

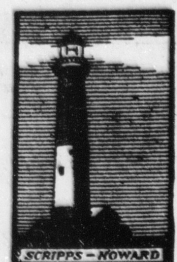
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Give Light and the People Will Find Their Own Way

MONDAY, OCT. 18, 1937

THE ONE WAY OUT

THE Administration now hopes to balance the national budget in the fiscal year beginning next July, without increasing Federal tax rates.

How can that be done, unless the Administration is able to "haul off and pass a miracle"?

Just one way:

That is for the Administration to concentrate its attention on building the volume of the nation's business to a point where, with present rates applied, income will equal outgo. Economies, of course, will help. But economies can't do the whole job. Enlargement of that which is taxable—volume—is the way out. But instead of enlarging, the trend today is in the opposite direction. Business is falling off.

If the nation's volume today were as large as it was in 1928, Federal income would exceed outgo, at the present tax rate, by about 200 millions yearly. That would mean balance, though not much for debt retirement. But, with business volume increasing to a 1928 standard there automatically would occur a decrease in the most burdensome of our expenses, relief. For the expanding private industry would greatly reduce unemployment.

With enlargement of volume clearly the only alternative to further and greater "red" figures and ultimate impairment of national credit, what can the Administration do?

The most immediate, direct and concrete thing is to get actively in behind a move to revamp the hastily conceived and carelessly constructed undisputed profits tax, the working of which is having a devastating effect on business growth in this country.

HERE is a situation in which apparently all Treasury Department and Congressional tax experts now admit action is needed. Even David Cushman Coyle, ardent advocate of fiscal experimentation and defender of the theory of the undistributed profits tax, is now convinced that alterations are called for (Coyle's new book, "Why Pay Taxes.")

Jesse Jones, head of the RFC, in a speech in Houston a few days ago, urged allowances for debt ridden corporations, for plant expansion, replacement, modernization and so forth.

Joseph B. Kennedy, former head of the SEC and now chairman of the Maritime Commission, is out with a statement urging action. And so on through a long line of expressions by students of the subject.

The coming Congress with proper encouragement from the Administration can take one of the longest steps toward unraveling the whole fiscal and unemployment tangle that it has taken since the depression hit, by the simple process of renovating this one phase of our tax system.

And without going into the matter in detail here, the capital gain and loss tax also calls for the laying on of hands. On that there seems to be general agreement among experts, but, as in the case of the surplus tax, no action yet.

With reasonable Government economy, and with more revenue from a growing volume of business, the budget can be balanced. But if the Government continues by unsound taxation to prevent or discourage business expansion, that will mean fewer jobs for the unemployed, more demands for Government spending, less revenue in the Treasury, and more unbalanced budgets.

The Government's prospects of bringing income above outgo and beginning to reduce the huge national debt depend upon the healthy growth of the nation's business. Give volume a chance.

WILLIAM S. McMASTER

WILLIAM S. McMASTER was a credit to the local bar and an asset to the community as a citizen. The son of John L. McMaster, who served Indianapolis as mayor in the Eighties and was a Superior Court Judge for 16 years, William McMaster also became Superior Court Judge. In 1919 he was a member of the Legislature.

A wide circle of friends will join the family in mourning his untimely death.

POLITICAL ETHICS

MISS MARY M. DEWSON resigned as vice chairman of the Democratic National Committee to take a position as member of the Social Security Board.

Accepting the resignation, Party Chairman James A. Farley said: "I realize that in view of the fact that you are now serving as a member of the nonpartisan Social Security Board, it will be impossible for you to continue your work as vice chairman of the Democratic National Committee."

But of course there's nothing inconsistent in the national chairman serving as the nonpartisan Postmaster General.

OUR OBLIGATION

IN the remaining few days of the Community Fund campaign Indianapolis has an opportunity to help itself as well as the underprivileged.

The drive this year is a month earlier than in 1936, and is one of the first in the country. Dozens of cities are watching Indianapolis for an indication of how municipalities will meet the challenge of the increased local burden that has resulted from a reduction of Federal assistance. A successful drive here, many believe, will inspire other cities to succeed. Moreover, reaching our goal should give the community a spiritual "lift"—a feeling that in these better times of industrial recovery and bumper crops we have taken care of our own.

Not everyone is sharing in the blessings of improved conditions. Many are jobless, in debt, ill or suffering from other misfortune. Let us meet our obligation, and meet it well.

