

## Weekly News Analysis

# Axis Adopts 'Confusion' Plan To Force More Concessions

By Joseph W. La Bine

EDITOR'S NOTE—When opinions are expressed in these columns, they are those of the news analyst, and not necessarily of the newspaper.

### Europe

Almost forgotten by war-mad Europe this month has been little Albania, whose conquest by Italy really started the cauldron boiling. While Benito Mussolini quietly made the tiny Balkan state part of King Victor Emmanuel's monarchy, Europe became a frantic checkerboard of moves and countermoves in which harried France and Britain seemed badly outmaneuvered. Biggest news came from the Balkans, where democracies concentrated on Greco-Italian friendship while Premier John Metaxas quavered under threats of Axis invasion if he continued hobnobbing with Britain. Finally, al-



GREECE'S METAXAS

Britain was nice, Italy even nicer.

though British Prime Minister Chamberlain offered a weak "guarantee" of protection to Greece and Italy, Premier Metaxas took pains to proclaim joyfully that Italy promised to respect the Greek frontier. This, he said, symbolized a "new period of Italian-Greek relations," but it was merely symbolic of how lesser European states, one by one, are bowing to the Axis rather than accept doubtful "protection" from France and Britain.

By mid-April the post-Albanian crisis had subsided but another was plainly in the offing. Newly strengthened, Italy and Germany are expected to jab soon at any of 20 possible points, confusing the democracies so badly that all dictator demands will be granted. Among possible attack points:

**Spain.** The civil war is over but Italian troops are still arriving in defiance of the Italo-British Mediterranean pact. The excuse is a "victory parade" on May 2, but shrewd old Field Marshal Henri Petain, whom France named its first envoy to Burgos, has returned in disgust to explain that he was snubbed and treated insolently, and that General Franco is a tool for the Axis. If this is true, Italy or Germany could attack France's southern border, British Gibraltar or French Algeria from bases in Spain.

**Mediterranean.** Gaining nothing by howling for French Tunisia in northern Africa, Italy has changed her tactics, reverting to silence. But several German troop trains have passed through Italy bound for Italian Libya, potential operations base for a Tunisian campaign.

**Balkans.** Italo-German thrusts converge here, focused on Rumania, Greece and Turkey. Docile tools of the Reich, Hungary and Bulgaria have massed troops on Rumania's border, threatening to strike if King Carol gets too friendly with Britain. Yugoslavia is neutralized, surrounded by Hungary, Bulgaria and Albania. From the latter point, and

from Rhodes and other islands of the Dodecanese group, Italy could strike at either Greece or Turkey.

**Northeast Europe.** Poland, fearful of invasion yet jealous of her independence, risks German invasion from north and west as the price for a military pact with Britain. Also to the north are Lithuania, Latvia and Estonia, tools of the Reich and potential points of invasion into Poland. Likely sources of trouble here are Danzig, which seeks annexation by Germany, and the Polish corridor, where Germany wants to build a highway from its "mainland" to isolated East Prussia.

**Western Europe.** Mysterious German troop movements have brought reinforcements on both sides of Belgian, Swiss, Dutch and Danish frontiers, any of which might be crossed in a brisk German coup. Less likely is a strike against France, which would precipitate a general war.

**Result.** Though forced by public opinion to stiffen, Mr. Chamberlain's government still hopes to woo Italy from the Axis and make peace by appeasement. Mr. Chamberlain will not declare war, which is the only alternative to a stronger foreign policy if the government would remain in power. This failing, parliament has become so hostile that Anthony Eden, ex-foreign minister, is an excellent bet to succeed Mr. Chamberlain when the next crisis arrives.

