

Eddie Cantor says that the trouble with the country is not over production, but "over prediction."

Eighteen months ago, when the old boot straps just wouldn't lift the business world an inch higher and thousands and thousands who wouldn't believe that stocks that go up are sure to come down were left holding the bag the bottom fell out of everything.

Immediately the predictions began. The let-up was seasonal. It was only a temporary period of readjustment. There was nothing fundamentally wrong and in a few months the country would be on its merry way of living beyond its means again.

The few months passed. The predictions were not fulfilled. Conditions grew worse. Bread lines began forming and President Hoover began appointing commissions. We don't know how many millions there are in the bread lines, but certainly they can't be longer than all the commissions that the President and the Governors of the States have appointed would be if they stood up side by side.

The buckles on millions of belts have been pulled up several holes since then and sane thinkers, who are not concerned as to who will be elected president in 1932, are unanimous in the belief that new holes will have to be made in the belts before next spring, if the masses have any pants left to be held up by them.

The outlook for the winter is dreary indeed for all but the gudgeons who can exist on the flapdoodle of predictions and commissions.

Pinchot wants to spend millions on roads—and have an extra session of the Legislature. That's his panacea for the trouble and his "halyhoor" for the control of the Pennsylvania delegation to the next national convention, which he hopes will nominate him for Vice President.

Hoover wants to spend millions on public works. He wants the world to believe that his Department of Labor and Industry is telling the truth when it says there are not nearly so many people unemployed in the country as there seems to be. He wants us to hope that some commission he might appoint will get somewhere, instead of halyhooring around in a circle. The President is a great engineer, but the fog is too dense for his compass and he's too dense to fly blind.

We don't often agree with our United States Senator, "Davy" Reed, of Pittsburgh, but we are with him on his recently expressed idea that the calling of extra sessions of Congress and Legislatures is as great a folly as predictions and commissions. He thinks the problem of caring for the unemployed during the coming winter is a local one. So do we.

Every dollar the Federal government spends, every dollar Governor Pinchot authorizes for new roads or more secretaries for his wife comes out of your pocket and ours. Some are gilles enough to think they don't, but they do.

Imposts on foreign made goods, taxes on domestic luxuries and incomes are what keep the federal government going. You pay, indirectly, your share of it, when you smoke a cigarette or buy a suit of clothes. Tax on corporations is what keeps Pennsylvania going. When you take out an insurance policy, buy a bushel of lime or a gallon of gasoline you pay your share of what Governor Pinchot is spending. It is all indirect taxation.

And indirect taxation is the most insidious form of undermining the public concern as to what its government is costing it.

Everything Washington or Harrisburg does you pay for. In 1913 your share of the expense of government was \$22.66 a piece for every member of your family. In 1929 it was \$80.55. God only knows what it will be in 1932, if the orgy of spending isn't halted.

Let's have an end of predictions and commissions. Let Bellefonte and very community in the country levy enough tax to take care of its own poor and let's stop this thing of so-called great men spending our money to put themselves in high places.

We are not sure that however gloomy the prospect may be it is not the best thing that could have happened to the country. It will each millions something they never knew before, the value of a dollar.

We're against million dollar bonuses to heads of corporations that enjoy the benefits of tariff taxes we pay. We're against five thousand dollar men—getting fifty thousand. We're against the Hoovers and the Pinchots spending our money in an emergency when we could spend it with less cost and more equitably. If needs be we will gladly pay 'til it hurts—and still pay after it does—to help those who might be in need in Bellefonte this winter. But we rebel at wasting money on commissions and needless public undertakings in which probably not forty per cent of what we pay reaches those whom it is supposed to benefit.

Democratic Watchman

STATE RIGHTS AND FEDERAL UNION.

VOL. 76. BELLEFONTE, PA., AUGUST 28, 1931. NO. 34.

Cause of the Economic Depression.

The Wiggins committee, one of the administration's fact-finding enterprises, has sadly disappointed expectations. It was created for the purpose of discovering and disclosing the cause of the world-wide economic depression, especially in its relation to Germany's financial difficulties. In its report, made public a few days ago, it is stated that the distress "has been greatly aggravated by imposing annual payment of large sums by debtor to creditor countries, while at the same time putting obstacles in the way of the free movement of goods."

This is a direct and deserved arraignment of the Grundy tariff legislation of the last Congress. The Versailles peace treaty imposed upon Germany what was admitted at the time to be an onerous burden. But it was confidently believed then and is still believed that with a fair opportunity for the development of commerce, it could be courageously met and successfully discharged by "payments in kind," which is to say in the products of the mills, mines, factories and soil of Germany, intensely cultivated and wisely marketed.

