NATION LIVED WITHIN MEANS BEFORE CRASH

Immense Capacities Went Unutilized, Brookings Survey Shows.

BY DANIEL M. KIDNEY
Times Staff Writer

WASHINGTON, June 16.—America, as a nation, was not living beyond her means in 1929, and it was not doomed to the economic disaster that hit us.

Our economic society then lacked almost 20 per cent of living up to its means.

We had immense production capacities that were not utilized. If consumption for our full capacity had been available, a vast amount of wealth could have been distributed among the people.

These are conclusions reached, after a thorough study of the facts, by the research staff of the Brookings Institution. First of the findings are published in a volume entitled "America's Capacity to Produce."

"Certainly our findings," says the book, "do not bear out the contention of those who, in the midst of the present depression, say that we were living in a fool's paradise in 1929—that we were 'living beyond our means,' and that disaster had to follow. Individuals were, of course, living beyond their private means as individuals always will in both prosperity and depression. But the nation was not. . . . Labor was not being so driven as to impair either health or morale. On the contrary there was nearly 20 per cent of reasonably available labor which was not turned into the productive stream. Our economic society lacked almost 20 per cent of living up to its means."

Experts Conduct Inquiry

The investigation was conducted by Dr. Edwin G. Nourse, director of the Institute of Economics of the Brookings institution, and five members of the staff, authorities in the fields of mining, manufacturing, transportation, agriculture, labor and finance.

They found that utilization of plant capacity could have been increased about 19 per cent in 1929, which would have absorbed the available labor and added $15,000,000,000 to the national product.

Today these plants are on about a 50 per cent production basis for industry as a whole, it is estimated.

What operation at full blast in 1929 would have meant is described by the authors as follows:

"Nineteen per cent increase in the national product would have represented an added $15,000,000,000. This would have permitted of enlarging the budgets of 15,000,000 families to the extent of $1, each. It would have enabled us to add goods and services to an amount of $765 on the 1929 price level to the consumer gratifications of every family having an income of $2,500 or less in that year.

Sales Angle Answered

"We could have produced $608 worth of additional well being for every family up to the $5,000 level. Or we could have brought the 16,400,000 families whose incomes were less than $2,000 all up to that level."

That no such distribution might have been forthcoming had production reached capacity is also answered.

"If it be objected that such improved economic well-being would not have been thus distributed in inverse ratio to the size of the previous income or at a flat rate, we might change the form of the computation and say that it would permit increasing all family incomes below the $3,500 level by 42 per cent.

"Presumably these groups would be the chief beneficiaries of such an increase in national production. Finally, not to put our statement in a form which smacks in any way at all of redistribution of wealth, we could say it would add $545 to the income of every family of two or more persons, or give $125 to every man, woman and child in the country."

Varied Field Covered

The report deals in detail with the research findings in agriculture, coal and coke, petroleum, copper, cement, manufacturing capacity, food industries, textiles and clothing, autos and tires, paper, printing and publishing, metal industries, machinery and industrial equipment, transportation, merchandising, the national labor force, adequacy of money and credit.

The conclusions are based on a summary of the whole productive capacity of the nation.

They found that the margin of un-utilized plant capacity in the fields of agriculture, mining, manufacturing and electric power utilities did not expand during the period 1900 to 1930.

"In a single field, namely transportation, it appears that during these three decades we created a total volume of facilities materially greater in proportion to utilization than was to be found at the beginning of the century," they concluded.

Full Production Impossible

Difficulties of arousing a people to 100 per cent production, even under such great stimulus as war, is pointed out and the conclusion drawn:

"Taking our economic world as a practical going concern, we know that sustained operation at 100 per cent of capacity would be impossible."

What economic planning may expect to encounter also is disclosed when the researchers found:

"The demand for coal in 1929 was 200,000,000 tons smaller than might have been confidently predicted on the basis of a hundred years' experience down to 1918."

That there are 500,000 too many salesmen was another finding, which was coupled with the suggestion that they better could be used in direct production than in merchandising.

Other findings were:

War booms metals, while peace booms the construction materials, such as cement.

