

News Review of Current Events the World Over

President Offers Higher Tax and Wealth Reduction Program—Social Security and Wagner-Connelly Labor Bills Passed.

By EDWARD W. PICKARD
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SPURRED on by the White House, after a hot debate, passed the Wagner-Connelly labor disputes bill by acclamation, and President William Green of the American Federation of Labor hailed it as a "magna charta of labor." As is well known, the federation is the chief beneficiary of the measure, and Green and other labor union leaders had worked unceasingly for its passage.

Opponents of this bill, including constitutional authorities in both parties, have asserted repeatedly that it is unconstitutional, and it is most probable that it will be carried to the Supreme court for an early test.

Every attempt to give the employer an even break with labor was voted down, but the house did accept an amendment making the new labor board an independent agency instead of a part of the Department of Labor as Secretary Perkins had demanded.

As passed by the house, the Wagner-Connelly bill provides:

1. For the setting up of a permanent labor relations board of three members, appointed by the President, as an independent agency. The board, or its agencies or agents, is authorized to supervise elections, conduct hearings, and issue cease and desist orders for "unfair labor practices," which are enforceable by the courts.

2. That representatives selected by a majority of a unit of employees for the purpose of collective bargaining shall have the exclusive right to negotiate with the employer. The board may determine the appropriate unit for collective bargaining, whether by plant or craft, etc.

3. That it is an unfair labor practice for employers to restrain, coerce, or interfere with employees in their organization for collective bargaining.

4. That it is an unfair labor practice for employers to "dominate" or contribute financially to any labor organization.

5. That it is an unfair labor practice to encourage or discourage membership in any labor organization for the purpose of making closed shop agreements.

6. A fine of \$5,000 or a year in prison for anyone interfering with agents of the board, such as refusing to permit access to books and records.

EVEN Huey Long cheered when President Roosevelt's unexpected message on redistribution of wealth and increase of taxation for the rich was read to congress. The Chief Executive offered a program that he hopes will pay part of the vast expenses of the New Deal and at the same time break up some huge fortunes and check the growth of big corporations. He doesn't expect congress to do the entire job at this session, and the administration leaders at once set about stopping the radicals who wanted immediate enactment.

The President's taxation plan is frankly aimed against the wealthy, especially the men with million-dollar incomes. Of these there were 46 in 1933.

The following legislation he recommended for enactment during the present session in order to obtain ample revenue without hampering enterprise and to distribute tax burdens equitably:

1. High inheritance and gift taxes on "all very large amounts received by any one legatee or beneficiary." Segregation of this revenue for reduction of the national debt.

2. Tax levies to restrict "very great individual net incomes."

3. Substitution of a graduated corporation tax ranging from 10% to 16% per cent for the existing 13% per cent rate.

For consideration at the next session of congress the President proposed:

1. Elimination "of unnecessary holding companies in all lines of business," by discriminatory taxation.

2. Discouragement of "unwieldy and unnecessary corporate surpluses."

3. An amendment of the Constitution to abolish tax exempt securities by authorizing the federal government to tax subsequently issued state and local obligations and state and local governments to tax federal securities.

Treasury officials estimated that about one billion dollars could be expected ultimately from the tax plan submitted. Chairman Doughton of the house ways and means committee promptly called that body together to consider the proposal.

WITH only six senators voting in the negative, the senate passed the tremendously important social security bill that already had gone through the house. During the five days of debate a number of members, Democrats and Republicans alike, had argued earnestly that this measure never would stand up in the Supreme court, but when their names were called nearly every one of them voted for it. The only consistent ones were

Moore of New Jersey, Democrat, and Hastings of Delaware, Hale of Maine, Metcalf of Rhode Island, Austin of Vermont and Townsend of Delaware, Republicans. This social security measure will affect about 30,000,000 beneficiaries in the immediate future and by 1950, it is estimated, will cost the federal government more than \$3,000,000,000 a year.

These are its main features:

1. An appropriation of \$98,491,000 for the fiscal year 1936, including \$49,750,000 for grants in aid to states for old age assistance. In addition there are authorized annual appropriations for the old age reserve fund, graduated from \$255,000,000 in 1937 to \$2,150,000,000 in 1950.

