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MAKING BANKS SAFE

Members of the legislature will do well to examine carefully the measure introduced by Representative John Jones, offering a plan to make banks safe for depositors.

The plan is simply to force banks to unite by regions under a system now used by clearing houses. In short, it would force banks to take an interest in each other and be on guard against bad practices.

It may be a matter of some significance that in days when there have been failures and a consequent decrease of credit resources and buying power, no member of the clearing house has suffered.

If there be safety in the clearing house plan, and there seems to be, it should be extended to all banks so that industry and business be protected against any shock that comes with bank suspensions.

Other banking proposals will have the effect of reducing the number of banks and eliminating those who may be tempted to embark in this business with neither the training, the resources, or the temperament to be successful.

Other states have tried to guarantee deposits through state action. That experience has always been bad. The people have paid and banks have been tempted to depart from cautious practices.

But the Jones plan is based on a different theory. It would put it up to the bankers to keep all banks safe. Financial penalties would insure an active interest. If it be feasible, the bankers should be most active in its adoption.

UTILITY RATES STILL UP

In November, 1931, domestic consumers of electricity were paying an average monthly bill of \$2.81. In November, 1932, they were paying \$2.80.

The average household price of manufactured gas fell not at all during the last year, in which food, farm products, textiles, clothing and furniture all tumbled so rapidly. And an electricity tax which was intended for the companies was transferred shifitly to the consumer, making his bills actually higher in the year of deflation, instead of lower, as they should have been.

In the city of Washington, D. C., householders paid \$1.95 for 50 kilowatt hours of electricity, and the privately owned company which supplied it, under careful regulation, made a good profit at this low rate.

In other parts of the country where, presumably, regulation was less efficient, householders paid as much as \$3.69 for the same amount of current. The average for 190 large cities of the United States was \$2.25.

Meanwhile, utility companies, still enjoying the benefit of monopoly industry, based in many instances on natural resources, and protected by past rulings from federal courts as to what does and what does not constitute a confiscatory rate of return, continued to prosper.

It is true that the Kankakee Water Company went to the courts in Illinois and complained that it was earning only 5.17 per cent and therefore was suffering confiscation of property, but few such complaints were heard.

In the Kankakee case the courts held that a utility should not expect such large profits in hard times as in better days, and did not permit an increase in rates. Which suggests that utility commissions everywhere well might take advantage of this mood on the part of the courts and see to it that before another year passes the cost of gas and electricity for home use drops to the 1933 general price level.

STATE TAX PLANS

(From the New York World-Telegram)
"This budget," declares Governor Herbert Lehman of New York, "is in keeping with the times. Extraordinary conditions compel unusual adjustments."

Not so strikingly "unusual." Nothing is more usual, alas, than meeting desperate need of public funds by adjustments broadening the basis of taxation so that small incomes will carry more of the load.

The "little fellow" always is most numerous. Also, he can be made to pay his taxes with least protest and bother. He is a godsend to hard-up governments.

The biggest item in Governor Lehman's proposed new taxes is the \$37,000,000 to be raised by an added 1 per cent tax on gross incomes for 1933. Every single person with an income of \$1,000 or more, every married person with an income of \$2,500 or more, would pay.

Capital gains and losses excluded, exemptions cut down—all this in addition to the regular state income tax, which was doubled last year. Also, in addition to whatever congress may have in store in the shape of "broadened" federal income taxes.

Under the Lehman plan the married person with two children and an income of \$5,000 would pay next year a total state income tax of \$84.

Figured in a family budget of strict necessities and on top of other taxes, does that \$84 represent the same proportional hardship borne by a person with \$100,000 income, whose state tax next year would be \$5,602?

Who will contend that it does?

"Broadening the tax base" is the easiest way in state or federal field. But it still is far from equitable. Nor is there justice in continuing to provide for higher bracket incomes in tax-exempt government securities.

The Lehman retail sales tax proposal, moreover, raises another grave question of the economic wisdom of further discouraging consumption when increased consumption is the admitted major need.

We do not underestimate the Governor's difficulties. We believe he honestly and carefully has studied the question. But we are loath to see the easiest ways of increasing taxes accepted simply because they are the easiest.