Under the Dawes agreement the obligations were promptly met for a considerable period of time. There was some complaint of mismanagement on the part of German authorities that caused "hard sledding" now and then and the Young plan, which afforded some relief, was substituted for the Dawes agreement. Under these changed conditions the process of liquidation was moving forward hopefully, if not confidently, toward achievement until the Grundy tariff law was enacted and approved by President Hoover against the protest of a thousand famous economists.

William McKinley was elected President in 1896 as the result of a false promise made by Senator Sherman that in the event of his election there would be no tariff legislation. But the first act of his administration was the McKinley tariff law and the first reaction to that mischievous legislation was the panic of 1897. Hoover solemnly promised that in the event of his election the only tariff legislation would be to give agriculture equality with manufacture. The Grundy law was the violation of that pledge and the existing depression the consequence.

The late President Cleveland gained popularity and public favor by "the enemies he had made" and sometimes history repeats itself.

Playing Politics With Human Misery

If ever a man "played politics with human misery" Herbert Hoover is absorbed in that sinister employment now. During the last session of Congress he antagonized every practical device for the alleviation of human suffering because he imagined that credit for achievement might be ascribed to some one other than himself, and the paralytic economic depression was aggravated and prolonged because of his attitude on the subject. The prompt adoption of Senator Robinson's relief plan would have saved much of the human suffering incident to the drought, and the approval of Senator Wagner's measure for providing employment would have averted distress in all sections of the country.

Senator Caraway, of Arkansas, in an interview published the other day, calls to mind the partisan use to which Hoover and the Republican National committee are trying to put the moratorium decision. He says "it is notorious that President Hoover came to his moratorium decision with extreme reluctance and hesitation." It is equally well known that eminent Democratic economists and industrialists had urged the course on him for weeks, and that despite this pressure and that of statesmen of his own party, he delayed until the action came almost too late to avert a world catastrophe. Even then he did not act until he obtained the assurance of numerous Democratic legislators that they would support the plan.

The Arkansas Senator, usually nimble-minded and alert, is accurate as far as he goes. But he missed the principal point with respect to the motivation. The advice of Democratic and Republican statesmen failed of its purpose until Wall Street interests admonished him that the \$17,000,000,000 of American capital invested in foreign securities was in jeopardy. That appeal touched his capitalistic heart and he acted, not to save Germany but to save Wall Street. So far as Herbert Hoover is concerned Germany "might go hang." But the capitalists who had contributed profigately to the Republican slush fund in 1928 had to be taken care of and he literally hustled to the rescue.

Administration Stupidity Exemplified

In securing a stall in the market house of the world the administration at Washington has paid tardy but just tribute to the law of supply and demand. In a foolish effort to stabilize the price of coffee the government of Brazil has acquired a considerable quantity of that product of the soil. With an equally absurd purpose of fixing the price of wheat the government of the United States has accumulated a vast quantity of that cereal. In both cases the expectation of those responsible has been disappointed. In each the principles of economic law have been grossly violated and the result has been immense financial loss. The huckstering enterprise is an insane scheme to minimize the damage.

In the natural course of commerce the surpluses of one section are absorbed by the necessities of another. The soil of one section being especially adapted to a certain necessary product it is cultivated cheaply and abundantly for exchange for other products of other sections which enjoy the same facility in the production of other necessities of life. The fundamental principle of political economy is to buy in the cheapest market and sell in the dearest. The exchanges in this natural manner, not by governments but by individuals, is the essence of wise commerce and prosperity. It represents the highest type of industrial and commercial endeavor.

But the present administration in Washington pursues the opposite course. In the first place, by the adoption of an atrocious system of tariff taxation it closed the markets of the world to the products of our soil and factories and then by way of indemnity to the victims undertook to fix prices at a paying level by operations in the speculative markets. Brazil had previously proved the fallacy of that method and it is eminently fit that both offenders against business principle should come together in an equivocal deal in the hope of saving each other at the expense of the producers and consumers at both ends of the line. It expresses the logical result of administrative stupidity.

If China is going to buy wheat in this country why not draw on this year's surplus instead of relieving the Farm Board of its white elephant?

Senator Reed to Abolish the Farm Board.

Senator Dave Reed, of Pittsburgh, is preparing a bill to abolish the Farm Board. This is "the unkindest cut of all." The Farm Board is the pet creation of the engineering mind and Senator Reed has been the "guide, philosopher and friend" of its author. Its purpose was to fool the farmers of the Middle West. They seemed to be a stupid bunch, ready to fall for any kind of a gold brick decorated with the G. O. P. brand. The half billion dollar appropriation looked like an unexpected bequest of large proportions. Senator Reed supported it as an expedient to save the Hoover face. But it has disappointed him as well as the farmers.

