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SCRIPPS-HOWARD
Give Light and the
People Will Find
Their Own Way

MONDAY, JULY 9, 1934.

JUST SUPPOSE—

TO get a real idea of what life under German Fascism is like, use your imagination and transplant the whole business to America.

Pretend, that is, that we are laboring under Nazism and that the things that have happened in Germany of late have really happened over here. It may put a strain on your imagination, of course—but try it, and see what you get.

You start by imagining that all political parties but the Democratic party have been forcibly suppressed. Herbert Hoover has been driven into exile; Henry Fletcher runs what is left of the Republican party from a safe haven in Mexico City. Ogden Mills is languishing in Leavenworth; Senator Borah has been shot.

Congress is composed solely of party henchmen picked by Jim Farley; but that makes little difference, for it meets only when Mr. Roosevelt says it may, and it does exactly what he tells it to do.

There won't be any fall elections; if there were, all the voter could do would be to make a blanket indorsement of all Democratic candidates, with a flock of Tammany thugs around to beat him up if he refused.

The editor of your favorite newspaper prints an editorial suggesting that the NRA is somewhat less than perfect, and is immediately thrown in jail. You happen to remark that you think General Johnson is a flat tire, and the department of justice lugs you off to a concentration camp in Georgia.

No public speaker, no editor, no magazine writer dares to suggest that Mr. Roosevelt is anything but the wisest President we ever have had.

Then, to cap things properly, imagine that the Democrats have had an internal row, and that the President settles it by having Carter Glass, Huey Long, Bernard M. Baruch and Al Smith executed with only a semblance of a trial.

All this makes a dizzy, nightmarish picture. Yet it is only a pale approximation of the reality in Germany today.

Looking at it like that is a good mental exercise, for two reasons.

First, it demonstrates how far we are—despite the wails of calamity-howlers—from anything resembling a Fascist dictatorship.

Second, it shows how unutterably precious the liberties of a democracy really are. Without them, life becomes grotesque and horrible. Their preservation is the greatest responsibility we can possibly have.

HOW ABOUT IT?

TWO weeks ago, The Times asked the board of park commissioners to lay plans for a playground for the north side so that BY NEXT YEAR those children who live between Thirty-eighth street and the canal may have some place to play besides the streets.

Jackie Joseph, president of the board, misinterpreted The Times' request. He said the board had no more money for new playgrounds and that, besides, north side children have big yards in which to play.

Perhaps Mr. Joseph was taking his own case as an example. For his information there are persons residing on the north side who are in moderate circumstances, who have no big yards, and who do not send their children to summer camps.

How about a playground for the north side by 1935, Mr. Joseph?

A COMMENDABLE MOVE

GOVERNOR M'NUTT is proving his sincerity in regards to his prison problems. No weak-sistered, political commission did he choose to make a survey of Indiana's penal institutions, but a group of men who undoubtedly know more about American penology than any other experts in America.

Warden Lewis E. Lawes and Sanford Bates are to attend the next meeting of the commission.

This survey is the most forward step taken for improvement of Indiana's penal institutions in many a decade.

To the Governor belong commendations.

MR. DU PONT GOES BOOM!

MR. INEREEN DU PONT doubtless knows whether the Du Pont De Nemours Company is tied up with the so-called international armaments rings. He says it is not.

But Mr. Du Pont ventures beyond the realm of what he knows in offering his opinion as to why people are concerned with the profits and practices of munitions makers. Of course, you can't object, because Mr. Du Pont as an American citizen has an inalienable right to talk through his hat.

The Third-Internationale, says Mr. Du Pont, has inspired the attack on munitions manufacturers in order to weaken the defenses of capitalistic countries. Does Mr. Du Pont believe the Russian reds influenced that Hamiltonian discipline and preparedness advocate, Senator Vandenberg of Michigan, who was largely responsible for the senate munitions inquiry?

Another group contributing to the crusade against munitions makers, says Mr. Du Pont, are "idealists" who have "a mistaken notion that preparedness is the cause of war." These "idealists," on the other hand, probably would not charge Mr. Du Pont with believing that armament competition promotes peace.

The third group responsible for the attack, says Mr. Du Pont, are newspapers and magazines, trying "to sell copies by handing out to the public lurid reading."

What an unholy conspiracy is disclosed: Communist revolutionaries, pacifist idealists and greedy capitalist publishers—all in league against the patriotic munitions makers!

CAPITAL'S CHANCE

THIS week, under leadership of its new housing administrator, James A. Moffett, the government will launch its newest offensive against the depression.

This attack differs from the great emergency spending projects of the New Deal. It calls for action less from Washington than from every hamlet, town and city of the nation. The ammunition for this drive is not a rain of public money, but of private money. The combatants are not government employees, but home-owners, contractors, bankers and building and loan companies, material men.

The objective is to take the sector still in the enemy's hands, the heavy industries. The method is to loose the billions of private credit now frozen and put it to work renovating and rebuilding homes, making present homes more comfortable, decently rehousing our families. Normally we spend \$11,000,000,000 a year in construction. Now we're spending only \$3,000,000,000, and we're five years behind in normal building.