Miners Will Be Miners

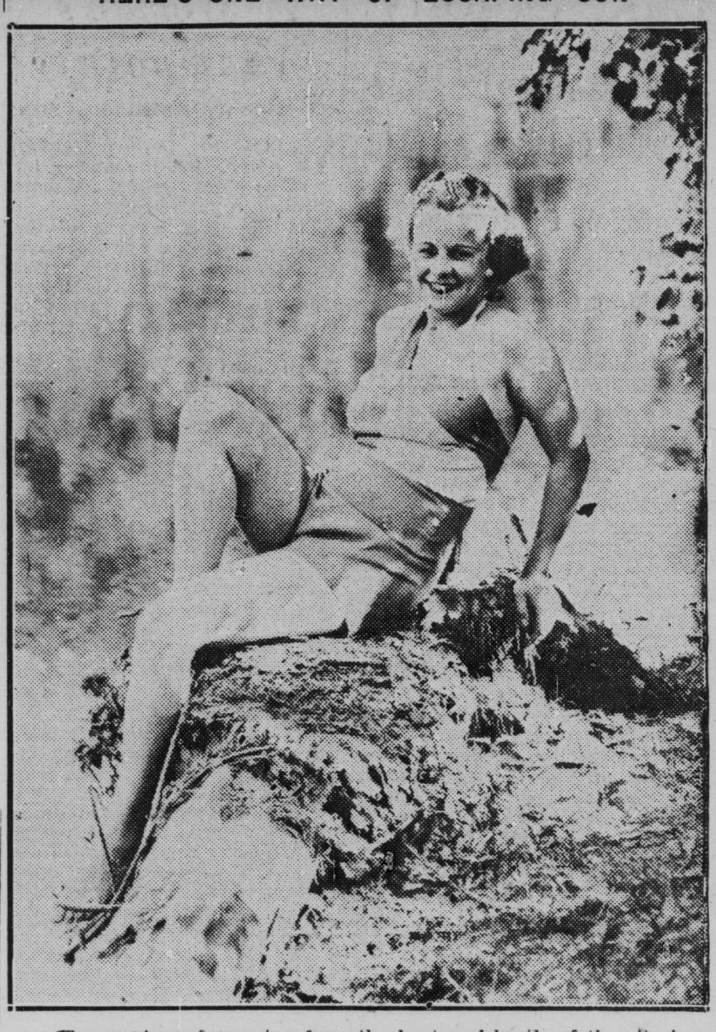
That miners and oil field workers do not want to work at other jobs, whether there is an oversupply of labor in their chosen field or not. (During the 1929 peak of coal production there were 64,000 idle miners.)

The key to the problem of capacity in the oil industry is competitive drilling. The well owners are driven by fixed charges to sell "hot"—illegal—oil or try to raise the limits of pro-ration. Buyers know this, and down comes the price.

The march of technology always is making existing equipment obsolete.

This volume is the first of a series of four which will deal with the distribution of wealth and income in relation to economic progress.

HERE'S ONE WAY OF ESCAPING SUN



The problem of escaping from the heat and bustle of the city has been solved by Miss Jean Medenwald, 21 North Tremont street, who is shown resting in a sequestered spot on White river.

Pensively eyeing the river, Miss Medenwald is mindful of the age-old admonition, "Hang your clothes on a hickory limb, but don't go near the water."

Indiana in Brief

Lively Spots in the State's Happenings Put Together 'Short and Sweet.'

By Times Special

MARION, June 16.—Possibility that 250 persons will be working in the plant of the defunct Marion Shoe Company by August is seen in the signing of a contract whereby the plant will be taken over by the Daly Brothers Shoe Company, Boston, Mass.

As a part of the transaction, the Shoe Manufacturers Realty Company has been created here and its stock is being sold in Marion with more than 100 volunteer workers taking part in the sales campaign.

Additional equipment for the plant is expected to arrive from the east next week.

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Injured; Asks $7,000

By Times Special

SHELBYVILLE, June 16.—Injuries incurred when a motorcycle he was operating struck one of a group of cows on a highway is the basis of a $7,000 damage suit filed in Shelby circuit court by B. Verney Stader.

Defendants, owners of the cows, are Herschel, Lewis M. and Murray Blades.

Mr. Stader alleges he was thrown from the motorcycle with such force that he incurred a fracture of the left leg.

