

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

Battle to Raise National Debt Makes New Taxes Impossible; Touchy Topic in Election Year

(EDITOR'S NOTE)—When opinions are expressed in these columns, they are those of the news analyst and not necessarily of this newspaper.)
Released by Western Newspaper Union.



HARRISON "... fine." EARLY "His boss hopes..." KING "... great interest..."

WHITE HOUSE: Budget

Next spring the national debt will reach its \$45,000,000,000 legal limit. To circumvent the issue or force an increase through a hostile congress during an election year will provide such a test of political etiquette that the New Deal will have little stomach for a tax-boosting campaign. If anything, it will be smart politics to slash expenditures.

There were signs in late November that such attempts might be made. One by one, administration spokesmen purred for the press:

Said Mississippi's Pat Harrison, chairman of the senate finance committee: "Receipts are showing up fine. The way they are coming in gladdens our hearts. If . . . we can cut down expenses somewhat, we may get along without a tax bill."

Said Utah's Sen. William King, fresh from a White House conference: "The President evinced great interest in a policy that would prevent large deficits."

Next came White House Secretary Steve Early, who has been reborn

lately as a "spokesman." While Budget Director Harold D. Smith nodded his assent, Steve Early pointed out that the President is considering sharp economies next year. Other leaders hoped to trim the deficit to between \$2,000,000,000 and \$2,500,000,000. (Last fiscal year's deficit: \$3,500,000,000.)

Aside from all-important political considerations, prevailing whether the President sought a third term or tried to name his successor, there were some honestly promising factors in the picture. WPA rolls stood at 1,930,463 against 3,360,000 a year ago; business was better; tax income, if the present rate of increase is maintained, would be \$1,000,000,000 higher next year.

But there was a less pleasant side to the picture. National defense, which last year cost \$1,500,000,000, may easily reach \$3,000,000,000 this year and would thus wipe out the boost in tax receipts. Relief costs are predicted at \$1,000,000,000 against \$1,400,000,000 this year, a comparatively small cut. Summed up, the budget will probably hit a rough \$9,000,000,000, which still fails to reverse the spending trend.

EUROPE: Mad War

Spies, parachutes and trade conversations made bigger news than actual warfare as Europe ended the third month of its strange war. And if any deduction could be drawn from this mad sequence of illogical activity on a hundred fronts, it was that Europe is already pretty sick of war, more and more convinced that nobody wins.

The new "weapon" Adolf Hitler threatened during his speech at Danzig took form in a new sea mine

The allies were more successful in other branches of warfare. No one knew how many French-British planes had been lost, but 20 Nazi airships were allegedly shot down in two days' warfare over the Western front. At sea the French destroyer Siroco sank two German submarines within three days.

While Berlin was genuinely worried by disorders in the Czech province, where eight students had been purged, the Nazis were making the most of another disorder. Heinrich Himmler, chief of the feared Gestapo, announced simultaneously that a German named Georg Elser and two British intelligence officers, Mr. Best and Captain Stevens, had been arrested in connection with the Munich beer hall explosion which almost cost Hitler's life. Elser is charged with the crime, while the Britishers were said to have financed it. Direct leadership, say the Nazis, came from exiled Otto Strasser, pioneer Hitlerite who soon became his bitter foe. Britain kept its tongue in cheek throughout the affair, for Germany was obviously making the most of this detective thriller. Biggest mystery: Why should the British instigate a plot that would martyrize Hitler?

German activity also had repercussions in the Balkans. When Rumania's cabinet rejected Nazi demands for a virtual monopoly on Rumanian oil and raw materials, Premier Constantin Argetoianu resigned. His successor, whose appointment was hailed as an allied victory, is George Tatarescu, former premier and a strong Francophile.



GEORG ELSE
A detective thriller.

parachuted from airplanes. Presumably scores of these were dropped in the English channel, the parachutes dissolving. In one week they took a toll of 25 allied and neutral vessels, Britain retaliating by strengthening its blockade against the Reich. This was not too smart, for London soon had the wrath of Netherlands, Belgium and Italy on her shoulders.