2. Income tax on employees and excise tax on employers, for old age benefits, beginning in each case at 1 per cent of the pay roll in 1937 and reaching the maximum of 3 per cent in 1949. In addition there is a pay roll tax on employers for unemployment insurance, beginning at 1 per cent in 1936, increasing to 2 per cent in 1937, and to 3 per cent, the maximum, in 1938.

3. Grants in aid to states on a matching basis for assistance to persons sixty-five or older, the government's contribution not to exceed 15 per cent.

4. Old age benefits after January 1, 1942, ranging from \$10 to \$85 per month, depending upon the total amount of wages earned after December 1, 1936, and before reaching sixty-five years of age.

5. A 90 per cent credit to employers for taxes paid into state unemployment insurance funds, the other 10 per cent to be apportioned among the states for administration of their unemployment insurance laws.

6. Grants in aid to states for aid to dependent children, the federal government putting up \$1 to the state's \$2. An appropriation of \$24,750,000 is authorized for the fiscal year 1936.

7. Grants in aid to states on an equal matching basis for maternal and child health services. An annual appropriation of \$3,800,000 is authorized.

8. Grants in aid to states on an equal matching basis for the care of crippled children. An annual appropriation of \$2,850,000 is authorized.

9. An annual appropriation of \$1,500,000 through the children's bureau for aiding state public welfare agencies in the care of homeless or neglected children.

10. An annual appropriation of \$1,038,000 to be apportioned among the states for vocational rehabilitation.

11. An annual appropriation of \$8,000,000 to be apportioned among the states for public health services.

12. Grants in aid to states on an equal matching basis for assistance to the blind. An annual appropriation of \$3,000,000 is authorized.

13. A social security board of three members in the Department of Labor, to be appointed by the President, each member receiving \$10,000 a year.

GREAT BRITAIN'S realistic government finds the best path toward general peace in Europe is conciliation of Germany, so it has yielded to Hitler's naval demands and concluded a bilateral pact with the reich, disregarding entirely the desires and fears of France. The agreement acknowledges Germany's right to build a fleet up to 35 per cent of the tonnage of the British empire, and, what is more important, permits Germany 45 per cent, and in certain circumstances, parity with the empire in submarine tonnage. Submarines were forbidden to Germany by the treaty of Versailles.

EWING Y. MITCHELL, whom President Roosevelt ousted from the position of assistant secretary of commerce because he could not work in harmony with Secretary Roper, retailed with public charges that "special interests" dominate the Commerce department. He cited especially a government contract with the United States lines for the permanent lay-off of the steamship Leviathan, asserting that it was

interest and that "those interested in the company, including P. A. S. Franklin, John M. Franklin, Vincent Astor and Kermit Roosevelt" stood to benefit by it. He also severely criticized the bureau of air commerce and the steamship inspection service.

No one in the administration seemed disturbed by Mr. Mitchell's outbreak, but the senate committee on commerce at once summoned him to explain and expand his charges. Mr. Mitchell turned out to be an excitable gentleman, prone to jump to conclusions and to voice his opinions rather than facts. He talked a lot about inefficiency, "sinks of corruption," "favoritism and graft" and such things, but he didn't tell the committee much that it didn't already know. He asserted the United States lines, a subsidiary of the International Mercantile marine, had received a "gift" of \$1,721,000 through the retirement of the Leviathan.

SENATOR JAMES COUZENS of Michigan has given to the federal government \$550,000 to finance a 1,000-acre residence colony for part time industrial workers in the Detroit area. A tract has been purchased nine miles south and west of Pontiac. The project will be controlled by a non-profit corporation and Senator Couzens will have nothing to do with its management.

FORTY prisoners in the Kansas penitentiary at Lansing staged a spectacular revolt against what they said was poor food, and refused to come out of the prison coal mine until their demands were granted. They built fires to keep the guards away from the shaft, but the smoke from these was turned backward and the mutineers tamely surrendered.