# # #

Oldest Citizen Dies

By Times Special

NOBLESVILLE, June 16.—Funeral services were held today for F. M. Applegate, oldest resident of Hamilton county, who died Thursday after an illness of two weeks. He was a blacksmith for nearly half a century and for fourteen years a grocer.

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Columbus Grows

By Times Special

COLUMBUS, June 16.—New city directory issued here indicates the population of Columbus has increased 1,238 since the official census was taken in 1930. The population is now 14,868, the directory publishers estimate.

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Bank Agent Sued

By Times Special

DANVILLE, June 16.—Removal of W. Benton Newlin, liquidating agent of the defunct First National bank of Amo, is asked in a suit filed in Hendricks circuit court here by Fred G. Shirley and Walter M. Hodson, stockholders in the institution.

It is alleged the agent has failed to protect the funds of the bank and asks that on his removal a receiver be appointed.

CREDIT GROUP ELECTS

Cleveland Man Named President at Los Angeles Meeting.

By United Press

LOS ANGELES, June 16.—The National Association of Credit Men disbanded its thirty-ninth annual convention today after electing Fred Ross of Cleveland to the presidency. Other officers named at the closing session included P. M. Haight, New York, first vice-president; Forrest Walden, Salt Lake City, second vice-president, and F. J. Hoplins, Minneapolis, third vice-president.

CONTINUE BRIGHTWOOD TROLLEY, BUS SERVICE

Merger Proposed by Street Car Company Denied.

The works board yesterday denied the street railways company's petition to merge Brightwood bus and street car service in a trackless trolley route after considering a remonstrance signed by approximately two thousand Brightwood property owners.

The street car company then withdrew its proposal and agreed to maintain the present street car service with trackless trolleys and to continue, at least temporarily, the bus service. The chief objection raised by the remonstrators was against placing of trolley wires on Gale street between Twenty-fifth and Thirtieth streets.

DE MOLAY TO CHOOSE EXECUTIVES TODAY

Athletic Program and Ball to Conclude Conclave.

A parade through the downtown streets last night was the feature event of the opening of the eighth annual state De Molay conclave in Indianapolis yesterday.

General business sessions were held in the morning and afternoon at the Murat temple.

Election of officers was set for this morning, followed by a luncheon. An athletic program this afternoon, followed by the annual conclave ball tonight, will conclude activities of the convention.

St. Roch's Church to Hold Picnic

St. Roch's church, 1812 North Arsenal avenue, held a "get-acquainted" picnic at Kernel's Lake yesterday.

HARVARD IRKS ROOSEVELT BY ATTACKING NRA

President Cools on Alma Mater for Critical Attitude.

BY HERBERT LITTLE
Times Special Writer

WASHINGTON, June 16.—The coolness between Franklin D. Roosevelt and his alma mater, Harvard, is becoming almost frigid.

Harvard has been rough on the President's policies, and the President himself hasn't been rallying around lately for Old Home Week or whatever the Cambridge boys have to welcome the old grads.

On the lighter side, the President thought it was fun the other day to help a Yale man get excused from an R. O. T. C. assignment so he could row against Harvard. He did it at request of Franklin Jr., a Harvard freshman.

"Fair Harvard"—traditionally rich and aristicratic—has been extremely critical of the whole Roosevelt program, according to a statement by John Guernsey, retail trade editor and business expert, just released through NRA.

So when they sing, "Fair Harvard, thy Sons to thy Jubilee Come," if Mr. Roosevelt's voice is not very strong, perhaps Mr. Guernsey's statement, commenting on the university's latest annual report on 1933 department store operations may explain. He said:

"Business men know that Harvard has been criticising the administration ever since recovery began and do not take their comments seriously. Retailers will resent, however, this palpable attempt to promote their propaganda on the occasion of what is almost an official retail report."

The report said department store expenses, in spite of higher pay roll costs under NRA, were lower in 1933, and this and price increases were responsible for 1933s better business. Mr. Guernsey resented the omission of any credit for NRA.

"That retailers were right in supporting the NRA program to pay higher wages is proved by the Harvard figures themselves," he said. "They show that in spite of increased pay rates and more employment, the total pay roll cost for 450 department stores last year was actually 2 per cent less than the pay roll cost for 1932, being $18.30 per $100 of sales in 1933 against $18.70 the previous year when there was no NRA and wages were substantially lower. The cost of doing business decreased 4 per cent under NRA from $39.50 in 1932 to $38.10 in 1933. It is still substantially higher than in 1929 due to the lower sales volume."

