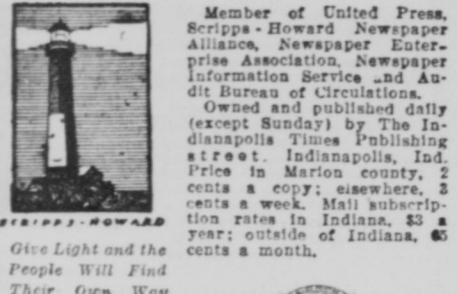


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Give Light and the People Will Find Their Own Way

SATURDAY, FEB. 17, 1934.

GOVERNMENT BANKING

After pouring more than one billion dollars of the taxpayers' money into 6,000 banks of the country with the idea that was the quickest way to provide credit for business recovery, the federal government is now considering a more direct financing of industry through new intermediate banks. The plan is under discussion by President Roosevelt and Governor Black of the federal reserve board.

Implications of the plan are very broad. It is a far cry, indeed, from the keep-government-out-of-business days. Government financing of business could mean in the long run only one of two things.

Either the government would pay out the money with little or no strings attached—and thus stand to lose vast sums on unwise investments earlier rejected by private bankers, or the government would exact terms of the borrower similar to those under which private banks in the last decade became the real rulers of American industry.

Doubtless there will be official denials that the latter is the intention of the government; nevertheless, the implications are clear.

It is true, of course, that the administration is not considering this proposition of its own free will. Rather it is being forced by circumstance to consider a financing function which it has hoped and begged the private banks to undertake. Repeatedly, during the last few months, administration officials have appealed to banks to loosen up their credit policies, to cease hoarding.

Just ten days ago Jesse H. Jones of the Reconstruction Finance Corporation repeated this plea to a meeting of the New York State Bankers' Association. It deserves attention. He said:

"Will our banking be continued in private hands, or of necessity be supplanted by the government? The answer is with you—the bankers . . .

"I would be less than frank, however, if I did not say that the President would be greatly disappointed if the banks do not assume their full share in the recovery program by performing all the functions that banks are intended to perform, and that, of course, includes providing credit where credit is needed and can be extended with reasonable safety."

The customary reply of the bankers is that they would like to loan more money to industry, but that industry for the most part does not want to borrow and the exceptions are apt to be unsound risks. There has been some truth in this, especially as it applied to large corporations carrying on a capital strike against the new deal. But certainly there is less excuse for such a capital strike since dollar devaluation and clarification of the Roosevelt monetary policy.

Anyway, it is not the big corporations but the small companies that have difficulty getting credit. Against the private bankers' alibi that these small companies seeking credit are unsound, is the authoritative statement of Chairman Jones that:

"There is never a day that the RFC does not have applications for individual and industrial loans that are perfectly sound. They are not loans that normally would be liquidated within a few months, but many of them could be made by the local banker and could be liquidated if the borrower is given reasonable time and notice."

If any truth in these days is self-evident, it is that credit transfusion into the veins of small industry is essential to recovery. If banks after getting this credit from the government refuse to pass it on to industry, the government has no choice other than to do the banking job itself under proper safeguards. It can not let the industrial patient die while the private bankers hoard the nation's credit.

STAGE COACH ELECTIONS

The American people at present are so well satisfied with the man they elected President, it may seem scarcely an opportune time to fix their attention on weaknesses of the election system.

Yet the job of modernizing election laws must be done, if it is ever done, while a liberal is President of the United States. That is why a group in congress which has worked for years to bring about this change is working harder than ever at this session.

They do not propose direct, popular election of Presidents. They do propose, however, that the electoral college—that ancient incubus which grafted itself on the country without legal sanction and more or less by accident—be abolished.

They would retain electoral votes, apportioning them among the states as they are now apportioned to preserve the relative strengths of large and small cities, city and rural districts. However—and this is the important thing—they would divide the electoral votes of each state according to the popular vote for President cast in each state.

Now the man who carries New York, for instance, gets to count the whole electoral vote of the state. Under the new system he would get only the electoral votes reflecting the percentage of popular votes he received. The minority candidate likewise would get his smaller share of the electoral vote.

In the end each candidate would receive a number of electoral votes accurately reflecting the popular vote cast for him.

Twice in the history of the United States men have been defeated for the presidency by the electoral college system in spite of having received a majority of the popular vote cast. The two were Tilden in 1876 and Cleveland in 1888.

The possibility of such an event is a serious danger to the country. If a man should be declared President under the electoral college system in a time of serious crisis, when a ma-

iority of citizens had voted against him, anything might happen.