POOR old NRA, now just a thing of skin and bones, has a new set of managers. President Roosevelt issued an executive order extending the emaciated affair until April 1 next, in accordance with the resolution adopted by congress, and then announced that James L. O'Neill, vice president of the Guarantee Trust company of New York, would serve as administrator. Assisting the banker in the effort to persuade the public, business men and labor to abide voluntarily by the codes no longer enforceable, and in the assembling of statistics, are Leon C. Marshall, director of the division of review; Prentiss L. Cooney, director of the division of business co-operation, and George L. Berry, assistant to the administrator, representing labor. Mr. Berry, who has been serving as a code administrator, is president of the International Pressmen's union and was once a candidate for nomination for Vice President of the United States.

O'Neill, Marshall and Cooney were made directly responsible to the President. An advisory council of six members was named to help them. On this council are Charles Edison and Howell Cheney for industry; William Green, president of the American Federation of Labor, and Philip Murray, vice president of the United Mine Workers, for labor, and Emily Newell Blair and Walton H. Hamilton for consumers.

AFTER three bloody riots in Omaha's street car strike, in which one man was killed and nearly two hundred were injured, Gov. R. L. Cochran of Nebraska took charge of the situation. State troops were called out to preserve the public peace and the governor, meeting with representatives of the traction company, the central labor union and the strikers, ordered that the dispute be arbitrated immediately.

Illinois National Guardsmen were sent to Freeport where strikers at the Stover Manufacturing plant had fought with deputy sheriffs. Gov. Henry Horner intervened and a basis was reached for settling the strike, which had been in force since May 7. The men were granted a wage increase at least until September 1 next.

President Roosevelt succeeded in averting the threatened strike of bituminous coal miners. Both the operators and the United Mine Workers agreed to a truce until June 30, before which time it is hoped a new wage scale can be formulated and accepted.

SECRETARY OF WAR DERN exonerated Maj. Gen. Benjamin D. Foulois of blame for the army air-mil fiasco and merely directed that he be reprimanded for making "inexact, unfair and misleading" statements to the house military affairs committee. This didn't suit certain members of the committee who insist the general should be removed from his command of the army air corps. Representatives William H. Rogers of New Hampshire and Lister Hill of Alabama said they would carry the matter to the floor of the house and there review the evidence the committee took.

In holding that Foulois should receive more drastic punishment than a reprimand, Representative Rogers made public a letter from Secretary Dern to the committee. The letter followed an official War department statement clearing Foulois, whose friends insisted he was being made a scapegoat for the administration air-mil blunder.

"It is affirmatively established," Dern's letter read, "that General Foulois violated the ethics and standards of military service in making statements before your committee which not only were unfair and misleading to the committee itself but which also reflected upon the integrity of his brother officers."

PRESIDENT CARDENAS of Mexico appeared to have come victorious out of a crisis that was precipitated by Plutarco Elias Calles, who was opposing Cardenas' economic policies. The young president forced his entire cabinet to resign and formed another that would support him wholeheartedly.

The Mexican City Catholics, who are pretty much suppressed, took advantage of the presence in the capital of thousands of Rotarians attending the international convention, and held a monster parade with speeches calling for religious liberty.

Pension Rolls Slow to Show Much Diminution

It doesn't take long to raise an army but it does take a long time to pay them off. If the law of averages holds out Uncle Sam will still be paying pensions to Civil war veterans until 1955 and to their widows until at least 1950. While there are now less than 50 actual pensioners of the World War (not counting those receiving compensation) either pensions or compensation will likely continue to be paid these veterans until about 2025 and to their widows or dependents until around 2065. According to the records of the Veterans' administration the last Revolutionary war veteran died in 1809 (the last widow in 1906); the last survivor of the War of 1812, in 1905; and the last soldier of the Mexican war, in 1929. But at the beginning of 1935 there were 15,647 Civil war veterans and 106,501 of their widows and dependents on the pension rolls as well as five widows or dependents of the War of 1812.—Pathfinder Magazine.