### Domestic

In New York marine underwriters boosted war risk insurance. The treasury announced \$365,436,000 in gold fed to the U. S. in March, while \$49,000,000 more arrived in two mid-April days alone. At Rome, Mussolini Mouthpiece Virginio Gayda wrote in a caustic editorial for his *Giornale d'Italia*: "The United States should heed timely advice before those European nations (Italy and Germany) which have been chosen as targets by America, are forced to occupy themselves in the same spirit with American internal affairs." Back in Washington from Warm Springs, where he had promised to return next fall "if we don't have a war," President Roosevelt heard two cabinet officers (Hull and Morgenthau) warn that a European war is likely unless effective curbs are placed on Nazi-Fascist threats to the world economic structure. What his seemingly casual remark intended, the President later explained was that "we" meant not

Reasoning: Alone among the larger South American nations, Argentina has favored German barter commerce. The rest of Other America has eschewed it, knowing that Nazi political and military agents work hand in hand with Nazi tradesmen. Having discovered a Nazi threat to its security, Argentina is already clamping down on German imports, ready to join her neighbors in a solidarity declaration. Thus the Patagonian incident fits perfectly with President Roosevelt's often-experienced dreams of Pan-American unity.

Meanwhile, several thousand miles away, Ecuador is worrying over the chance that Germany may seize the strategic Galapagos islands, which lie 1,000 miles southwest of Panama, and which California's Rep. Edward V. Izak recently wanted the U. S. to purchase as a naval base.

**Aviation.** Some 4,100 miles southwest of San Francisco and 3,250 miles northeast of Australia, just south of the equator, are Canton and Enderbury islands, the former named for a Massachusetts whaler wrecked there in 1854. Both islands were officially unclaimed until March, 1938, when President Roosevelt saw them as a vital link in U. S. defense and a logical base for trans-Pacific aviation. When Great Britain disputed the claim it was announced last August that both countries would use the islands for commercial aviation, but not until recently was a formal treaty signed. Its 50-year provisions: U. S. and British administrators will reside there, exercising powers to be determined by consultation; American interests will build an airport, to be used by British aircraft in return for a fee.

Pacific aviation is boomed by the pact, for Canton and Enderbury lie only 1,850 miles from Hawaii, directly on the route a ship would take to Sydney, Australia. Canton boasts a quiet lagoon nine miles long and three miles wide, ideal for planes.

But aviation to the contrary, many a congressman was dubious when asked to ratify the treaty. Reason: If Britain were involved in war, an attack on British property in the Pacific might force the U. S. to defend the islands, thereby getting its own feet in the international puddle.

**Miscellany.** At Memphis, Tenn., juvenile court authorities played host to a 16-year-old Mississippi farm girl who said she (1) had never seen an electric light; (2) had never talked over a telephone; (3) didn't know Franklin Roosevelt was President; (4) had never eaten a Christmas tree; (5) had never eaten an ice cream cone; (6) had never seen a motion picture; (7) had never been higher than the second floor of a building and never heard of an elevator.

**People.** Dropped, at his own request, Thomas E. Amle, former progressive Wisconsin congressman, from consideration as a member of the interstate commerce commission. Reason: Congressional reticence over confirmation.

● Sentenced, in New York federal court for smuggling, Mrs. Edgar N. Lauer, wife of a New York state supreme court justice.

● Chosen, as "American mother for 1939," Mrs. Elias Compton of Wooster, Ohio, mother of Nobel prize winner, Dr. Arthur Holly Compton; Massachusetts Institute of Technology Pres. Karl Taylor Compton; Lawyer Wilson Martindale Compton; and Mrs. C. Herbert Rice, missionary and wife of the principal of a college in India.

### Taxation

Time was when the ambitious U. S. mother wanted her son to be a banker. But nowadays the hand that counts money keeps far less of it. Today's ambitious mother should tutor her son (or daughter) to enter the motion picture industry. At Washington, the house ways and means committee received its annual list of top flight U. S. wage earners and their salaries for 1937, disclosing that Movie Magnate Louis B. Mayer led the pack with \$1,296,503 (\$1,161,753 as production executive for Loew's, Inc., \$134,750 as vice president of Metro-Goldwyn - Mayer).



Louis B. Mayer

Second place went to Loew President J. Robert Rubin, \$651,123; third, Publisher William Randolph Hearst, \$500,000; fourth, Loew's N. M. Schenck, \$489,602.