NAMES

... in the news

Senator Carter Glass of Virginia told reporters: "I know of no man better qualified for the presidency than John N. Garner or Harry Byrd (his colleague from Virginia)."

Wilhelm Hohenzollern, ex-Kaiser of Germany, narrowly missed injury when a sudden windstorm uprooted a tree one minute after he had passed the spot.

Tom Pendergast, ex-Kansas City boss now in Leavenworth for evading income taxes, was denied parole.

Mohandas Gandhi, Indian leader, demanded freedom for his followers before India will aid Britain in the war.

Louis Taber was re-elected master of the National Grange as its convention closed at Peoria. Chief resolution: To force suspension of the U. S. reciprocal trade program.

Another menace was the U. S. At Washington, Undersecretary of State told his press conference that Americans in China—especially at the Tientsin British concession—are being molested by the Japs. He also emphasized that the U. S. still insists its citizens have every right to pursue their commercial enterprises in China, regardless of Japan's highly touted "new order."

This looked bad for U. S.-Jap trade relations, which Tokyo hopes can be smoothed over before the present treaty is abrogated January 26. Although Premier Abe hoped these relations "could be adjusted" before the deadline, it hardly looked like Washington was in a mood to talk business.

AGRICULTURE:
Farm Vote

In at least one man's opinion, 1940's presidential campaign will be won or lost in the farm vote. Addressing the National Grange convention in Peoria, Oregon's Republican Sen. Charles L. McNary (himself a potential candidate) outlined a three-point program on which he said the G. O. P. could win:

(1) Equalize AAA benefit payments. One weakness in the present plan, he maintained, is its discrimination favoring a few commodities (wheat, cotton, corn, tobacco, and rice). Four other products ranking ahead of these in production are dairy, live stock, poultry and eggs and hogs.

(2) Repeal the reciprocal trade pact. Said Senator McNary: "While some industries may have profited by these agreements, it has been at the expense of products of the soil."

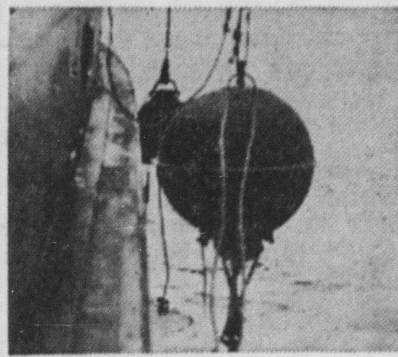
(3) Liberalize the public land policy to give the 14 land states a greater share of revenues from sale of forests and grazing on the public domain.



SENATOR McNARY
He had points.

NEWS QUIZ

Know your news? One hundred is perfect score; deduct 20 for each question you miss. Score of 60 or more is good.



1. The round object shown above has been the principal weapon in Europe's war. What is it?
2. Choice: Toledo's school children made news because they: (a) refused to attend classes; (b) were dismissed from classes until January 1; (c) were deprived of books because the mayor charged their texts contained un-American propaganda.
3. Kermit Roosevelt is the son of the late President Theodore Roosevelt. Why has he renounced his American citizenship?
4. Sammy Boy, a 16-year-old California dog, is listed in a telephone directory and has been used for movies and advertising illustrations. How did he make news?
5. Owen D. Young and Gerald Swope, board chairman and president of General Electric company, made what important announcement?

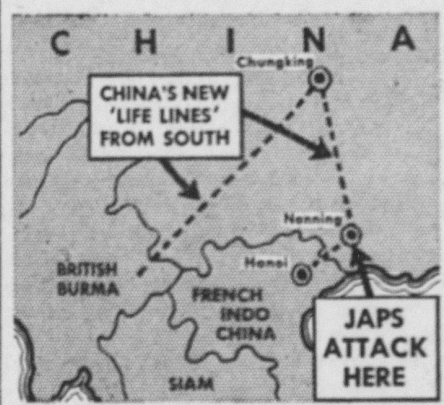
(Answers at bottom of column.)

ASIA:

Mr. Welles Complains

Biggest actual news of Japan's war in China came from a suddenly developed front in southern Kwangsi province (see map), where 40,000 Nipponese staged a blitzkrieg to sever China's rail connections with French Indo-China. Thus Tokyo hoped to starve the Chungking government into submission, expecting no protests either from Britain or France. Both these nations had their hands full at home. Nanning, where the supply route was to be cut, held out valiantly and hopelessly against the invader.

