

CURRENT EVENTS IN REVIEW

By Edward W. Pickard

Senators Back Down on "Soaking" Small Incomes

NOBODY liked the new tax bill that congress was working on, and the senate finance committee had hard work making up its mind as to the form it would recommend. First it altered almost every provision of the bill passed by the house and changed it from a "soak the rich" measure to one which would soak practically every one. This was done by lowering personal income tax exemptions and starting the surtax increases at \$5,000 instead of \$50,000. The latter feature was proposed by Senator La Follette and was adopted to keep him in line. Also, the inheritance taxes which President Roosevelt had asked for were eliminated.

Protests against increasing the taxes on little incomes came immediately, from senators, representatives and the country at large. Senators Borah of Idaho and Norris of Nebraska were among the "independents" who expressed their disapproval. Mr. Borah especially was vocal in opposition. He could not see the justice or the wisdom of the proposition.

Families with these small incomes are now paying more than their proportionate share of taxes and at the same time are facing higher prices for food, clothes, fuel and rents," he said. So the committee suddenly reversed itself abruptly, rejected the La Follette plan by a vote of 8 to 7, and for the time being at least saved the little incomes and perhaps a lot of house members who hope to be re-elected.

The bill which the committee voted to report contains new provisions to compensate for those eliminated from the house bill and the estimated revenue is only \$1,000,000 less. This is divided in the senate bill as follows:

Graduated corporation income tax	\$ 60,000,000
Corporation excess profits and capital stock taxes	65,000,000
Inter-corporate dividend taxes	35,000,000
Increased estate taxes with related gift taxes	100,000,000
Increased surtaxes on incomes in excess of \$1,000,000	5,000,000
Total	\$265,000,000

The bill thus more closely follows the demands of President Roosevelt than the house measure, with the exception of inheritance taxes, which the senate committee eliminated. Even this action was offset by the increase in the existing estate and gift tax rates, expected to bring in \$100,000,000.

This action by the senate committee probably means the adjournment of congress will be speeded up. The house is cleaning up its "must" legislation, the ways and means committee having voted to report favorably the Guffey coal bill which would set up a "little NRA" for the bituminous industry. It is generally believed this measure will not stand a test in the Supreme court, but the administration had demanded its enactment nevertheless.

How Social Security Pension System Works

WHEN the President's social security bill was finally enacted into law, the senate adopting the conference report already agreed to by the house, probably many thousands of men and women all over the country began figuring on the pensions they would receive under its terms. It is unlikely that one in a thousand has any clear idea of how the new program's pension system will work, so we reprint here a neat summary prepared by the Associated Press showing its operation as applied to "Bill Jones":

"Suppose young Bill is twenty when the law goes into effect and makes an average monthly salary of \$100 until he is sixty-five. He will get a monthly pension, until his death, of \$53.75.

"In detail, here is what will happen to him:

"In the calendar years 1937, 1938, and 1939 he will pay a salary tax of 1 per cent, or a total of \$36 for the three years. In 1940, 1941, 1942 he will pay 1½ per cent, or \$54. In 1943, 1944, and 1945 the tax will be 2 per cent, or \$72. In 1946, 1947, and 1948 the tax will be 2½ per cent, or \$90. From 1949 to 1981, inclusive, the tax will be 3 per cent, or a total of \$1,188.

"Thus, in 45 years, Bill Jones will have paid in \$1,440. All the time his employer will have been matching his tax payments, so the total paid to the federal treasury will be \$2,880.

"At sixty-five Bill Jones can expect

to live perhaps 10 years more. If he does, he will get back \$6,450.

"When Bill Jones dies this is what will happen:

"His average annual salary will be multiplied by the number of years he paid taxes. In other words, if he dies after he has paid taxes for 45 years, \$1,200 will be multiplied by 45—giving a total of \$54,000. Arbitrarily, the bill stipulates that Bill Jones' estate shall be entitled to 3½ per cent of that, or \$1,890—less any amount he received in pensions before he died.

"If Jones dies before he gets back \$1,890 in pensions, what he actually received is deducted from \$1,890 and the remainder paid to his heirs. If he lives until he gets back all of the \$1,890 and more, his heirs get nothing.

"If Jones should die before he reaches sixty-five, his heirs would be entitled to a payment of 3½ per cent of the total wages on which taxes had been paid.

"For instance, if he died after ten years, he would have paid taxes on \$12,000. His heirs would be entitled to 3½ per cent of that, or \$420."

Senator Clark of Missouri made a brave attempt to save private pension systems, but gave up when the promise was made that house and senate committees will try during the recess to work out a method of preserving such of these as are found worthy.