The government's role under the new housing act is that of a big insurance firm. Renovation loans of \$2,000 or less are to be government-guaranteed up to 20 per cent, and new home mortgages are to be government-insured up to 80 per cent of the property's appraised value. In insuring mortgages and making the mortgage market once more attractive to capital the government is doing another great service—standardizing mortgages, with low interest rates and amortization features. This is a reform that has been needed for years.

The big task, however, is private capital's. If this new movement is to succeed private initiative and confidence must be shown. Banks and other loaning services must accept on a wholesale scale these insured and standardized mortgage investments.

Material men must follow the lead of the lumber dealers, reduce the prices of cement, steel and other building materials and seek to make up their profits from increased volume. Railroads must reduce their rates. Wage disputes must be minimized, step made much easier by recent action of the union carpenters, bricklayers and electricians in making peace with sixteen other building trade crafts.

And all the beneficiaries must join in "selling" the rehousing adventure to the public. Incidentally, we are glad to learn that Mr. Moffett plans an educational campaign rather than a barnstorming ballyhoo.

Partisan critics have been charging the government with unduly invading private capital's bailiwicks. Here is private capital's chance to do its bit for its own recovery.

SAVINGS GO UP

ONE of the most encouraging bits of news of the summer is the report by federal banking authorities of an almost unprecedented increase in the public's bank deposits since the end of last February.

According to these figures, the public now has fully a billion dollars more in bank accounts than it had four months ago. Furthermore, it is stated that this represents a genuine gain in individual savings, since government deposits and deposits of banks in other banks are not counted in the total.

At the close of 1932, bank deposits in the United States reached an all-time high of more than \$55,000,000,000. Through the depression they shrank steadily, falling as low as \$38,000,000,000 at the time of the 1933 bank holiday.

Now they have risen to \$40,000,000,000; and while that figure is still far below the 1929 level, it is at least evidence of a change for the better in the general trend.

WITHOUT CHANGING CLOTHES

TURNING from the honest doubts and fears of Senator Borah, Americans may find inspiration to renewed faith in their government from a speech by Donald R. Richberg, who had no more money for new playgrounds and that, besides, north side children have big yards in which to play.

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Liberal Viewpoint

BY DR. HARRY ELMER BARNES

HITLER and Mussolini are the playboys of Europe. Some doubt is expressed about the wisdom and solidity of the Hitler regime but there is a very general impression that Fascism in Italy has done wonders for the country and that the Italian economy is in a relatively stable and prosperous condition.

This is a very important question, in the light of the fact that if the New Deal fails in this country we might have our own fit of Fascism. We may estimate our own possible prospects under this regime by investigating what it has done for Italy.

On this subject there is a very striking article in Current History, by Mr. Hugh Quigley, entitled, "Fascism Fails in Italy." Mr. Quigley is not a radical who wishes to expose Fascism. He is no John Strachey with a Communist thesis to support. Quite the contrary, he is a hard-boiled business man and statistician expert from Great Britain who knows Italian conditions on the basis of prolonged first-hand studies.

The picture he presents differs sharply from the rosy accounts which most of us have become accustomed to accepting as facts. As he puts it: "The picture given by Fascist Italy on the economic side bears little resemblance to what has been described so sedulously by protagonists of the Mussolini regime."

THE whole economic and financial program of Fascist Italy has been based upon a persistent policy of rigorous deflation. The results are, to say the least, no talking point for the deflationist platform.

There has been a decisive and persistent decline in the volume of currency in circulation from 21,000,000,000 lira in 1925 to 12,700,000,000 lira at the beginning of March, 1934. Bankruptcies have increased from 1,896 in 1921 to 21,308 in 1933. Wages have declined steadily so that "under Fascism labor is worse paid than in almost any other European country." Unemployment has grown until at the beginning of 1934 the number of unemployed workers was estimated as between 1,300,000 and 2,000,000.

Much has been made of the fact that Mussolini was able to balance the budget, but since 1930 this has not been true. The deficit for the fiscal year 1933-4 will be more than 8,000,000,000 lira. At the same time, the national debt of Italy, both long term and floating, has increased greatly, while the national income has dropped from over 100,000,000,000 lira in 1928 to less than 60,000,000,000 lira.

THIS has been paralleled by crushing taxation. Something more than half the total national income is taken over by the state in the form of taxation. Mr. Quigley summarizes this phase of the economic picture as follows:

"The net effect of deflation has been, consequently, a reduction in the total productive effort of the country, a reduction in the national income, a reduction in wages, a reduction in export trade, a rapid increase in bankruptcies, a rapid increase in taxation and in the long-term national debt."

Contrary to the general impression, Mussolini has not increased the total production of Italian industries. Ever since 1926 there has been a steady decline in the output of coal, lead ore, iron and steel, chemicals and silk.

Mussolini was able to increase markedly the home production of wheat, but the net result of this achievement only was to create a great stock of unsold wheat and to increase the volume of agricultural unemployment.

Trade and commerce has been hit an equally hard blow. The volume of foreign trade has shrunk from 44,500,000,000 lira in 1925 to 13,500,000,000 lira in 1933, a drop to less than a third of the 1925 total.

Mussolini has attempted to compensate for this by building up a closed economic unit in Italy and trying to found Italian prosperity upon home consumption.

This has failed. Though the cost of living has dropped, wages have dropped even more sharply and unemployment has increased. Therefore the total purchasing power of the Italian masses and their standard of living has declined.

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