The Farm Board has achieved some results. It lifted Mrs. Mabel Willebrandt out of the snug office of assistant Attorney General and placed her in the more lucrative employment of booze dispenser. The Farm Board advanced \$4,000,000 to a California corporation with which she had become affiliated to make and sell wine under the sanction of the government and the shelter of a fictitious name. That was worthwhile to Mabel but not satisfactory to Senator Reed, who has since denounced it as "the most pernicious example of misdirected paternalism in the whole government structure." Not because he is opposed to wine but for some other reason.

Still we are constrained to register approval of Senator Reed's purpose to abolish the Board. It may be too bad for Mrs. Willebrandt, whose corporation is applying for another donation, this time for \$3,500,000, and disappointing to others who have been benefited by its expensive operations in wheat and cotton price fixing. But it is an uneconomical experiment of doubtful legality and the sooner such hazardous policies are discontinued the better. No man of business experience and understanding would have even suggested it as an expedient to benefit the farmers of the country and only boobs could have been fooled by it.

When Senator Reed turns against President Hoover's most cherished schemes it is time for Herbert to feel lonesome.

Significance of Pinchot's Activity.

In view of the fact that the renomination of Herbert Hoover is practically certain the recent activities of Governor Pinchot are incomprehensible. In such matters Mr. Pinchot has always been cautious and calculating. Since his defeat by Boies Penrose for Senator, several years ago, he has refrained from entering into a political contest unless there happened to be a serious rift in the organization and a trifle more than an even chance for success. Last year he kept out of the fight until conditions justified confidence of victory. In 1926 he held out until the contest between Vare and Pepper had developed an irreconcilable breach in the organization.

Gifford Pinchot is an astute politician and measures public sentiment with rare accuracy. His capable and red-headed wife has long cherished an ambition to reside, for a term at least, in the White House in Washington. But for a time the prospects of achievement were exceedingly unpropitious. Herbert Hoover had apparently acquired title to a second term and by 1936 the infirmities of age would intervene to disappoint even the most radiant hope of Pinchot. Nothing less than grave and frequently repeated blunders on the part of Mr. Hoover could change the conditions. All the elements were combined in his favor. Party patronage and corporation necessities make a potent force.

But the keen mind of Gifford Pinchot seems to have discerned an opportunity. Herbert Hoover's phenomenal ineptitude has created a condition for Pinchot and his versatile as well as vigilant consort is skillfully doing the rest. His attitude on the subject of utility corporations first challenged popular attention and the stupidity of Mr. Hoover in prolonging rather than abating the economic depression has opened up new sources of complaint against him and causes for hope of Pinchot. And he is working full time and with his Detroit speech he has kept the wires hot ever since and seems to be making headway.

Mrs. Edith B. DeWitt is a candidate for nomination on the Democratic ticket for Prothonotary of Lycoming county. If service to one's party is the yardstick by which Lycoming Democrats measure the merits of those upon whom they confer their honors Mrs. DeWitt will be given a place on their ticket. And if Lycoming county wants to become noted for having an efficient and the most gracious and charming Prothonotary in Pennsylvania it will elect Mrs. DeWitt.

Our friends, the Republican politicians and press, are worrying too much about the Democratic candidate for President next year. The Democratic National convention will select a fit man and he will be elected. That feature of the Wickersham report which estimates that a majority of the crimes are committed by natives is a hard knock on the 100-percenters.

Pinchot's appeal to the Legionnaires assumes a surprising aspect when compared with his silence while the Liberty bond drives were in progress.

It seems to be broken banks and other forms of insolvency that are multiplying instead of autos, as promised by Hoover in campaign speeches.

It appears that Lindbergh's vacation is a matter of business as well as pleasure, and he carries the best wishes of the world in both purposes.

If President Hoover had approved the Senator Wagner bill of the last session there would be no necessity for the Gifford commission now.

Hoover has again "passed the buck," this time to Walter S. Gifford. Herbert may not be artful but he is certainly a successful dodger.

The Lindberghs are forging their way around the world with characteristic caution. Lindy lived in Missouri and has to be shown.

Secretary Stimson denies so many things that subsequently prove to be true that he is liable to be classed as a prevaricator.

The President is unalterably opposed to "government in business," but doesn't mind establishing a national huckster's stand.

Railroad, Motor Truck, Farmer

From the Philadelphia Record.

