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INDUSTRIAL RECOVERY

THE best news today is the increase in business activity. The big question heard everywhere is: Will the upturn last, will industrial production, stocks and commodity prices continue to rise?

The answer depends in large part on the industrial recovery bill. With the passage of that all-important measure, the country will have better than an equal chance to move forward.

Fortunately, most business and political groups, in addition to the labor unions, are supporting this Roosevelt bill enthusiastically. Nevertheless, dangers are developing which may kill it. The public, which has so much at stake, should understand these dangers as they become clearer this week.

The chief danger is in the fight over taxes. About \$220,000,000 of additional revenue is needed to pay interest on and retire the \$3,000,000,000 public works bond issue. This secondary issue concerning taxes is obscuring the larger issue of the bill itself.

There are good reasons why the public should not be burdened with an insidious and invisible general sales tax, especially because the farm relief law involves a virtual sales tax on necessities.

We believe—as the administration apparently believes in listing three other methods of taxation ahead of the sales tax—that increased income, surtaxes, corporation and luxury taxes are fairer and more effective methods than the sales tax.

But much more serious than the threat of the sales tax as such is the danger that long and bitter debate on this subject may delay and eventually destroy the large industrial recovery plan.

The administration, with its absolute control of both house and senate, has sufficient power to prevent such debacle, provided it senses the danger in time.

It is less probable that the minority business interests opposing the bill can kill it in an open fight, though it would be unwise to ignore this obstruction altogether. The administration should have no difficulty in showing that the few industrial and financial groups fighting against this bill are in general the same discredited groups opposing bank reform, securities reform, and tariff reform.

A third danger arises in the administration itself. The President, in his proper recognition of the plight of the oil industry, has suggested that the petroleum stabilization bill in the interest of quick action be attached to other pending legislation—presumably to the industrial recovery bill.

This is a gamble. Whether it is wise parliamentary strategy remains to be seen. The industrial recovery bill—originally intended to eliminate unfair competition and facilitate minimum hours and maximum wages—already has been loaded down with the companion public works measure.

To make it carry the additional load of the contested oil bill is very risky. The oil bill could stand alone. Merging might sink both measures, and the oil industry, along with all other industries, would lose.

Having taken this risk, the administration should be alert to cut loose the oil bill on its own merits, if the added load should appear to be sinking the industrial recovery bill.

THE UNFAIREST PRACTICE

THE 1930 census revealed some 2,000,000 children under 18 at work in American mills, mines and shops. Recent investigations in Maryland, Connecticut and Pennsylvania show a disquieting increase in child exploitation. What shall be done about this survival of medievalism?

There are three ways to combat the gainful employment of minors.

One is through industrial action. This has failed. The "baby strikers" of Pennsylvania textile mills, protesting wages of \$1 and \$2 a week and incredible shop conditions, won only a baby victory. Even the active aid of Governor Pinchot's wife failed to obtain substantial gains for the strikers.

Another is state action. This, too, has failed. This year forty-four legislatures met. All had been told that adults want the jobs held by the children. Sentiment ran high. Yet Utah alone among these forty-four states enacted a complete new child labor law.

New York, New Jersey, and New Hampshire passed minimum wage laws for minors; slight gains were made in Indiana and Minnesota. But the prohibition of child labor through state laws failed signally and miserably.

The third way is through federal mandate. Action on the child labor amendment has been fairly encouraging. Six states—Michigan, North Dakota, Ohio, Oregon, Washington, and New Hampshire—have ratified this year. Resolutions are pending in Massachusetts, Illinois, New Jersey, and West Virginia, all of whose legislatures still are in session.

But this method, too, is slow. It is nine years since the amendment was put up to the states, and only twelve out of the needed thirty-six states have ratified.

THE TRANSPORT PROBLEM

THE question of how rail and highway transportation is to be worked out remains to be solved. Two recent supreme court decisions underline our need for a definite program.

In one case, the court held, in effect, that railroads can extend their operations through the use of motor trucks without getting permission of the interstate commerce commission.

This ruling came down after several New York terminal companies had sued to enjoin the Pennsylvania railroad from using its own trucks for transferring goods in the New York area.

In the other case, a Texas law putting

truck companies under strict supervision of the state railroad commission was upheld. Texas sought to regulate the rates, hours of employment, and methods of operation of all carriers using state highways; but the supreme court overruled the state's refusal to grant a permit to a trucking company in a test case.

These rulings only emphasize our need for a comprehensive program to deal with the whole question of rail and highway transportation.

HONOR IN WORLD AFFAIRS

NO other American President ever has taken so decided a position of leadership at a critical juncture in world affairs as did President Roosevelt in his message to some fifty-four states of the world.