Meanwhile Japan gloated over reports that her puppet Chinese government, soon to be established under former Chinese Premier Wang Ching-wei, will be recognized by It-



SOUTHERN CAMPAIGN
The U. S. was harder to win.

aly and Germany. Even Britain, trying to make friends in the Far East, was rumored about to capitulate. But Jap Premier Nobuyuki Abe realized Chinese resistance was not easily broken. Threatened he: "Japan will keep troops there until China is entirely free from the Communist menace."

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MISCELLANY: Eighth Wonder

At Gillespie, Ill., labor's rival C. I. O. and A. F. of L. staged an eighth wonder of the world by co-operating in a coal mine dispute. Said A. F. of L.'s David Reed, without precedent: "The time has ended when companies can play one labor organization against the other . . ."

Corn

Also at Washington, Secretary of Agriculture Henry Wallace announced corn loans at 57 cents a bushel (70 per cent of estimated 82-cent parity price). Forecast: That more than last year's 235,000,000 bushels will be placed under seal through the new program.

News Quiz Answers

1. A mine.
2. (B) is correct. They were dismissed until the first of the year because the schools ran out of money.
3. To become a Britisher. Roosevelt is a major in the British army.
4. He died.
5. They announced their retirement January 1.

Bruckart's Washington Digest

European War Doing More Damage To American Industry Than Good

Some Lines of Business Are Profiting, While Others Are Declining; Efforts to Boost Cotton Exports Fail; American Merchant Marine Affected.

By WILLIAM BRUCKART
WNU Service, National Press Bldg., Washington, D. C.

WASHINGTON.—Although our nation is not mixed up in the European mess, and its people will not permit any administration to drag us in, it strikes me that the war on the other side of the Atlantic already has done a lot of things which ought to be reviewed. There has been much laughter about the "phony" war and the "sitdown strike" of the enemy armies, because thus far there has been no real fighting. I do not propose to discuss that phase of the situation. There are some things which have happened and are happening here at home, however, that surely are worthy of consideration.

When steel began to flash abroad, there were thousands, if not millions, of Americans who believed a conflict overseas would pull us out of the depression. Visions of exports amounting to millions of tons were seen by many of the unthinking and misinformed persons. Higher prices—it is hardly necessary to recall how excited some folks got about the prospects of higher prices and there was talk about shortages and all of that sort of thing. There was the usual effort of a certain type of business interests to grab off extraordinary profits. Most of the price hysteria has collapsed and quite a few persons lost their shirts in the speculation to which they turned with the excitement of war talk.

It is true that there are some industries which are profiting from the war. Some, but not very many. Statistics are tiresome, but close examination of them does reveal, in this instance, how thoroughly spotty the anticipated war boom actually is. In my own appraisal of the situation, based on all of the facts I can obtain along with opinions of experts, I have come to the conclusion that the war thus far has done our American business—agriculture, commerce and industry—more damage than it has done good. That is to say, if it were possible to balance the increase due to the war against the further decline in other lines, the total business of the United States would show an actual loss.

Airplane Manufacturers And Rail Lines Benefited

It can be pointed out, for example, that airplane manufacturers are doing a thriving business. They are selling airplanes for war purposes and they are selling them here, as well. Likewise, the official reports show how the industries producing airplane parts and equipment and certain other types of war material are rushing their products through to a finished state.

The rail lines have benefited. Through a stretch of six consecutive weeks, car loadings—an accurate business barometer—have exceeded 800,000 cars for each seven day period, and then dropped off. In this case, car loadings have shown a vast bulk movement but one must examine the commodities hauled to calculate what conditions are. It is to be noted that there were exceedingly heavy shipments of stuff usable in war included in the 800,000 total. A good deal of this had been ordered previously. It could not be sent out until the so-called arms embargo was removed. Experts appear to believe that a large portion of the shipments may not be repeated. At least, not in such quantities. All of which is to say that shipments of normally domestic products, consumer goods, must still be very much below par.