Farmers Organize Council to Protect Their Rights

FARMERS who believe that their individual rights are being encroached upon by the administration's agricultural policies are offered a chance to get together by the organization and incorporation in Chicago of the Farmers' Independent Council of America. Dan D. Casement, a farmer of Manhattan, Kan., is president of the body. Stanley F. Morse, South Carolina farmer and consulting agriculturist, is executive vice president and Chris J. Abbott, Nebraska stockman and farmer, and Clyde O. Patterson, Illinois Jersey breeder, were incorporators.

"To me there is but one issue, whether we are going to have a constitutional government or have a dictatorial regime," said Charles E. Collins, Colorado cattleman and president of the American National Live Stock association, regional vice president of the new organization.

G. O. P. Defeats New Dealers in Rhode Island Election

REPUBLICAN leaders throughout the country were immensely heartened—probably too much so—by the result of the by-election in the First district of Rhode Island.

Charles F. Risk, Republican, and determined opponent of the New Deal, defeated Antonio Prince, Democrat, by nearly 13,000 votes, capturing the seat in congress which Francis B. Condon, Democrat, resigned to go on the State Supreme court. The reversal was so decisive that the Republicans hailed it as a clear indication that President Roosevelt would be defeated for re-election.

Representative B. H. Snell of New York, minority leader, made a speech about it in the house in which he said:

"This is the first time the people of any part of the country have had an opportunity to pass on the reckless and extravagant expenditures of the administration. They have passed upon it in a very decisive manner. The election shows the people are beginning to think. The handwriting is on the wall. From now on we will witness similar rejections by the citizenry of the New Deal program."

Hoover Demands Showdown From the Administration

FORMER PRESIDENT HERBERT HOOVER, traveling from California to New York, stopped in Chicago long enough to issue a challenge to the Roosevelt administration and a call on the President for a showdown as to his policy on changing the Constitution. He declared the American people have a right to know what alterations in the basic law the administration proposes to make.

"The time has come," he said, "when these full purposes should be disclosed. The people should now be told openly the specific words of the exact amendment that these gentlemen want so that the people can consider and themselves determine it. That is their right."

Grass Roots Movement Is Given Permanent Form

REPUBLICANS of the 10 Midwestern states that participated in the Grass Roots conference in Springfield, Ill., have made the Grass Roots movement a permanent auxiliary of the party. Harrison E. Spangler of Iowa is its chairman, Mrs. Leslie Wheeler of Illinois the vice chairman, and Jo Ferguson of Oklahoma, the secretary. Michigan, Ohio and Kentucky, not represented at the Springfield meeting, have been invited to join in the movement.

Black's Methods in Probe Resented by Pat Hurley

SENATOR HUGO BLACK of Alabama may bring out a lot of facts in his inquiry into lobbying, but his way of conducting the investigation is not winning him any credit. The house has all along felt that he was trying to bully it into accepting the utilities bill "death sentence" clause and has been correspondingly resentful. Various witnesses before the senate committee have felt, seemingly with reason, that they were being treated unfairly.



P. J. Hurley

One of these witnesses who complained bitterly was Patrick J. Hurley, secretary of war in the Hoover administration. He testified that he had received \$100,000 from the Associated Gas and Electric system in the last three years, but insisted he was paid for legal advice only and had done no lobbying. Hurley was not permitted to read a prepared statement, and Black's interjections and questions so angered the witness that he rose to his feet and shouted: "Everyone knows all you gentlemen are good prosecutors! Of course, you don't know what it is to be 'fair or just.' You try to put words into a witness' mouth. Your questions are all on the type of the 'Why don't you stop beating your wife?' query."

Federal Penal Colony on Rat Islands Proposed

COL. C. A. SEAGNE of the army signal corps has proposed a plan for the establishment of a federal penal colony on the Rat islands, off Alaska, and recommended it to the consideration of Attorney General Cummings. It would be so isolated that no guards would be required and the prisoners could be left to shift for themselves.

The four Rat islands, near the end of the Aleutian group, comprise 1,000 square miles—and are more than 1,000 miles from the Alaskan mainland, 2,000 miles from the nearest United States point, and more than 2,000 miles from Hawaii.

Nazi "Housecleaning" Has Hitler's Full Support

ADOLF HITLER'S silence during the recently renewed Nazi warfare on Jews and Catholics led many to think the movement was being led by others. But Der Fuehrer emerged from his country residence to make a speech at Rosenheim in which he made it clear he was backing the current "housecleaning" to the limit. He declared the Nazi party would smash its opponents, continuing:

"Always stand to your flag, not only in good days but even more in the bad ones. Keep it up when the storm lashes and clouds the firmament."