One might call to mind Washington's neutrality proclamation at the outbreak of the French revolutionary wars, Jefferson's embargo and nonintercourse act, Theodore Roosevelt's action in settling the Russo-Japanese war, the arbitration treaties negotiated under Taft and Wilson, the peace efforts of Wilson in 1916, Harding's summoning of the Washington disarmament conference, and Hoover's encouragement of the Kellogg pact. But none of these compares in realism, daring and possibilities for good with Mr. Roosevelt's present stroke.

Washington and Jefferson were more concerned with American policy than with world relations. The action of Theodore Roosevelt in 1905 was suggested by the two combatants. The arbitration treaties of 1911-1915 were mild affairs, not at all adequate to prevent war.

Wilson had undermined his peace efforts by secretly assuring the allies that his sympathies were with them, and that the United States might enter the war on their side.

The Washington disarmament conference, aside from its far eastern treaties, which since have proved "scraps of paper," did little more than agree to scrap obsolete armament. The Kellogg pact, as actually signed, was the greatest tissue of fraud and futility in the history of modern international relations.

Mr. Roosevelt's appeal, however, goes to the root of matters and may save the world from the greatest military calamity which thus far has overtaken it.

The Roosevelt message was extremely timely and strategic. The allies seemed determined to reject the German demand for equality through increasing its armed forces to the level of the armaments of the neighbors of Germany. But they also frowned upon giving Germany equality through cutting down their disproportionately large armaments.

A clash of policies was imminent, which easily might have bathed the world once more in blood.

President Roosevelt had the sense and knowledge to recognize that the case of the allies against Germany was very weak, so long as they sat tight with their vast armaments and denied Germany the right to reasonable military and naval strength.

The only ground for holding Germany down was the ancient and riddled scarecrow of war propaganda, to the effect that she had been the sole aggressor in 1914. To attempt to keep Germany relatively disarmed in a world bristling with armaments was both illogical and unfair.

Germany was bound, under the circumstances, to attempt to rearm, with consequences which might prove incalculably disastrous to humanity.

The sensible and just thing to do was to give Germany equality through reduction of the armaments of her overarmed neighbors. The MacDonald plan envisages a real step in this direction. President Roosevelt seized the opportunity to recommend this as the starting point for an equitable solution of the tangle.

Most people see nothing wrong with dictators, provided they dictate to somebody else.

Perhaps the reason so many ex-bathing beauties become star actresses in the talkies is because they know their lines.

M. E. Tracy Says:

EUROPE presents anything but an auspicious background for peace conferences. Conservative England is plainly worried, while shrewd foreighers France hardly knows which way to turn.

Hitlerism justly can be blamed, but Hitlerism is a logical consequence of the wholesale blundering that has characterized European policy since the war.

Hitler was not only on the way, but due to win, three years ago. England knew it, France knew it, everybody knew it, but nothing was done.

Though pretending to wish a better setup, men went right on with their small-minded jockeying for advantage, their pitifully inadequate compromises, their partial agreements and restrictive alliances.

There is a definitely French coalition stretching across central Europe, a definitely anti-Italian Balkan bloc, and a definitely stupid idea that peace can be arranged in spite of it all.

It is right that we should confer with European representatives if and when they desire. It is not right that we should close our eyes to the realities of their situation or expect more than is reasonably possible under the circumstances.

They will consent to a certain degree of disarmament if we make it worth their while. They will accept a tariff truce, with such reservations as are necessary to safeguard the advantages they now enjoy.

They will co-operate for the stabilization of money if it is on such basis as will keep the dollar relatively high in comparison with their own depreciated currencies.

I am well aware of how harsh such statements sound, but we have been messing around with European politics and problems for the last seventeen years, and what have we to show for it? We have 50,000 dead in France and ten times as many sick or disabled veterans at home.

We have a tax load that is breaking our backs. We have a League of Nations we can't back, a Russia we thus far have failed to recognize and a Hitler in the kaiser's place.

We have the envy if not the ill will of those who tried to help and the privilege of fighting for rights and reforms which we assumed would be recognized as part of the victory.

PLAIN TALK ON WAR DEBTS

OWEN D. YOUNG'S pungent remarks about America's responsibility for the world depression is the kind of plain speaking that we ought to have had a long time ago.

We insisted that the debts be repaid, he says, and the only practical way in which our debtors could pay us was by sending us their gold.

We would not let them do that, so they had to send us their gold; and they sent it, Mr. Young declares, until "we ruined the currency and banking systems of the world, including our own."

Now, having done all of this, we are prepared to go into hysterics on a moment's notice at the mere suggestion that the London conference may result in a scaling down, a partial or total cancellation, of some of the sums we used.