The fight over the freight rate increase sought by the railroads stiffens with the presentation of a petition from six Middle Western States asking that the plea be dismissed because of failure to make a case.

The petitioners' contention is that a financial emergency for the railroads is not sufficient ground for a boost of the whole rate structure.

The challenge comes from representatives of the railway regulatory commissions of the farming States of North and South Dakota, Iowa, Minnesota, Kansas and Nebraska.

It is asserted that the proposed rate increase would complete the ruin of the Western farmer.

The Washington representative of the National Grange asserts that the carriers' trouble is due not to low rates but to loss of traffic.

And that assertion goes to the heart of the problem. Whole columns could easily be written about the troubles of the railroads—high taxation, high operating costs, etc.

And an equal number of columns could be filled with fact and argument about the farmers' troubles. Agriculture is a basic and indispensable industry.

Transportation is essential to business.

The deadlock would be loosened if the farmers could prove that assertion, that the roads' difficulties spring from loss of traffic—more sharply, from competition by other carriers: motor truck and bus lines.

The key question is: Which is economically the more correct policy—to permit railroads to acquire control of competing methods of transportation, such as motor truck lines, inland waterways and pipe lines, or to assist them with a blanket rate-rise?

And the ruling fact in the background is that the people no longer fear monopoly, but favor centralized control under governmental regulation that guarantees the public fair play in services, rates and charges.

Paying For Our Railroad Policy.

From the Altoona Tribune.

The fundamental problem faced by the railroads is simple enough—no business can pay out more than it takes in and still keep going. At present the United States is served by 428,000 miles of railroad track—23.6 miles for each 10,000 of our population, as against 4.2 miles for the world, and 69 miles of track for each thousand square miles of territory as against 16 for the world at large. To carry on the business of this nation over the steel network requires the service of 1,250,000 workers. Every hour the carriers pay to their employees \$300,000 in wages, as well as paying \$40,000 in taxes.

The importance of the railroads cannot be exaggerated. They are our principal transport agent—and no other form of transportation is in sight to supplant them. They are directly related to the stability of banks, insurance companies and other institutions which have invested largely in rail securities. The jobs and livelihood of many millions of Americans, directly or indirectly, depend on the rails.

At present many lines are paying out more money than they can take in, following low profits for ten years under a drastic tax and regulatory policy. Hence the application for higher freight rates.

No farmer or manufacturer wants to pay 15 per cent more for transporting his goods—but the few extra dollars it will cost under the new rate standard, if it is allowed, will be nothing compared to the social and economic chaos that would follow railroad bankruptcy.

Season for Traveling

From the Nation's Business.

This is the season for traveling. Up and down the country stream cheerful vacationers, seeking new experiences, new scenes. They travel by train, steamship, airplane, bus or private automobile. Their route is smoothed for them. They travel in comfort. Hotels offer them more conveniences and greater service than ever before; trains with refrigerated air; wide, paved highways permit them to drive at high speed with safety; emergency landing fields and modern airports take the hazard out of flying.

Compare the lot of today's transcontinental traveler with that of our forebears who labored along the Oregon Trail. Compare the smooth-traveling train which Artist Edgar F. Wittmack pictures on our cover with the trundling covered wagon. Then imagine, if you can, how the traveler will cross the continent a hundred years from now. Will he fly? Will he drive an automobile whose motor is run by power from the air as your radio picks up sound waves? Will he ride in trains hauled by electric locomotives capable of 150 miles an hour? We don't know.

But we do know that transportation 100 years from now will show as great an advance as Artist Wittmack's train shows over the covered wagon because the same forces which brought about this tremendous advance are still at work. Those forces are the public will for improvement and the will of business to give the public what it wants.

SPAULS FROM THE KEYSTONE.

Pupils in Butler county schools will be punished only with paddles of soft pine not more than a fourth of an inch thick in the future, and the principal will be a witness to the punishment.

The Sheldon Manufacturing company, at Elkland, Tioga county, has received a big order for tent stakes from the United States government which will keep the plant running at full time during the next year. A force of a hundred men will be employed on the work.

After 100 men, led by State police, had searched for her 10 hours, 3-year-old Frances Hinkle was found at 2 o'clock Monday morning asleep under a tree in the woods near Elysburg. The girl wandered away from a clambake on the Miscavage farm. A posse was organized to search for her, and as darkness came on pitch torches were supplied by nearby farmers. Frances was found by her father, Joseph Hinkle, of Mt. Carmel.