Mr. Guernsey also attacked the Harvard statement for calling attention to the "rising tax burden." He pointed out that the retailer can expect higher taxes from now on, and would rather have active business and higher taxes than no business and low taxes.

SHERIFF SLAYER IS SENTENCED TO LIFE

Jury Returns Swift Verdict for Young Gangster.

By United Press

JEFFERSONVILLE, Ind., Robert Neal, 20, Bloomington, was sentenced to life imprisonment last night, just ten days after he and two companions had killed two southern Inidana peace officers.

Neal went on trial in Clark circuit court yesterday morning on a murder charge in connection with the shooting of Deputy Sheriff Harold Amick, Scottsburg. The jury deliberated only twelve minutes before returning a verdict of guilty.

SHRINERS TO ATTEND MINNEAPOLIS PARLEY

Murat Patrol to Be Represented by More Than 30 Delegates.

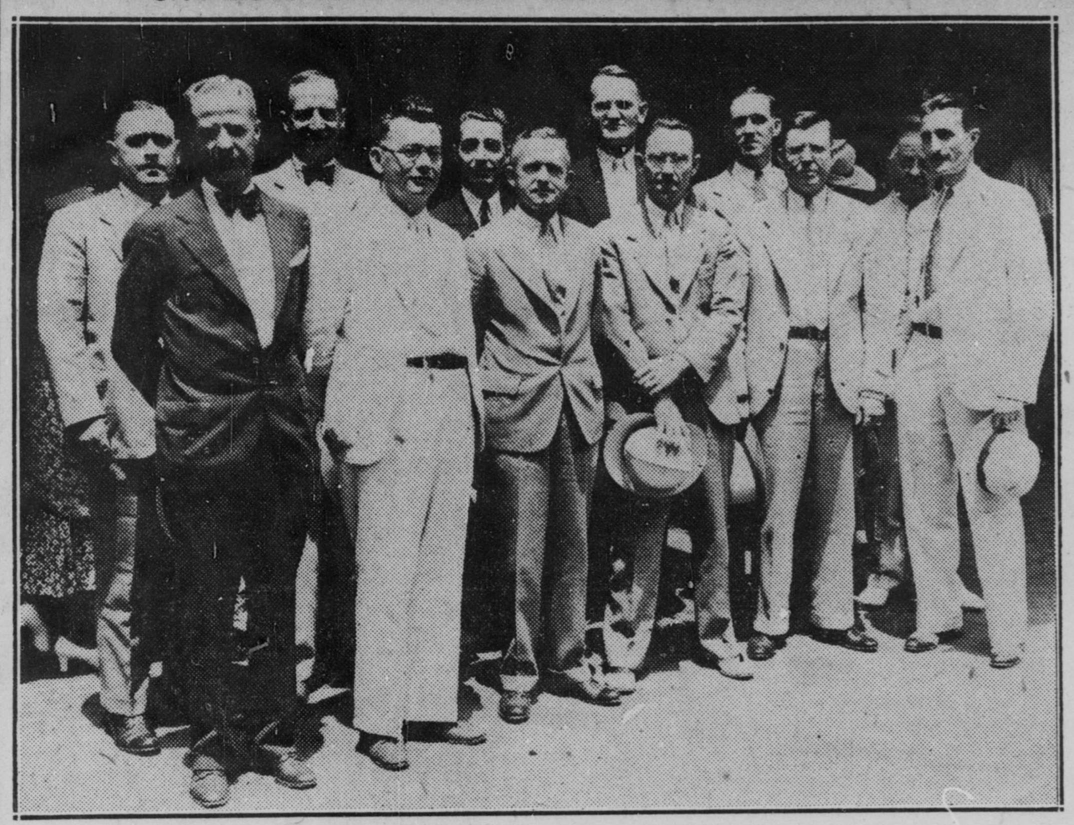
Murat patrol members of the Mystic Shrine are leaving today for Minneapolis where they will participate in the annual meeting of the imperial council of the Mystic Shrine of North America, scheduled to begin Monday.