Of 63 salaries topping \$200,000, an even 40 were reported by movie workers. Highest paid cinema star: Greta Garbo, \$472,499. Highest paid radio star: Maj. Edward Bowes, \$427,817. Highest paid industrialist: International Business Machines' Pres. Thomas J. Watson, \$419,398.

One consolation for bread-and-butter workers is that the more a man makes, the more he pays the government. Sample: More than \$800,000 of Louis Mayer's \$1,296,503 probably went out in federal taxes. On net incomes of \$50,000, the government gets 17.7 per cent, or \$8,869; on \$1,000,000 it gets 67.9 per cent, or \$679,044. Often heaped atop this levy is a state income tax, like New York's, which ranges from 2 per cent of the first \$1,000 taxable income to 7 per cent of all taxable income over \$9,000.

### Pan America

In late March Argentine officials reportedly discovered that Nazi agents were undermining their country. Papers unexpectedly printed a facsimile of the letter Germany's Buenos Aires embassy had written to the Berlin foreign office, saying: "We are able to annex Patagonia." Hardly willing to surrender a rich, unworked section comprising one-third of Argentina's territory, police dug for dirt, soon discovering a well-organized chain of Nazi centers directing the work of German agents throughout the nation. Alfredo Muller, chief agent, was arrested and charged with plotting against the state's security. More raids inland disclosed more Nazi communities, and after three weeks' probing it became evident Germany had probably committed a blundering tactical mistake.

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### Bruckart's Washington Digest

## Time Has Come to Pay the Fiddler New Tax Sources Must Be Found

### Supreme Court Decision Opens Way to Tap Salaries of Federal, State and Local Government Employees; Never Has Nation Had Such Gigantic Debt.

By WILLIAM BRUCKART

WNU Service, National Press Bldg., Washington, D. C.

WASHINGTON.—Court decisions as a rule are difficult things for laymen to understand. True, most everyone who hears or reads an opinion by a learned justice will know what the result is—whether one side or the other wins. But, generally speaking, the public as a whole fails to understand the full importance of a decision. It is not their fault. Comparatively few persons are trained in law, and a good many of those only believe themselves to be lawyers.

For that reason, as well as the fact that many persons do not have the time or the opportunity to examine court decisions, I have been wondering whether it is clear exactly what happened when Mr. Justice Stone recently read the decision in the case involving taxation of federal and state employees. No doubt, most persons realized that Justice Stone had ruled there can be taxation of the salaries of federal employees by state governments and that the federal government may tax the salaries of state officials and employees and employees of lesser governments like cities and counties. But there is more to the ruling than the simple statement just made, very much more.

As a matter of fact, I believe that those who were privileged to listen to Justice Stone that day heard an opinion that is going to go a long way in changing the course of government from the federal government down to the lowliest township. I think frankly that it will be several years before the full force and effect of that decision will be exerted, both nationally and locally, but I am definitely convinced that it will be felt and that it will have important effects upon governmental policies.

And beyond that, the decision told another story. It told the story that our national, state and local governments are hard up for tax sources. It actually shouted to all who would listen: boys and girls, your spending dance is over; now, it's time to pay the fiddler.

### Never Before Has the Nation Had Such a Gigantic Debt

It can not be construed otherwise. Never before in our history has the nation had such a gigantic debt, a debt of more than 40 billion dollars. Never before have the states or the cities or the counties had such debts, where their state constitutions permit creation of debt, as they have today. I do not know of anyone who can give accurate figures of the debts of governments of states, cities, and counties. It is a tremendous sum. They have danced, and they, too, must pay their fiddler.

In the lush days when most folks were working and there was good business, the taxes rolled in and there was little or no thought about spending money for new roads, new post offices, new county courthouses, new city halls, new bridges and so on. Money was spent rather liberally in those days. There were bonds sold, and the proponents campaigned for bond issues in a big way. They said, in effect, "Aw come on and vote these bonds. We can pay them off over 20 years and the little teeny added tax won't hurt." It probably did not hurt, in those days. But there came the depression and there came 10 million men out of work, and there came the worst business in a half century. Then, that teeny little bit of tax did hurt. The taxpayers weren't paying taxes, because they had no money to pay them.