With All Their Faults We Love Them—By Herblock



Is This What They Want?—By Rodger



Fair Enough

By Westbrook Pegler

C. I. O. Views With Alarm, Growth Of Vigilante Move, So Let Unions Take Initiative in Abandoning It.

NEW YORK, Oct. 18.—Speaking of the vigilante movement which the C. I. O. has viewed with alarm in its convention in Atlantic City, what would you call the tactics of the C. I. O.?

Notwithstanding attempts to terrorize them into joining the C. I. O., many workmen in the steel plants of Youngstown and Bethlehem held aloof and insisted on their right to keep their jobs.

Pickets were unable to intimidate the men, so threats were made in each case that a large force of outsiders would be marched in to reinforce those who were on strike outside the gates.

These mobile forces were not mere orators or silent marchers who would appeal to reason. They would come in to close the plants by the same sort of force that is so solemnly deplored as criminal when it is used against strikers.

Having failed to organize enough of the Youngstown and Bethlehem steel workers to close the plants, the C. I. O. then let it be understood that terrific violence would occur if troops were not sent in to close them.

The nonstickers had a right to protection from their Government in this emergency, but the C. I. O. demanded instead that the troops be used to enforce the will of a private and unofficial organization.

THE case was even more flagrant in Hazleton, where a committee of workers of the Suplan Silk Corp. signed a petition declaring that they rejected the C. I. O. as their bargaining agent and wanted to go back to work, were answered by a proclamation from Hugh V. Brown, president of District 7 of John L. Lewis' United Mine Workers.

For vigilantism Mr. Brown's proclamation is a museum piece. "Let it be known," it said, "by each and every signer of the petition that the United Mine Workers in this region will not permit independent organizations or communism to enter Hazleton or any territory within the confines of District 7."

"ANY member of the United Mine Workers who has a wife, daughter, brother or son who is a signer of this petition should and will pay strict attention to this statement," Mr. Brown's proclamation continues, "for on it depends his membership in the United Mine Workers. This organization will not permit any of its members to continue to hold membership who allows any member of his family to scab in an open shop such as the Suplan Silk Mills."

Thus, the C. I. O. Mine Workers would have arbitrarily extended their authority to control workmen who had rejected the C. I. O. on a theory that anyone who joined the Mine Workers joined for his whole family.

It is easy to agree with the C. I. O. that the vigilante movement is a dangerous development. Feeling so, the C. I. O. might take the initiative.



Mr. Pegler

'BRAIN' STUDY HEADLINE STARTS MR. CLANCY

By Daniel Francis Clancy

Headline "Study of Brain Open to World at Washington." Yes? Well, I want to know exactly what brain they're talking about and how long it's been in Washington.

There's something very fitting and proper about so many of these young ladies going about in squirrel coats. "Study Lips to Pick Mate. Is Latest Advice." Latest advice, eh? Tried and tested, I'd say—and a very pleasant study to apply oneself to!

By the way, here's your turn for laughing. Day-dreaming of an "old love." I tossed my 3 cents on the paper counter, whereupon someone asked how I was. Thoughtlessly, from my reverie I replied, "—desolate, and sick of an old passion!" I became aware of the fact that I wasn't talking to myself, however, before finishing Dowson's words (which continue—"Yea, hungry for the lips of my desire!")

Every attic in Germany is to be cleaned out before Oct. 20—and now if they'd just clean the bats out of a few bellies it wouldn't be a bad country. . . . Was urged to run for Congress a few days ago—which proves that what has been mistaken for a blockhead is really Congressional timber. . . . Among the many Constitution Day celebrations I noticed that one was offering a speech by a U. S. Senator and, as added attractions, a juvenile movie singer and opera star, a couple of tap dancers and a comedian would have made that affair worth attending.

WAGNER ACT RIFE FOR REPEAL READER THINKS

By Traveller

Time was when the mountebank came to town in a 10-gallon hat bound with a snake skin, an Indian wig—made of a horse's tail—and a handful of assorted roots. He procured a quart of furniture polish and a bottle of red ink, and five gallons of river water. These ingredients were mixed and put into bottles with fancy labels. From atop a soapbox he extolled the virtues of this Golden Discovery and passed it to the sufferers of lumbago, toothache, rheumatism, gout or what have you at a special introductory price of \$1 a bottle, regular price \$3.