Ready to face the realities in every other field, we have persisted in being blind, where

the debts are concerned—blind and, one might add, not a little dumb.

We have tried to put them in a vacuum, where they could be considered by themselves in all their pristine beauty; and because of this we have got farther and farther away from contact with the hard facts of the situation.

Is it just to put it that way? Is that a viewpoint which an intelligent American can conscientiously hold? Is Mr. Young's summing up fair?

Many people, probably, will think not. Nevertheless, it is worth considering.

Look back for a moment at the way in which we have treated the war debts. We have tried to insist that they bore no connection whatever to any other phase of post-war politics or economics.

We have contended stoutly that they had no relation to reparations—although any infant might know that our former allies would not pay us if Germany did not pay them.

We have sworn that they had no relation to tariffs—though no reputable economist would for a moment admit that point. We used foreign loans to expand our export trade in blithe ignorance of the fact that just increased the difficulties our debtors must meet in paying us.

It looks, in short, very much as though we have deluded ourselves persistently about the debts ever since the war. Perhaps it is about time that we listened to people like Mr. Young.

HITLER'S BIG PROBLEM

THE more one thinks about Chancellor Hitler's reichstag speech on disarmament, the more one becomes amazed at the incredible folly of the German Nazis' anti-Jewish campaign.

Hitler's speech was reasonable and restrained. It was the speech of a man arguing a just cause with intelligence and moderation.

It has made an excellent impression everywhere and it has done Germany a great deal of good in the court of world opinion.

But the biggest hurdle of all that the German cause must surmount is the antagonism and distrust aroused by the anti-Jewish campaign of Hitler's own party. That campaign rearoused all of the old fear and distrust of World War days.

Hitler seeks a peaceful working-out of Germany's problems, as his reichstag speech implies, the biggest obstacle in his path is the one that his own followers put there.

A former mayor who now has a job as an elevator operator in the Capitol at Washington just has been made a Kentucky colonel by Governor LaFoon. Well, an elevator operator is used to ups and downs.

At this season of year, an optimist is a man who believes his garden will produce vegetables as big as those pictured in the seed catalogs.

Soviet Russia just has floated its largest loan at the high interest rate of 10 per cent. Leads one to suspect that the nation is in the red.

The new Roosevelt forestry army of thousands of men armed with axes comes a little too late; we should have had it a couple of years ago, when all those nutty "champion tree sitters" were doing their stuff.

Most people see nothing wrong with dictators, provided they dictate to somebody else.

Perhaps the reason so many ex-bathing beauties become star actresses in the talkies is because they know their lines.

By P. T. A. Federation.

The retiring executive board of the Indianapolis Federation of Parades and Teachers Associations desires to thank THE INDIANAPOLIS TIMES for the attention given to the interests of the federation in the last two years of its administration. The service has done much to help promote the aims of the parent-teacher movement in Indianapolis, and has our sincere appreciation.

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The argument is that we can depend on increased trade with Europe if this bargain goes through, but who knows? Why not adopt the French custom of demanding a little guarantee?

Already, some European journals are predicting another war, with us taking part and, presumably, giving the usual credit for munitions used.

Ready to face the realities in every other field, we have persisted in being blind, where

we are going before we get in too deep?

(Times readers are invited to express their views in these columns. Make your letters short, so all can have a chance. Limit them to 250 words or less.)

By J. C. Speer.

The financial page of your paper for May 18, carries the following sub-headline: "Dividend Declaration by A. T. & T. Forces Shorts to Cover?" Why not add another line, "Forces Employees to Cover?"

For the last year Thursday has been the dreaded day for employees of the A. T. & T., as on that day, nicknamed Ax Day, notice of layoffs are given to the unlucky ones, and very few Thursdays go by without some one getting the call. Week before last there were three, last week one. This week how many?

Every man comes to work with fear in his heart, fear that he may be the one to go, realizing that his chance to live may be taken away from him and his family. There is no nest egg laid away for a rainy day—not on the salaries paid by this company.

Wouldn't it be a good policy for you, sir, if you advertisers no longer could afford to pay your rates, if you would lay off your carriers and your printers and then sit back and say, "Now the advertiser can afford to pay?" Silly, isn't it? Our company does that and it's good business.

The total population in 1933 is estimated at 123,000,000. The number of "gainfully employed" persons in the United States, at the 1930 census was 48,832,583. Employes of local, state and federal governments number about 3,000,000—or roughly about one in every 41 of the total population; and about 6.14 per cent of the gainfully employed population.

Q—How often does air mail leave England for South Africa, and how long does it take for the journey?

A—It leaves London every Thursday and the journey to Cape Town takes ten days.