There was, however, a debt. The destitute had to be fed and clothed. First, the local authorities did it. Then the states and then the days of the real dance began. Billions upon billions were poured out of the federal treasury to be used for feeding and clothing and housing those whom the states and cities had cared for, but could care for no longer. And up zoomed the national debt. It was about 16 billions to start with because only 9 billions of the World War debt had been paid off. Since the taxes were not bringing in enough money, the federal treasury borrowed and borrowed some more.

Now, they're seeking money to pay their fiddlers. Now, the time has come to begin paying off the debts. The states and the cities and the counties have been looking for money to pay their fiddlers. The national government has been looking for money to pay its fiddlers. Each unit of government has had to look around for new spots, new things, to tax. Taxes are as high as can be regarded as productive in many of the usual ways of taxation. So, where shall we turn? was the question.

President Roosevelt has believed for a long time that it was rather silly that officers and employees of the federal government should not be taxed by their home states. He has believed, too, that the federal

government should have the right to tax the income of those who were held to be exempt from income taxation because they worked for a state government, or city government or a county government, or some agency of those governments.

Likewise, Mr. Roosevelt has contended that income from federal bonds and income from bonds issued by state and local governments and school districts and drainage districts and irrigation districts should be taxable. He has thus far been unable to accomplish anything in this direction, and the matter was not before the court. It, therefore, did not figure in Justice Stone's opinion. Sometime, such taxation may be brought about. I hope so, anyway, because it is a proper subject of taxation, it seems to me.

But to get down to another direct result of the Stone ruling which, by the way, was supported by seven of the nine justices of the highest court.

### Pay of Federal Employees Tax Exempt for 69 Years

For the last 69 years, the pay of any federal official or employee could not be taxed in any form by any state or local government. Of course, there was no income tax during most of that time, either national or state, and during most of that time, as well, there was not the press for government revenue that now obtains. But, to repeat, for 69 years state or local governments could not touch the pay of a federal worker, nor could the federal government touch the pay of a state or city or county worker, even after the federal government turned to income taxes as a revenue source. Some judge, somewhere, sometime, had said the Constitution prevented it. It was just taken for granted. All of that now has been changed, however, and if the pay of a county judge is sufficient to fall within the federal tax brackets, he will pay. It will be the same with everyone from the governor on down and from the mayor on down. It will be the same with federal officials and other federal employees stationed or living within a state that imposes income taxes on its residents.

No one has yet calculated how much additional tax will be obtained by the federal government as a result of the decision. Nor has anyone made a real guess as to what the ruling will mean in additional dollars and cents to state governments which may now safely impose the income tax on all federal employees. In the case of the federal payroll, the civil service commission figures there are something like 800 thousand receiving checks twice each month. There are in addition, hundreds of employees of outfits like TVA, RFC and other corporations. The stock of these is owned by the federal government and they are, therefore, "instrumentalities" of the federal government, hitherto with payrolls exempt from state income taxes.

There is one thing, however, of which we may be sure: the jobs, the political plums, the 5-thousand and 10-thousand dollar jobs have suddenly become less juicy. They are less lucrative by about \$500 on a 10-thousand dollar job.

What Effect Will Additional Taxes Have on Jobholders?

Very important also, in my opinion, is the effect this additional tax will have upon the mind of the jobholder. You know, a jobholder very frequently is most willing, even anxious, to spend the taxpayers' money. It is one way by which he can curry favor, make votes for himself. I have a feeling that many of those jobholders are going to stop and think a wee bit more. He may possibly stop to think how much it will take out of his pocketbook. That ought to be helpful, because it ought to reduce the number of flannel-mouths going about the county or district, shouting for another bond issue before the ink on the last one gets dry. One of the results, therefore, possibly may be to cause that type of public official and advocate of "improvement" to favor living within the income of tax receipts.