Comes now another class of racketeers with glib tongues and affable manners who promise to satisfy every known need, hope and desire of the human race—higher wages, shorter hours, seniority rights, security. They guarantee an obscure mule pilot or lumberjack he can be transformed into a first-class machanic, carpenter, plumber, electrician or milk salesman overnight, and instead of \$1 for 12 hours' work on the farm, he will get \$6 for eight hours, and cannot be discharged.

For the first time in the history of our country they "have the bull by the horns," and if they are dumb enough to "muff out" this time, they will lose the sympathy of the public. Public sympathy will either make or break, and the public soon grows tired of any group that

LAMP OF ALADDIN

By EDNA JETT CROSLY

Bright yellow moon aglow at night, Sweeping the earth with your mel-low light, Softening the roughened edges of clay, Turning all darkness into day.

What would love do, without moon-beams? When and a time to meet in dreams? If you should fall your lamp to fill, Lost would be love on Cupid's Hill.

Turn up your wick, trim it with care Light us the way, to God's golden stair.

Lamp of Aladdin, I wish to say, Bring me your blessing, as you pass my way.

DAILY THOUGHT

That which is born of the flesh is flesh; and that which is born of the Spirit is spirit.—John 3:6.

OUR birth is nothing, but our death begun, as tapers waste the moment they take fire.—Young.

The Hoosier Forum

I wholly disagree with what you say, but will defend to the death your right to say it.—Voltaire.

(Times readers are invited to express their views in these columns, religious controversies excluded. Make your letter short, so all can have a chance. Letters must be signed, but names will be withheld on request.)

regardless of the hardship and danger his pet theories bring to the public welfare.

The Wagner act is ripe for repeal—it has cost almost as much in lost wages and lost business as the prohibition experiment; it has made a sucker of employer, employee and the public.

UNION OF LABOR FACTIONS FAVORED

By Wm. Lemon

Your recent editorial advising the A. F. of L. not to "slam the door" on the C. I. O. deserves appreciation from labor. It was practicable and to the point.

Labor by settling its family squabble, could unite in the political field and put over candidates favorable to labor, for it cannot expect a break if capital "names the baby."

For the first time in the history of our country they "have the bull by the horns," and if they are dumb enough to "muff out" this time, they will lose the sympathy of the public. Public sympathy will either make or break, and the public soon grows tired of any group that

affects its welfare by its useless squabbling.

Although the C. I. O. does affect certain groups of craft unions, still it takes in all; namely, the man without a trade. Common labor has always been exploited, by the contractors of the North to the cotton fields of the South.

The C. I. O. also reaches the farmers, those tough old gents who work by the light of the moon and lantern, and in the West they are taking advantage of their opportunity to organize. All this, came about by one honest fearless labor leader, John L. Lewis, who is also a shrewd politician.

One sure thing is his rank and file are behind him hook, line and sinker, and the C. I. O. infant is now ready to fight in the "heavy-weight division."

SOCIALISM CALLED PROPHECIC FULFILLMENT

By W. B. Schreiber

After reading the recent Maddox letter, I said surely the forces laboring for human emancipation are progressing gloriously. I tell the boys of the Civil Liberties Committee to keep shaking the shirt, while safe on the opposite side of the fence.

It seems some people cannot, or won't, see that socialism is the fulfillment of prophecies. Ever so often in the past centuries socialism has made its appearance and struggled hard to establish a righteous social order, but just as often it has been crushed by the mad bulls of the existing social order.

Some 20 years ago misery makers met defeat. Then poor despairing Russia rose from her knees before the Tsar and with giant strength cast off her foes. Once again the morning star sheds forth its rays throughout the world.

RILEY EXHIBIT AT LIBRARY PRAISED

By M. A. A.

I should like to say how interesting and enjoyable I found the Riley exhibit at the Library last week. Both cases of carefully arranged manuscripts were an educational as well as an artistic treat.

There was something to appeal to every taste in the scale of Riley's works, from the children's choice of "Raggedy Man" and "Uncle Sidney" to the more serious "John Brown."

The patriotic note was represented by his fine manuscript of "How It Came by the Name of Old Glory." And how touching was the sight of the poet's own well-worn copy of the "Oxford Book of English Verse."

All honor to our library for this timely and valuable exhibit.

General Hugh Johnson Says—

Present Confiscatory Taxation Is Blamed for Poor Economic Condition; Policy Leaves Capital No Incentive, Only Risk, to Employ Its Resources.