Respecting the market for so-called consumer goods, mention may be made of apples and what a drug they are on the market these days. This may not be the same in all parts of the United States, but it certainly is true in the great apple growing sections of Virginia. One large grower told me that he had not sold a single apple for the British market where he usually is able to ship several hundred carloads in the course of a season. Imports of all fresh fruits have been banned in England.

The industrial conference board, a private organization which is quite accurate in its reports on business conditions and trends, said lately that our exports to Canada are due to fall with a dull thud. In 1938, Canada acquired 68 per cent of all of the things she imported right across the border in the United States. It is to be remembered, too, that about 40 per cent of all exports from the United States in normal years go to Canada.

What Has War Done to American Merchant Marine?

But the situation is changing rapidly. Canada is going industrial as rapidly as she can under the stress and strain of war. Being a part of the British empire, does any one think that the British war office is going to seek supplies in the United States that can be bought in Canada? Obviously not. To show how Canada has developed her capacity

to take care of empire requirements, I believe it is necessary only to report that the Canadian industrial capacity was 67 per cent greater in 1937 than 20 years earlier, or in the midst of the World War. The World War started the trend in Canada; the present European war has given it new impetus and the indications are that exports to Canada hereafter will continue to get smaller.

And what has the war done to the American merchant marine? Our government has spent a good many hundred millions in building ships and in helping private shipping companies to build ships. It has been a policy of subsidy. But about the same time our ships begin to attract attention on the high seas and in international trade, along comes new war conditions and our flag is forced to stay out of the trade routes that produce the greatest revenue because traffic is heaviest. Of course, it is a policy of the administration that has brought this about. President Roosevelt has felt that adoption of a system of selling goods to belligerents upon the docks of this country—come and get it, pay cash and carry it away in your own ships—is wise. Congress agreed with him.

The same legislation provided that no ships flying the American flag may enter what is called combat zones. So, trade in our ships is confined to those nations not engaged in warfare. It happens, however, that the three greatest buyers who use ships (since Canadian exports are largely by rail) are the three nations now fighting in Europe.

Transfer of Ship Registry Raises Stink in Washington

The latest development with respect to the shipping industry is the effort of one of the great shipping companies to transfer the registry of its ships to Panama—to fly the Panama flag. That action, of course, is like changing your own American citizenship and becoming the subject of another nation. It can be done under the law, but it has raised quite a stink in Washington, because this course of action simply circumvents the so-called cash-and-carry law. Under the Panama flag, those ships could sail into war zone ports which they cannot do as long as they fly the Stars and Stripes from their masthead. It does not mean a great deal, I believe, except it shows the influence of the European war. (Incidentally, the fuss about those ships recalls how difficult it is to make a law that will not have loopholes in it or means of getting around it.)

The war in the Far East has upset practically all trade relations between the United States and Japan and China. There is a quantity of exports yet moving in that direction, but I am told by persons who know the facts that when that war is over, Japan will be without any money and her purchases in the United States will be next to nothing for years to come.

Citation of example and trend and opinion could go on quite at length in this situation. Taken all together it seems to be one of the really important things, next to our own unemployment rolls, because it looks from this date as though the United States is face to face with the necessity of a gigantic readjustment. It seems to me the problem cannot be dodged. Changes must come within our own national economy. We will have to learn just what to produce and how much, because I fear that a large chunk of our export market is gone forever.

Our Cotton Exports Are Continuing to Decline

We have witnessed the spectacle of our secretary of agriculture seeking to get our cotton or some other farm product into foreign markets by use of various forms of cash payments to the producers. While he has been passing out checks, our exports have declined and are continuing to decline, and there is nothing that can be done about it. Other folks have learned to grow cotton and they are not going to stop. We cannot control them by a law saying a farmer must plant only so much, or that there must be six million little pigs killed off.

I was asked recently for my own opinion on the outlook for business. My reply was that I disliked making gloomy predictions. Pollyanna stuff is much more pleasant. On the other hand, President Hoover tried hard to get prosperity to come around the corner, and he looked rather ridiculous when she stayed just around the corner through more than nine years up to the present time. Secretary Hopkins, of the department of commerce, is trying now to induce the coy young woman to come around the same corner. His department has been issuing statements about bulges in production and in sales and in shipments. But I could not read the figures the same way the secretary read them.

