bench.

The senators voting in committee for his confirmation have allowed one act of this judge—that of sentencing Al Capone to thirteen years in prison—to obscure his obvious disqualifications.

The senate should vote against confirmation. At least it should withhold approval of this judge until the legal fraternity of his own city finishes its investigation of receivership scandals.

The Women's Program

The National League of Women Voters has determined upon three liberal planks to sell to the two parties in convention this month.

The league urges economy that considers human welfare as well as efficiency. It warns particularly that economy in Washington should "include the continued protection of children, the prevention of needless maternal and infant deaths, and adequate provision for essential education."

President Hoover may read here a warning that he should not kill the children's bureau.

It points to the government's responsibility for present and future unemployment, and urges "the need for a co-ordinated system of federal, state, and local free employment exchanges and the promotion of unemployment compensation."

The women, apparently, are dissatisfied with the hoarding of money in these United States; it has led to the burial of ideas, especially if they call for detailed action.

Finally, they urge the United States to assume leadership in enforcing the pact of Paris and to join immediately the world court.

Unfortunately, the league women did not include a fourth plank, prohibition reform, such as was urged upon them at their own convention.

A man just back from South America says that things are so bad down there that they're offering three birds in the bush for one in the hand.

There's nothing left of the political parties but the labels, says Senator Hull. Who will open the bidding for the labels?

Samuel Vauclain, Baldwin Locomotive chairman, says the United States "is in clover." That may be true, but you can't get anything for clover these days.

In Florida the sun comes out every day, says a vacation ad. And the mosquitoes come out every night.

Mellon Clears London's Mind, says a headline. Why not bring him back and let him clear Washington's mind while he's at it?

Business has reached the turning point, a Chicago economist says. We certainly hope it doesn't take the wrong turn again.

All our foreign wars have started in April, but the Democrats hold their convention in June.

The more we read about Krueger, the worse it gets. Next they'll be saying he didn't pay his income tax.

Just Every Day Sense

BY MRS. WALTER FERGUSON

HERE are two traits for which women always have been ridiculed. One is curiosity; the other is inconstancy of opinion.

Yet both these qualities are a mark of intelligence. Only the curious ever learn, and only the fool never changes his mind.

Women, individually and en masse, are quicker and smarter than men, because they are avid for the new. They want to know what goes on in the neighborhood and therefore it is not hard to awaken in them a curiosity about what goes on at the other ends of the earth.

Sometimes this inquisitiveness leads only to prying, but the fact stands that all progress ever made has come about because somebody was curious.

American women are not content to sit still and take it for granted that everything is O. K. The League of Women Voters, for instance, had a lively desire to find out about how its government worked and why. Because of this, probably many of them will change their minds about many things.

WE wanted something different from the evils of saloon days once. We got it. Today we want something different from the evils of complete prohibition. We shall get that, too. The first real momentum to the modification movement came when women began to be curious about crime and its beginnings.

We also have become concerned vastly about this business of war and what it is doing. One day we shall change our mind, and, incidentally, the mind of the world, about that, too.

Indeed, most of the efforts to lift American thinking out of rut is being done by women. It may be because they have more time, and then, again, it may be because the female never has been afraid of anything.

Perhaps man was cursed for Eve's curiosity, as the religionists tell us, but he has been blessed ever since by the same characteristic.

Questioning, curiosity, venture have contributed all progress. And the only person who ever gets ahead is the one who is not afraid to change his mind.

Almost Out of the Woods



DAILY HEALTH SERVICE

Heat Is Factor in Diarrhea Epidemic

This is the first of two articles by Dr. Fishbein on summer diarrhea in babies. The second will be printed Tuesday.

BY DR. MORRIS FISHBEIN

Editor, *Journal of the American Medical Association*, and of *Hygiene, the Health Magazine*.

AT a time when our infant mortality rates were such as to startle the world, many children suffered severely with diarrhea in the summer.

It is soon found that these diarrheas were due in many instances to the failure of the stomach to digest food.

It is also found that repeated attacks of diarrhea interfere with the ability to digest foods. Therefore, the first attack may not be severe, but continuous attacks become more

of sunshine, and filth interfere with proper hygiene of the human body.

Excessive heat is an important factor, because high temperatures act as dehydrants. A lowering of body fluid is associated with high temperatures.

Moreover, foods in general tend to ferment and spoil quickly.

One investigator found that heat decreased the amount of hydrochloric acid in the secretions of the stomach.

It is, in turn, lowers the ability of the stomach to aid in digestion, permits the development of germs which otherwise would be destroyed, and favors the development of toxic substances due to decomposition.

It has been found that repeated attacks of diarrhea interfere with the ability to digest foods. Therefore, the first attack may not be severe, but continuous attacks become more

and more difficult to handle, and the most serious mortality occurs in the early fall.

During the first few days of life, the child may have six to twelve actions of the bowel each day without harm. Toward the end of the first week of life, there may be frequent actions, which are probably due to the fact the child has not had sufficient food.

At such time, the increased feeding will bring about control of the condition.

Under average conditions the digestive system of an infant will tolerate a considerable amount of abuse. However, in hot weather an excess of fat or sugar in the diet and an excessive amount of roughage may cause a diarrhea.

Next—What to do for diarrhea in babies.

IT SEEMS TO ME BY HEYWOOD BROUN

A REPRESENTATIVE from Arkansas has offered a resolution to the house requiring all civil service employees to be familiar with "The Star-Spangled Banner."

Mr. Fuller has tempered his test a little by giving the applicants some measure of choice in the matter of rendition. The public servant may recite or to jot down the words has a right to ask that somewhere a band shall be playing.

This is just as well. Our national anthem offers certain rights impossible to those whose vocal gifts are inferior to the lower register. Many an honest and capable clerk might well crack on "rockets' red glare" and be disqualified from a chance to serve his country.

Indeed, if the test were to be wholly musical, the result would be an entire light tenor administration of the affairs of the United States. And surely Washington, today, stands in need of baritones.

And yet the alternative offered of reading or reciting offers far greater difficulties. Any man with a voice can sing or skip a few phrases and leave his audience none the wiser. Or less happy, for that matter.

Someone to Carry the Air

IN a fairness it seems to me that each examination in person. The poor fellow who undertakes to recite or to jot down the words has a right to ask that somewhere a band shall be playing.

The sound of the tune may bring forgotten words to mind. Possibly the gentleman from Arkansas might agree to remain in the room and hum the air while the ordeal is on.

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