Men and women most sincerely devoted to preservation of American democracy will do all in their power to bring about adoption and ratification of the proposed Norris-Lea constitutional amendment for abolition of the electoral college.

LENIN—MAN AND MYTH

LENIN long since has become a myth. Either he has wings or horns. Any one who actually wants to get at the man behind the myths has a hard time of it. Now for the first time there is available an intelligent biography in English. It is Ralph Fox's "Lenin," published by Harcourt Brace.

Fox is a partisan; indeed, he has been a member of the Russian Communist party. But he writes as a rather cool and objective Englishman. About the only place that he trips up is in handling the Trotsky controversy; but since the worst part of that feud occurred with Stalin after Lenin's death it gets little attention in this book.

The Lenin that lives in these pages is a very human sort of person, a lover of simple things, of trees and flowers and children, with a passion for bringing fuller life to the oppressed. He is gay and generous until the eve of the revolution. Then, as a leader in the fight, the grim, hard side of the man emerges. He curses not only his enemies but even more the half-hearted blunderers of his own revolutionary staff.

Often he is discouraged, usually he is in the minority even within his own group—sometimes even a minority of one—but almost always he is able to assert his leadership.

He makes mistakes. The actual overthrow of the czar comes in a somewhat different way than he anticipated; and the world revolution he expected in 1919 does not come. But for the most part his diagnosis of the situation has an uncanny way of being proved by later events.

Fox shows him as a leader who scorned oratory or sugar-coating tricks. His speeches are hours long, massed with facts and figures, deadly serious, and filled with things the people did not want to hear. He made revolution hard. But he won and held the people by the power of certainty and sincerity.

WIPING THE SLATE

IT is to be hoped that there was some sort of omen in the fact that Verne Sankey, kidnapper, hanged himself to "beat the rap" just at the time when the hunt for the kidnappers of Edward G. Bremer was getting under way.

Sankey's death closes the books on the kidnaping of Charles Boettcher of Denver. All the gangsters who engineered that job are either dead or in prison. One would like to believe that the same thing presently will be true of the gang that kidnaped Bremer.

During the last year organized society has gone into action against kidnapers pretty effectively. A few more blows like those struck in the Boettcher case and the kidnaping racket would collapse for good.

THE OUTSTRETCHED HAND

After betraying and plundering them for a century, the United States government at last proposes to do the decent thing by its 250,000 Indian wards and the remnant of their once great estate.

The administration's Howard bill can not redress all the wrongs the Indians have borne. It does, however, hit at the roots of two old injustices, the allotment system and the steady liquidation of Indian culture under cover of "Americanization."

The new bill repeals the 1887 allotment act, under which Commissioner Collier estimates some 87,000,000 acres of Indian lands have been bought or swindled from Indians by whites. It provides for repurchases of land at the rate of \$2,000,000 a year, resettlement of landless Indians and the conservation of Indian timber, grazing and other tracts.

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FREE FROM SCANDAL

THE mess which centers about the air mail contracts throws a bright light on one of the most vital problems of modern times—the way in which all manner of skill, devotion and efficiency can be short-circuited if a few men at the top of the heap get to thinking too much about the clink of dollars.

In the cancellation of air mail contracts there has not been a shadow of a reflection upon the men who actually have been doing the work.

The pilots themselves have made one of the finest records in the history of aviation. They have been good, superlatively good, at a job calling for skill, coolness and devotion.

From the standpoint of physical service they have made the American air mail network one of the finest things of its kind in all the world—if not the very finest.

Similarly, the technicians, the designers, the men who built the planes and fabricated the engines, the operating officials who arrange schedules and hand out assignments, the repair men and service men and radio and weather men—all these have filled their difficult jobs with distinction.

The troubles that led to wholesale cancellation of contracts were in no way due to the men who actually were doing the work of flying the mails. From a purely physical viewpoint the air mail setup is and has been a thing of which the whole country could be proud.

Where, then, was the trouble? It arose solely from the fact that this magnificent edifice of service rested on the wrong kind of financial base.

In some cases—not in all, by any means—the men at the very top were less concerned with doing an important job in an efficient manner than with making two dollars grow where one had grown before.

To put it more simply, the fact that a few men were greedy was enough to nullify all the skill, the courage and the devotion to duty which the great mass of employees put into their jobs.

There has been a lot of talk, this last year, about the necessity of curbing the profit motive. The air mail situation is a striking example of it.

Because a few men let the lust of profit run away with them, an entire industry has had to suffer.