More than thirty members of the patrol will make the trip by bus. Others, including Vernon G. Sheller, captain, will go by private conveyance. Herschel M. Tebay, potentate of Murat, will make the trip with his wife and son, James.

In addition to Mr. Tebay, Murat temple delegates are Edgar Hart, past potentate; Dr. Clifford E. Cox and Carson B. Harris.

Native Jivaro Indians of the Amazon region have a musical instrument carved from native wood and equipped with palm fibers; it resembles a violin.

CITY LIONS CLUB GUIDED BY NEWLY-ELECTED DIRECTORS



Affairs of the Indianapolis Lions Club will be guided by this group of newly-elected directors. (Left to right) they are: Front row— R. F. Kerbox, lion tamer; L. E. Halstead, first vice-president; Ralph V. Roberts, president; Roscoe Conkle, second vice-president; E. E. Krutsinger, third vice-president, and Walter L. Shirley, retiring president. Second row—John E. Cook, treasurer; Walter D. Niman, director; R. G. Hesseldenz, tail twister; Glen L. Campbell, secretary; James R. McCoy, director, and D. Earl McDonald, director. Lee Emmelmann, director, is not shown.

CITY HOSPITAL DOCTORS RESIGN

Specialists Thanked for Services; Three Internes Also Quit.

Dr. John A. Garretson and Dr. Daniel E. Adams, ear, nose and throat specialists at city hospital have resigned.

Three internes, Drs. Eugene R. Inwood, Donald W. Brodie and R. C. Wybourn, also handed in resignations at a dinner meeting of the health board last night at the hospital.

The internes were to begin work on the staff July 1.

Dr. Garretson was made a member of the consulting staff of the hospital. Letters of appreciation for years of faithful service were ordered sent the retiring staff doctors.

Drs. Arthur Liter, Neal D. Carter and Rochard W. Terrill were named internes to take the places of those resigning.

The board reappointed Dr. Kenneth Kohlstadt as assistant superintendent at a salary of $2,352 a year.

PARIS BOMB BARRAGE THROUGH MAILS ENDS

Dispatcher Has Exhausted Dynamite Supply, Police Guess.

By United Press

PARIS, June 16.—Police hoped today that the maniac who has been mailing deadly bombs to leading industrial concerns had run out of dynamite or changed his ideas about the means of bettering political conditions.

This morning's mail disclosed no more bombs. Three thousand police and other detectives, however, continued to search for the bomb dispatcher.

Gone, but Not Forgotten

Automobiles reported to police as stolen belong to:

J. T. Box, 2014 Brokside avenue, Buick coupe, 48-020, From New York and Delaware streets.

Leo Marsh, R. R. 2, Box 481, Ford sedan, 12-249, From Speedway City.

Alex McFarland, 313 East Walnut street, Buick coupe, 43-699, from in front of 313 East Walnut street.

Robinson Auto Company, 1018 North Meridian street, Graham-Paige sedan, M-2, from in front of 1014 North Meridian street.

Loraine Redding, 4926 East Washington street, Chevrolet coupe, 105,000, from in front of 4317 East Washington street.

Red Cab Taxi Company, Percy McAtee, 615 North Pine street, driver, Red Cab 182, Ford sedan 101-382, from Northwestern avenue and Sixteenth street by Negro bandit.

Anthony M. Haag, 1646 Union street, Ford coach, 8-936, from Delaware and Ohio streets.

Harold L. Bailey, 1226 Windson street, Auburn convertible coupe, 120-174, from in front of 1226 Windsor street.

Roy W. Crow, 1213 Hoyt avenue, Indiana Scout motorcycle, &1361, from rear of 140 South Illinois street.

BACK HOME AGAIN

Stolen automobiles recovered by police belong to:

C. P. Laycock, 312 East Washington street, Chevrolet coupe, found at New Jersey and Washington streets.

J. C. Schumacher Company, 824 East St. Clair street, Buick coupe, found in front of 820 North West street.

S. Goode, Ladoga, Ind., Nash sedan, found at Chase and Henry streets.

Chevrolet coach, motor number 3462414, no license plates, found at Belt railroad and Hillside avenue, stripped.

Guy Bohannon, 1208 Standard avenue, Chevrolet coupe, found in Minnesota street dumps west of Meridian street, stripped of four tires.