To make it complete, now, we ought to have the same kind of reciprocal taxation of income from federal bonds and bonds issued by state and local governments and their agencies. Mr. Roosevelt has said he believes these can be taxed—that is, those to be issued in the future—under present laws. Some very fine legal minds in congress believe, on the other hand, that creation of such a taxing right will require amendment of the Constitution. In any event, it ought to be done for the good of the country.

There can be no doubt in the mind of anybody that "tax free" bonds sell like hot cakes. They bring better prices than bonds of industrial corporations and the like, because the interest from those bonds must bear its fair share of tax.

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## Small Waists and Becoming Necklines

THE neckline is a very important detail in making your dress becoming. Thus No. 1719, designed for large figures, has a plain, deep v-neckline which is especially slenderizing. Darts at the waistline tend to make you look inches slimmer. This is a particularly comfortable dress to work in, with its deep armholes, slashed sleeves, and easy waist. It's easy to put on and to iron, too, thanks to the button-front. A diagram design, it may be all finished in a few hours. Calico, gingham, percale or seersucker are nice for this.



For slender, youthful figures, the heart-shaped, frill-trimmed neckline of No. 1726 is perfectly charming and as flattering as can be! The pointed basque bodice diminishes your waistline to practically nothing, and the wide-shouldered sleeves and flaring skirt accent the slender youth of the silhouette. Make this pretty dress of silk crepe, taffeta or prints, and see if it doesn't win you many compliments!

No. 1719 is designed for sizes 36, 38, 40, 42, 44, 46, 48, 50 and 52. Size 38 requires 4 1/2 yards of 35-inch material; 4 1/2 yards of braid.

No. 1726 is designed for sizes 12, 14, 16, 18 and 20. Size 14 takes 4 1/2 yards of 39-inch material; 1 1/2 yards of pleating or ruffling.

**Spring-Summer Pattern Book.** Send 15 cents for the Barbara Bell Spring and Summer Pattern Book, which is now ready. Make yourself attractive, practical and becoming clothes, selecting designs from the Barbara Bell well-planned, easy-to-make patterns. Send your order to The Sewing Circle Pattern Dept., 247 W. Forty-third street, New York, N. Y. Price of patterns, 15 cents (in coins) each.

## SAFETY TALKS

### Defective Cars in Accidents

COMPILATION by the National Safety council of state motor vehicle accident reports shows that 9 per cent of the motor vehicles in fatal accidents were reported as defective.

In non-fatal accidents defective vehicles numbered 4 per cent.

The council commented that "it seems certain that mass statistics understate the true importance of this problem. A careful study made several years ago indicated that vehicular defects were at least a contributing cause in 15 per cent of the accidents."

## CONSTIPATED?

Here is Amazing Relief for Conditions Due to Sluggish Bowels. If you think all laxatives are alike, just try this all vegetable laxative. It's gentle, invigorating. Dependable relief from sick headaches, biliousness, tired feeling, nervousness, all worn out. Other signs of kidney or bladder disorder may be burning, scanty or too frequent urination. Use Doan's Pills. Doan's help the kidneys to get rid of excess poisonous body wastes. They are antiseptic to the urinary tract and tend to relieve irritation and the pain it causes. Many grateful people recommend Doan's. They have had more than forty years of public approval. Ask your neighbor!

WNU-4 16-39

## Utter Poverty Debt is the worst kind of poverty.—Proverb.

## That Nagging Backache

May Warn of Disordered Kidney Action. Modern life with its hurry and worry, irregular habits, improper eating and drinking—its risk of exposure and infection—throws heavy strain on the work of the kidneys. They are apt to become over-taxed and fail to filter excess acid and other impurities from the life-giving blood. You may suffer nagging backache, headache, dizziness, getting up at night, leg pains, swelling—feel constantly tired, nervous, all worn out. Other signs of kidney or bladder disorder may be burning, scanty or too frequent urination. Use Doan's Pills. Doan's help the kidneys to get rid of excess poisonous body wastes. They are antiseptic to the urinary tract and tend to relieve irritation and the pain it causes. Many grateful people recommend Doan's. They have had more than forty years of public approval. Ask your neighbor!

## DOAN'S PILLS