United States immigration service has been instructed to show courtesy toward aliens at our gates and unfortunately that will probably include such people as George Bernard Shaw.

"The world," says Dr. Ray Lyman Wilbur, president of Stanford, "has been too kind to mothers for their own good." On the other hand, mothers have been too good to the world, for their own kind.

Liberal Viewpoint

By DR. HARRY ELMER BARNES

HED LET CHISELERS BATTLE EACH OTHER

By Edward Kirk.

As a reader of the best newspaper in our city, The Indianapolis Times, I would like to answer O. F. Gray's article in the Message Center of Jan. 29.

Mr. Gray seems to have been unusually lucky to be able to buy ten cases of Morgan's products to give his hungry Republicans, which is more than the majority of us who have not learned (libel deleted).

As for the Republicans not receiving CWA jobs, that is all just talk. But does Mr. Gray ever consider the fact that if the do-nothing Republicans were still in power we would not have a CWA, and we still would be looking for prosperity to come around the corner, provided we would have received enough charity to keep alive this long.

Therefore, we may welcome a realistic discussion of this question by the American writer who is, far and away, best qualified to deal with the subject, Professor Carl Becker of Cornell university. His article on "Freedom of Speech" in the Nation is the best brief commentary on the topic which I have ever read.

Professor Becker does well to make it clear that freedom of speech is not from the gods which will survive in spite of any and all types of human folly. It was slowly worked out as a result of prolonged human struggle. More than 99 per cent of the period of human life on this earth has passed before there was the slightest amount of freedom of speech, written word or public proclamation.

"Whatever may be the virtue of freedom of speech in the abstract world of ideas, as a rule of political action it is like any other law—it works well only if the conditions are favorable.

"It works not too badly in a society in which the material conditions of life, being relatively easy, create no radical conflicts of interest, and in which there exists a common tradition or moral and social ideas, one of which is that just government rests upon the consent, freely expressed and freely given, of the governed.

"A long-time view of human civilization discloses the fact that such favorable conditions have existed only in a few places and for short times. Experience gives us slight ground for supposing that nineteenth century liberal democracy is permanent conquest of intelligence.

"It may very well be but a passing phase, a cumbersome and extravagant form of government, practicable only in relatively simple agricultural societies suddenly dowered with unaccustomed wealth by the discovery of new instruments of power and the inventions of new machines."

"The present conception of freedom of speech arose in the late seventeenth and eighteenth centuries, when the intellectuals conceived of society and government as a sort of rational debating club."

"Its validity, for those who formulated it, rested upon presuppositions which may be put in the form of a syllogism:

"Major premise: The sole method of arriving at truth is the application of human reason to the problems presented by the universe and the life of men in it.

"Minor premise: Men are rational creatures who can easily grasp and will gladly accept the truth once it is disclosed to them.

"Conclusion: By allowing men freedom of speech and the press, relevant knowledge will be made accessible, untrammeled discussion will reconcile divergent interest and opinions and laws acceptable to all will be enacted.

"We have had about two centuries of experience since those days and have gained greatly in our knowledge of man and society. The minor premise underlying freedom of speech has been proved completely false and the conclusion has not been vindicated by experience.

"It is now perfectly apparent that eighteenth century ideals and remedies will not suffice in the second third of the twentieth century. Economic individualism and liberty have brought to us, in the end, widespread misery and economic collapse.

"The principle of free speech must justify itself or go under. The real danger, from the liberal point of view, is not that Nazis and Communists will destroy liberal democracy by free speaking, but that liberal democracy, through its own failure to cure social ills, will destroy itself by breeding Nazis and Communists. If liberal democracy sufficiently can alleviate social ills, freedom of speech will have sufficiently justified itself; if not, freedom of speech will in any case be lost in the shuffle."

United States government has formed an \$11,000,000 bank to finance trade with Soviet Russia. There's a bank that may be a great success, and still be unable to keep clear of the reds.

Most of Europe nowadays is like a road under construction—you travel over it at your own risk.

That Iowa woman who once renounced the world to follow Ghandi has left India under protest and, oh, won't the Statue of Liberty look good to her!



The Message Center

[I wholly disapprove of what you say and will defend to the death your right to say it—Voltaire.]

Too Much 'Hitlerism'

By Observer.

I have been a reader of The Indianapolis Times for some time, and like the Message Center, and am glad it has been enlarged.

I always have been a Democrat, but I do not approve of some of the things this administration is trying to put across. For instance, trying to muzzle the press and keep the people in ignorance of the true state of affairs as they exist