A. J. Huber Company, 144 North Delaware street, Franklin coupe, found by owner.

SEEKS $25,000 FOR SON

Father Files Damage Suit for Boy's Accident.

Suit for $25,000 damages brought by W. J. Fischer in behalf of his son, John Fischer, against Walter Kibler, was filed in superior court one, yesterday. Mr. Kibler does business as the Hinkle Creek Packing Company of Hamilton county.

The suit alleges that a company truck, traveling on the left side of the road, struck a car in which young Fischer was riding, causing lacerations and permanent scars on the boy's face.

SELLS MINOR, CAFE MAN FINED

$25 Penalty Levied for First Such Case Under New Beer Law.

Because h esold a glass of beer to a youth four months under 21, Henry Ehlers was fined $25 and costs late yesterday by Municipal Judge Dewey Myers.

Ehlers, partner in the operation of a beer parlor at 152 West Washington street, according to police, sold to Hunter Chadwick, described by those in court as looking older than his age. Patrolman Emmett McCormick arrested Ehlers, who is 39 and lives at 425½ Massachusetts avenue.

It was the first arrest in Indianapolis under the section of the state liquor law which prohibits sale of any alcoholic beverage to minors or habitual drunkards.

It is said, however, that sales to minors have been a common occurrence in certain types of beer resorts.

NAZI'S SLAYERS TO DIE

Pair Convicted of Killing Hero; Accomplice Imprisoned.

By United Press

BERLIN, June 15.—Samuel Epstein and Hans Ziegler were sentenced to death today for complicity in the death of the Nazi national hero, Horst Wessel. Peter Stoll was sentenced to seven years in prison. The three were accused of standing guard in the street while the killers entered Wessel's room.

Lookout Mountain is located in two states—Tennessee and Georgia.

MONKEYS LIVE SEDATE LIFE IN JUNGLE TREES

Simians Have No 'Bosses,' Do Not Fight Among Themselves.

By Science Service

NEW HAVEN, Conn., June 16.—Life in the jungle tree-tops is not necessarily the remorseless struggle for existence that it is commonly depicted. Howler monkeys, among the most interesting and certainly the noisiest of our long-tailed zoological cousins, live in a decently considerate social state, Dr. C. R. Carpenter of Yale university has discovered in the course of long and patient observations of their ways.

Howlers, Dr. Carpenter says, live in groups without apparent "bosses" or leaders. They do not fight each other over food or territory. They do not desert the old or disabled members of their clan. And when a common danger threatens, they take common action against it.

Each group of howlers consists of from four to thirty-five animals, the more usual number being about eighteen. There are as a rule three adult males, about seven adult females, and the rest infants and half-grown monkeys.

Leadership is shared among the males, but without contention. The males do not fight each other even over the question of mating rights. They do put up a common front against alien monkey groups and against exiled, solitary males; such "foreigners" they try to howl down.

Howler monkeys seem to have a kind of language. Dr. Carpenter distinguished nine kinds of voice-sounds, each with a distinctive response on the part of other members of the group.

Why some of the males live singly is not known. They do not seem to be older than the social males, or in poor health. There is some evidence that such "bachelors" are sometimes re-admitted into their own or other groups, and that some of them form new groups of their own. It is possible that these solitary males may function in keeping simian society from becoming too settled, and thereby prevent too much inbreeding within howler groups.

THREE PASTORS JAILED FOR 'DEFYING" NAZIS

Two Others Freed on Charges of Opposing Church Decree.

By United Press

SCHWERIN, Germany, June 16.—Three evangelical pastors were sentenced to prison for from three to six months today, and two others were fined 1,000 and 750 marks, respectively, for "malicious attacks on the government."

Two pastors were acquitted—one, who is 70, because of past loyal service to the church. Charges were brought against the pastors as part of the Nazi campaign to force compliance with Nazification of the Evangelical church, which has brought open defiance and caused a schism.

FINANCE TO BE TOPIC

City Analyst Expected to Hit New Deal Policies.

Thomas D. Sheerin, Indianapolis, financial analyst, will discuss "Certain Phases of Current Finance" before the Scientech Club luncheon Monday in the Columbia Club. He is expected to attack the national administration's financial policies.