Judge Miles I. Potter is seriously ill in the Dr. Joseph L. Potter hospital, at Middleburg, and is not expected to be able to resume his campaign for the Republican nomination for re-election to a second term as Judge of the Courts of Union and Snyder counties. Judge Potter was admitted to the hospital August 13 for a badly infected hand. He wrote from the hospital today: "I had expected to get around to see all the voters, but I fear very much that this cannot be done."

Chewing tobacco for chickens, is the suggestion of State College experts, according to associate Judge Charles Dunn, of Clinton county, and Otto Olson, government expert, who are growing rustic tobacco on a government experimental plot at the Judge's farm near Lock Haven. Powdered rustica, one pound for every hundred of feed, is the recommendation because of the high nicotine content. The manager of Douglas Fairbanks' ranch, near Santa Fe, N. M., has asked for rustic seed, Olson says.

Thirty one cars stolen since May 8 is the record of Vicent Walsky, 16; Joseph Kushna, 17; Joseph Dzonciak, 15; and Samuel Shinko, 15, of Hazleton, who have confessed. The police have recovered all but two of the machines stolen since May 8. Police magistrate John H. Hildebrand found that under the law he should hold the lads under an aggregate of \$310,000 bail for face terms of 30 days in jail and fines of \$155,000. He refused the responsibility and ordered them taken before the Luzerne county court.

A bull broke away from the Pennsylvania Railroad yards in Pittsburgh, on Tuesday, charged into the train shed, delayed the Cincinnati limited and tore up hundreds of laws before it was killed by a police radio scout car. A policeman was gored when officers attempted to drive the animal from the tunnel which runs under the city to the Handie tracks. The limited was detained because passengers were warned not to board or leave the train, while red-caps, police and trainmen tried to drive the animal out of the station.

A golden eagle was shot and killed by a farmer near Tarentum after a futile effort to carry away a large shepherd dog. The eagle, a rare bird, dropped the dog after rising a few feet from the ground, circled the farm and swooped down after a chicken. The farmer shot the bird with the chicken in its claws. The eagle, protected in this State, was turned over to Ralph A. Liphart, of the State Game Commission. It had a wing spread of nearly 73 inches. The bird will be used for educational purposes by the State Game Commission.

Fifteen men and women, patrons of the Mountain View Inn, near Shamokin, were robbed of \$1000 in jewelry and cash Monday morning by five gunmen, who entered the isolated roadside and forced everyone to lie face downward on the floor as they made a systematic search. O. Deleidi, proprietor, threw a roll of several hundred dollars behind him on the floor. Several women patrons had hysterics and required medical treatment. The holdup men cut wires leading from a public telephone, but overlooked a phone in the kitchen. State police were summoned, but found no clues.

Two men early on Tuesday held up and beat Vincent Ohearn, night clerk at the Reading Railroad station at Ashland and blew open the depot safe to steal \$350. They beat Ohearn almost unconscious when he told them he did not know the combination of the office safe. Finally they fixed a charge of nitro-glycerine and tied Ohearn to the safe while the fuse sputtered. In the nick of time the gangsters, changed their minds and cut Ohearn's bonds, permitting him to take refuge in a side room while the safe was blown. The thieves escaped in an automobile. Highway patrolmen at Pottsville, Tamaqua and Shamokin stopped every car leaving the region for hours after the holdup in a vain search.

Battering their way through a bathroom door, two policemen prevented a man from suicide in his home at Lancaster, on Sunday. Jonas Gregg, 48, was found sprawled across the bathroom floor with his head near an open gas jet. He was revived by policemen Paul Wiker and Myron Boettner. When Gregg had almost recovered from the effects of the gas, he attacked Wiker who was watching him while Boettner was throwing open the windows of the Gregg home. Wiker suffered severe bruises of the face. Gregg was subdued and taken to St. Joseph's hospital, and from there to the police station where he was slated on a drunkenness and disorderly conduct charge. From his cell, Gregg threatened to try suicide again. Lack of funds was given by Gregg as the reason for his suicide attempt.

Hunger and thirst endured for nearly three days while he lay trapped under a stove in his home caused the death, on Monday, of Howard Frederick, at Schenckville, Pa. Such was the opinion of doctors who had attended Frederick since he had been hauled out from beneath the stove Sunday by a neighbor, William Redelfa. They decided the bruises on his face and head had been caused by his desperate efforts to free himself from the grip of the stove grate. The injuries would not have caused death, the doctor said. Authorities, however, were mystified as to the manner in which Frederick had gotten under the stove and managed to trap himself. The man lived alone and had been out of work. Redelfa broke into his home when he became alarmed because Frederick had not removed newspapers from his doorstep.