We think the time has come to protect the buying power of small incomes rather than to treat them as the surest, least resisting source of revenue.

AIR MAIL SUBSIDIES

The long painful discussion over government economy took an intelligent turn in the senate last week, when air mail subsidies were selected for amputation.

At times congress displays all the agility of a tight-rope walker in avoiding obvious important duties. This is one of the other times when an unpleasant task was faced courageously and done thoroughly.

The senate's action is not intended to end air mail service in the United States, although the entire \$19,000,000 appropriation for this purpose was stricken from the postoffice appropriation bill, on motion of the Democratic leader, Senator Joseph T. Robinson.

Robinson said, when he suggested what appeared to be very drastic action, that his purpose was to provide a means of reorganizing the air mail so that it can pay for itself within a reasonable time.

If this plan is carried out, the new administration will examine existing air mail contracts, eliminate subsidies entirely or gradually, and prepare new contracts under which the government will pay a fair price for transportation of the mails by air.

The government operated the air mail at one time and brought it almost to the point of being self-supporting before it turned it over to private industry.

Since this is true, the postoffice department should be able in a short time to reduce its payments for transportation of air mails to a moderate poundage basis similar to that paid for transportation of mails by rail, at the same time leaving the private operators in a position to earn reasonable profits.

OUR GRANDFATHERS

"People are complaining about the loss of things which their grandfathers never had," is a saying which is going the rounds.

It is a good answer to querulousness and cowardice, but it is not an answer to the economic question.

We should be responsible for a tragic failure to conserve humanity's achievements if we were content to go back to our grandfather's standard of living.

It is our duty as well as our right to make widespread luxury practicable.

We will not be better off if we go back to grandfather's horse and his bowl and water pitcher.

We will be better off if we have grandfather's courage to pioneer.

Our pioneering must be in distribution, as grandfather's pioneering was in production.

Our courage must be great enough to face the fact that there can not be a better distribution of goods without a better distribution of wealth.

Lloyd has insured a bridge against the risk that some day he may have to support his mother-in-law. But it hasn't yet offered protection against her visits.

It's not surprising to see congressmen fighting like cats and dogs. But running around in circles trying to make both ends meet is carrying the impersonation too far.

Sometimes we're glad we don't know much about this theory of relativity. We'd hate to be told that the first robin just was late getting away.

It's fitting that Paris designers should trim the new spring gowns with telephone wire, considering the long distance tolls American women pay for them.

A London laborer gave Britain a shock by managing to break into the Bank of England, regarded as impregnable as the Rock of Gibraltar. The intruder might be just the right man for Roosevelt's cabinet.

If Admiral Byrd's next trip to the south polar regions accomplishes nothing else, it will give him a splendid opportunity to dispose safely of a four-year accumulation of used razor blades.

Now they're proposing pocket radio sets for patrolmen on the beats. Might be all right if the coppers don't get their programs mixed and find after an hour that they've been trying to run down "the arch counterfeiter of 1912."

Just Plain Sense

BY MRS. WALTER FERGUSON

THE struggle between pacifism and militarism now is unequal. Advocates of the latter have at their disposal vast government appropriations. Peace lovers have only words.

But in the end words always have proved more powerful than dollars and the day surely will come when men and women will make their last great fight against their everlasting and implacable enemy so that small incomes will carry more of the load.

Not so strikingly "unusual." Nothing is more usual, alas, than meeting desperate need of public funds by adjustments broadening the basis of taxation so that small incomes will carry more of the load.

I love to remember what Eugene V. Debs said when he stood before the Ohio judge not so many years ago while the war fever, like some evil plague, swept over the land.

"Gentlemen," said Mr. Debs, in a truly Homeric statement, "I will take back no word to save myself from the penitentiary. I am accused of obstructing the war. I admit it. I abhor war and I would obstruct it if I stood forever alone."

All the valiant deeds of all the warriors of earth do not exceed in courage these simple words. They hold for humanity something of the same meaning that Jesus gave as He trod the road to Calvary: "Daughters of Jerusalem, weep not for me. Weep for yourselves and for your children."

AND we of the twentieth century shall weep, and we deserve to weep, if, knowing as we do all the horror, crime and futility of war, we do not make more of a conscious effort to outlaw it than we are making now.