CLASSIFIED DEPARTMENT

POULTRY BIOLOGICS

BIO-CHEM FOWL POX VACCINE
Laryngotracheitis Vaccine—100¢, \$1.75—50¢, \$7.50
Fowl Cholera—100¢, \$1.75—50¢, \$7.50
B. W. D. Stained Antigen—50¢, \$1.75
ASK YOUR DEALER TO WRITE US
BIO-CHEMICAL PRODUCTS CO., 15 So. Gay St., Baltimore, Md.

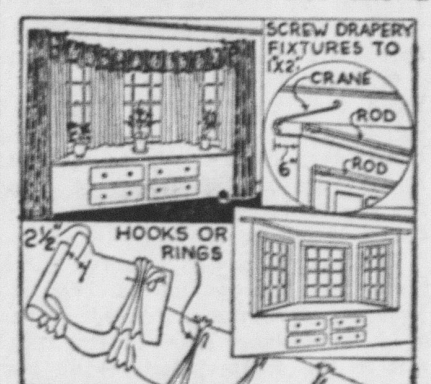
BABY CHICKS

BRED FOR PRODUCTION: Ducks
RAISED FOR PROFIT: Chickens
SOLD BY QUALITY: Turkeys
STARTED CHICKS: Poultry
MILFORD HATCHERY, Rockville, Md.
Pikesville, P. O.

Hang New Curtains In the Dining Room

By RUTH WYETH SPEARS

With the holidays almost at hand everyone seems to be giving curtains a thought. An enthusiastic reader of Sewing Book No. 3 writes, "I have a bay window in my dining room that has always been a problem to curtain. Right now I would like to make pinch pleated drapes of figured damask to hang from cranes to the floor. I would also like a



valance." With this letter all the window dimensions were given. The sketch at the lower right reveals the difficulty. The space between the top of the windows and the top of the bay made it impossible to hang the draperies as desired. A 1 by 2-inch strip of wood nailed next to the ceiling of the bay and extending 6 inches over the walls at the sides as illustrated will solve the problem. The cranes for the side drapes may be screwed to this strip, and the rods for the pinch pleated valance fastened to it. The rods for the glass curtains may then be attached in the usual way to the tops of the window frames.

NOTE: Readers who are now using Sewing Books No. 1, 2 and 3 will be happy to learn that No. 4 is ready for mailing; as well as the 10 cent editions of No. 1, 2 and 3. Mrs. Spears has just made quilt block patterns for three designs selected from her favorite Early American quilts. You may have these patterns FREE with your order for four books. Price of books—10 cents each postpaid. Set of three quilt block patterns without books—10 cents. Send orders to Mrs. Spears, Drawer 10, Bedford Hills, New York.

The Better Way to Correct Constipation

One way to treat constipation is to endure it first and cure it afterward. The other way is to avoid having it by getting at its cause. So why not save yourself those dull headache days, plus the inevitable trips to the medicine chest, if you can do it by a simple common-sense "ounce of prevention"?

If your trouble, like that of millions, is due to lack of "bulk" in the diet, "the better way" is to eat Kellogg's All-Bran. This crunchy, toasted, ready-to-eat cereal has just the "bulk" you need. If you eat it every day—and drink plenty of water—you can not only get regular but keep regular, day after day and month after month! All-Bran is made by Kellogg's in Battle Creek, Sold by every grocer.

Helpful Friends

Trouble and sorrow are friends in disguise.—Martin Tupper.

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 pain, swelling—feel constantly tired, nervous, all worn out. Other signs of kidney or bladder disorder are sometimes burning, scanty or too frequent urination.

Try Doan's Pills. Doan's help the kidneys to pass off harmful excess body waste. They have had more than half a century of public approval. Are recommended by grateful users everywhere. Ask your neighbor!

DOAN'S PILLS

SHOPPING • The best place to start your shopping is in your favorite easy-chair, with an open newspaper. Make a habit of reading the advertisements in this paper every week. They can save you time, energy and money.