Long-Distance Reader
A homemade telescope, recently completed by an amateur astronomer in Chicago, is so powerful that by its aid its builder can, he claims, read the time on a pocket watch at a distance of two miles, says the Popular Science Weekly. The builder, who

is a printer, did the whole job himself, even to grinding the concave reflecting mirror. The barrel of the instrument consists of a framework of pipe, joined at half the length by union connections. When these unions are unscrewed, the top half of the barrel may be folded back, making it possible to store the telescope in a limited space. Although the instrument weighs 500 pounds, wheels attached to the stand permit it to be moved about with comparative ease.

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MOTORISTS WISE AS SIMONIZ

TIRES MAY LOOK ALIKE ON THE OUTSIDE ON THE INSIDE THEY ARE DIFFERENT

HEAT on the inside created by friction is the main cause of blowouts. Firestone Tires are different on the inside—they are built with the patented extra process of Gum-Dipping that soaks every cord and insulates every strand with pure liquid rubber, preventing internal friction and heat. No other make of tire is Gum-Dipped. Firestone performance records again emphasize the undisputed evidence that Firestone Tires are not only blowout-proof, but give greatest protection against skidding. There are three questions and answers that will solve the problem of what tires to buy:

QUESTION 1—"Will the tread give me the greatest traction and protection against skidding?"

ANSWER—Recent tests by a leading University show that Firestone High Speed Non-Skid Tires stop a car 15% quicker than any other of the leading makes. For eight consecutive years Firestone Tires have been on the winning car in the dangerous Pike's Peak Race where a skid means death. This is undisputed evidence that Firestone gives car owners greatest protection against skidding.

QUESTION 2—"Are they blowout-proof?"
ANSWER—Firestone Gum-Dipped Tires have the most amazing records for being blowout-

proof of any tires ever built. In the gruelling 500-Mile Race at Indianapolis, May 30th, every one of the 33 cars was equipped with Firestone Gum-Dipped Tires. Not one of the 33 drivers had any tire trouble of any kind. Ab Jenkins drove his 5,000 pound car on Firestone Gum-Dipped Tires over the hot salt beds of Utah, 3,000 miles at 127.2 miles per hour, with temperatures as high as 120°, without tire trouble of any kind. These are most amazing proofs of blowout protection ever known.

QUESTION 3—"Without sacrificing these two important safety features will they give me longer mileage, thus making them the most economical tires I can buy?"

ANSWER—Firestone High Speed Tires not only give you more than 50% longer wear, but also lowest cost per mile due to the tough, wear-resisting tread built with higher shoulders and a wider, flatter contour. This rugged tread is held securely to the Gum-Dipped cord body by Firestone's patented construction of two extra layers of cords under the tread, a special construction feature not used in any other tire. Unequaled mileage records by thousands of car owners add undisputed evidence of longer wear and greater economy of Firestone High Speed Tires.

You Always Get Better Quality at No Higher Price when You Buy a Firestone Tire with the Firestone Name and Guarantee

1 University tests show Firestone tires stop cars 15 to 25% quicker.	2 Gum-Dipped cords give greater blowout protection. Gum-Dipping is not used in other tires.	3 Wider, flatter tread gives more than 50% longer non-skid wear.
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MASTERCPIECE OF TIRE CONSTRUCTION

SIZE	PRICE	SIZE	PRICE	SIZE	PRICE	SIZE	PRICE
4.50-21	\$7.30	4.50-21	\$6.65	4.50-21	\$6.05	4.50-21	\$4.05
4.75-19	7.75	4.75-19	7.55	4.75-19	6.40	30x3 1/2	6.05
5.25-18	9.20	5.25-18	8.40	5.25-18	7.60	4.40-21	4.75
5.50-19	10.40	5.50-19	9.20	5.50-19	8.75	4.50-21	5.25
						4.75-19	5.55

Other Sizes Proportionately Low

SIZE	PRICE
4.50-21	\$ 7.75
4.75-19	8.20
5.00-19	8.80
5.25-18	9.75
6.00-16	11.95
4.75-19 HD	10.05
5.00-19 HD	11.05

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