Deep apprehension still prevails among Jews in Germany as to what the future has in store for them. After Count von Helldorf, Berlin police president, had forbidden individual action against Jews, Wilhelm Frick, minister of interior, announced:

"The Jewish question will slowly but surely be gotten rid of, as the Nazi program foresees."

Mussolini and Ethiopian Emperor Prepare for War

ENGLAND and France were still trying to find the way to avert war between Italy and Ethiopia, but Premier Mussolini of Italy was so skeptical that he ordered 75,000 more men to the colors. By the first of October he will have about a million men in uniform. Haile Selassie, the Ethiopian emperor, was reported to have sanctioned the concentration of 60,000 of his troops on Italy's east African frontiers. The chiefs, it is said, are finding it increasingly difficult to restrain their warriors from overt acts that would surely precipitate warfare.

A report from Addis Ababa said the emperor was ready to cede a portion of Ethiopia to Italy in return for loans from that country to develop Ethiopia's resources and the granting of a seaport, as was suggested some time ago by Capt. Anthony Eden of England.

DIETARY HABITS NEED FOSTERING EARLY IN CHILD

Nothing is quite so important to health as food. The wellbeing of a child depends on it, and his future stamina will reflect nutritive discrepancies in babyhood.

The mother who thinks that there is time enough ahead for corrective diet is laboring under a traditional delusion that up until two years of age and sometimes longer, milk is the sum total of everything.

Milk is the warp and the woof of what it takes to get through life, and especially at its beginning. But it needs supplementing, because its chemistry is low in a few needed essentials: and the child, set in his all-milk diet, resists other foods.

Doctors Prescribe Varied Foods.

Doctors long ago recognized the value of adding other foods to the diet of milk, early in babyhood, in order to offset future finicky appetites. Thus the infant of six weeks gets his cod-liver oil and orange juice or tomato juice; a little later a spoonful or two of prepared vegetable juice or even the strained vegetable itself. At a period that in the past would have been considered murderous he gets his bit of cereal, part of the yolk of an egg, a snack of baked potato and mashed stewed fruit.

Whatever today's baby is given, should, of course, be absolutely under the doctor's direction. There is a difference in babies.

But the great truth that many mothers do not know is that children with touchy appetites at six or eight or ten years of age, are the results of fixed preference in babyhood.

Caution Must Be Exercised.

Another thing that should be remembered is that as milk must be the alpha and omega of his meal, therefore the amounts of other food given must not be so great that the willingness to take milk is decreased.

The doctor will give you lists and schedules for feeding. My suggestions here are only for one purpose. That is to show "why" and "how" aversions to needed foods are started. Food habits, which mean flavor habits, have to be cultivated early.

All Understand
You can't dismiss the human race simply by calling it slow in understanding.

Week's Supply of Postum Free

Read the offer made by the Postum Company in another part of this paper. They will send a full week's supply of health giving Postum free to anyone who writes for it.—Adv.

That's Enough

Nothing is so contagious as bad manners.

Stop Chills and Fever!

Rid Your System of Malaria!

Shivering with chills one moment and burning with fever the next—that's one of the effects of Malaria. Unless checked, the disease will do serious harm to your health. Malaria, a blood infection, calls for two things. First, destroying the infection in the blood. Second, building up the blood to overcome the effects of the disease and to fortify against further attack.

Grove's Tasteless Chill Tonic supplies both these effects. It contains tasteless quinine, which kills the infection in the blood, and iron, which enriches and builds up the blood. Chills and fever soon stop and you are restored to health and comfort. For half a century, Grove's Tasteless Chill Tonic has been sure relief for Malaria. It is just as useful, too, as a general tonic for old and young. Pleasant to take and absolutely harmless. Safe to give children. Get a bottle at any drug store. Now two sizes—50c and \$1. The \$1 size contains 2½ times as much as the 50c size and gives you 25% more for your money.

MOSQUITOES inject Poison

Mosquitoes live on human blood. Before she can draw your blood, however, the mosquito must first thin it by injecting a poison. Thus mosquitoes annoy—are dangerous, spread serious disease epidemics. Don't take chances. Kill mosquitoes, flies, spiders with FLY-TOX—proved best by 10,000 tests.

Accept no substitutes... demand **FLY-TOX**

STRIKE UP THE BAND

AND GIVE IT A HAND

THE FLAVOR'S GLOR-I-OUS

JOIN IN THE CHOR-I-OUS

IT'S GOT EVERYTHING IT'S THE CEREAL KING

GRAPE-NUTS FLAKES!

ONCE you taste Grape-Nuts Flakes, you'll cheer too! And it not only has a delicious flavor, but it's nourishing. One dishful, with milk or cream, contains more varied nourishment than many a hearty meal. Try it—your grocer has it! Product of General Foods.