When Bruce Barton proposed that congress should appropriate 5 per cent of its present war budget, or some forty-eight million dollars, to educate the people against war, he presented us with a sensible working plan.

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Disconcerting, to Say the Least!



It Seems to Me by Heywood Broun

HERR HITLER is quoted as having declared to his countrymen, "Crucify me if I fail."

Adolf's delusions of grandeur seem to be growing. There was a time when he merely thought that he was the old Germany.

All right, but nobody can assert that it possesses anything like the power which lay in the forces of the war lord in the year 1914. That probably was the finest army the world ever has known. It could, of course, have tramped down Caesar, Alexander and Napoleon in a single afternoon. And its strength availed it precisely nothing.

And when anybody in any nation begins to urge recovery through a greater sense of nationalism and a more highly isolated patriotism, it will be well to remember that Herr Hitler is the full and perfect flower of this school of thought.

Militarist Fools

HITLER speaks again and again of bringing back the old Germany. He would make the nation what it was before the Great War. Indeed, he has

pointed to the steel helmets to solve the present difficulties of Germany?

Hitler has his own private Nazi army, and some spectators have marveled at its seeming efficiency.

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These men of blood and iron are also creatures of stuff and nonsense. There are no fools like militarists. They are the incurable romantics and sentimentalists of the world, who learn nothing and live on last year's dreams.

Let's be practical, let's be realistic and turn to the way of salvation for all mankind. Not forever must we walk like geese and talk above the roll of drums.

We do not want the old world. It has died. Ring in the new.

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Every Day Religion

BY DR. JOSEPH FORT NEWTON

To Charles Dickens, as we remember on his birthday, we owe our first news of how the other half of humanity lives. He was born in the human underworld, lived in it, loved it, knew its romance, its pathos, its humor; and across his pages stride a motley multitude of boys and girls, men and women, from the gaunt, gray slums of London—a train of toddlers behind the Pied Piper of Hamelin. Little Nell, David Copperfield, Little Dorrit, Pip, Oliver Twist, Tiny Tim with his goodly gospel—what a golden-hearted, joyous, piteous company of little smilers, sinners, sufferers!

They soften the hearts of us and make us more child-like—that is, more Christ-like—of such is the kingdom of heaven. For all this, and much else, we love dear, delightful old Boz.

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So They Say

Temperament usually is just an excuse for a bad disposition—Miss Elizabeth Oppenheim, concert pianist.

If school authorities studied truancy cases instead of calling an officer they could prevent much delinquency.—Dr. Giovanni Giardini, psychologist, Western Pennsylvania.

I am convinced that we should not have seen the bank failure debacle that began in 1929 but the basis for it is laid by unwise laws.—Frances H. Sisson, president American Bankers' Association.

I disagree with those who hold the romantic notion that the best work is done by a starving artist in a garret. The golden periods in art always have coincided with prosperity.—Frederick Dielman, oldest living member of the National Academy of Design, New York.

DAILY HEALTH SERVICE

Neglect Swells Thrombosis Toll

BY DR. MORRIS FISHBEIN

This is the last of three articles by Dr. Fishbein on coronary thrombosis, the disease which caused the death of former President Calvin Coolidge.

THE moment an attack of coronary thrombosis occurs, the person affected should be put immediately at complete rest in bed.

Then a competent physician will be able to prescribe drugs according to the symptoms, relieving the pain, making sure that the patient stays quiet until the condition of the heart warrants slight exertion, then controlling bodily exertions so that activity gradually is reduced.

Most important, however, of all is the advice to persons past 45 years of age that what seems to be an attack of acute indigestion never should be disregarded, particularly when the pain is referred largely to the heart.

The only advice that can be given for prevention is that best advice of medical science—moderation in all things.

The avoidance of overeating and of overstrenuous life are the two main points to be considered.

M. E. Tracy Says:

WE'RE FAR FROM PERFECTION



ALEXANDER THE GREAT is reported to have wept because, as he imagined, "there were no more worlds to conquer." The truth is, he hadn't conquered any; just ridden roughshod over a lot of territory and frightened people.

The vast empire he thought to have created lasted hardly long enough to see him well ended.