WASHINGTON, Oct. 18.—That was a good argument of Winthrop Aldrich's that the Government has an interest in having at least somebody make money in this country.

The Twentieth Century Fund study of taxes shows that if a corporation official makes a million dollars a year in New York or Illinois, Federal, State and local taxes take it all. If he makes \$100,000 they take from 53.7 per cent to 60.3 per cent of it. If he makes \$20,000, they take from 32.8 per cent to 37.4 per cent of it.

It takes the risk of money to make money. Why should a man risk money to make more if, after he has made it, the Government units take it all or much of it, whereas if he loses it, he is poorer than when he started and can't even offset his loss against his gain, if any, next year?

WHAT is business, industry, employment? It's money working to make more money. But if money can't keep the money it makes by working, why should it work? If it doesn't work, what happens to business and, most important of all, to employment?

The answer is, as has been said here before, men are put to work when money is put to work, and when money doesn't work, men don't work. The whole tax structure, especially Federal, couldn't be more effective to keep money—and hence men—from

working if it had been deliberately designed to create unemployment.

Now, Government has an interest in keeping people in jobs. If enough are out of jobs long enough, Government itself goes by the board and also if men are out of jobs, Government must find money to support them.

BUT where is Government going to get that money? The impression is that Government gets it by taxing the rich to feed the poor. But aside from various sales taxes that hit the poor man much harder than they do the rich, the only way Government can do that is to tax big incomes. Big incomes are the result of big money making and working itself to make big money—which gets us back to where we begin. If putting big money to work is all risk and little or no gain, there are slim pickings for Government among the rich.

That leaves Government no choice but to tax the employed poor to feed the unemployed poor and the whole idea of taking from the haves to give to the have-nots becomes just taking from the have-littles to give to the have-nothings, which is what is happening.

The tax policy keeps the have-nothings large in number because money is not working to make jobs and, because money is not working, the Government must get much money from the poor.

The Washington Merry-Go-Round

'Leading Economist' Quoted by F. D. R. Ex-Aid, O. M. W. Sprague; Fireside Chat Indicates Return to Theory of Low Prices and Big Volume.

By Drew Pearson and Robert S. Allen

WASHINGTON, Oct. 18.—Only a few of his most intimate advisers know it, but the President's recent fireside chat, signified a highly important switch in his economic theories.

While discussing domestic affairs, Mr. Roosevelt read a short quotation from a "leading economist." He did not name this man, but he meant Prof. O. M. W. Sprague, former adviser to the Bank of England.

Only because Mr. Roosevelt asked him to, Prof. Sprague left his \$25,000 a year British post to join the Treasury at \$6,000. But he didn't stay long. Prof. Sprague wanted the New Deal to embark on a large scale, low-cost housing and slum-clearance program as the English had done, but Mr. Roosevelt couldn't see it. Also, Prof. Sprague clashed with him over the issue of prices.

The President had been sold on the idea that the way to revive industry was to boost prices. Prof. Sprague held this was unsound temporizing. He advocated low price and large volume of production.

But when he couldn't get Mr. Roosevelt to follow his advice, Prof. Sprague quietly departed and returned to his old job at Harvard.

As a result of frequent exchanges of opinion and the present stock market slump, Mr. Roosevelt has completely changed his mind on the price issue and now agrees with Prof. Sprague.

In his speech the President gave two indications

of this new view: (1) The flattering reference to Prof. Sprague; (2) the statement, "... increased volume of sales ought to lessen other costs of production so much that even a considerable increase in labor costs can be absorbed without imposing higher prices on the consumer."

Among other things, Mr. Roosevelt believes abundant cotton and wheat crops may bring about a wider distribution of money, even though they sell at lower prices.

A VIRGINIA agent of Rural Electrification called a meeting of farmers in the high school of Bowling Green recently to discuss establishment of a utilities co-operative. Following the meeting, prizes were given out, an electric iron and full-course meals cooked by electricity on the stage.

Names were drawn out of a hat, and the top prize-winner proved to be "George Washington."

Boyd Fisher, in charge of the REA meeting, thought a practical joker had put this name in the hat. But at that moment George Washington rose in the audience, claimed his prize—the electric iron—and explained that he was the seventh lineal descendant of George Washington's brother John.

Handing over the New Deal prize to George Washington, Mr. Fisher asked if there were a Martha Washington to make use of the iron. George replied that there was not; he would use the iron to press his pants.