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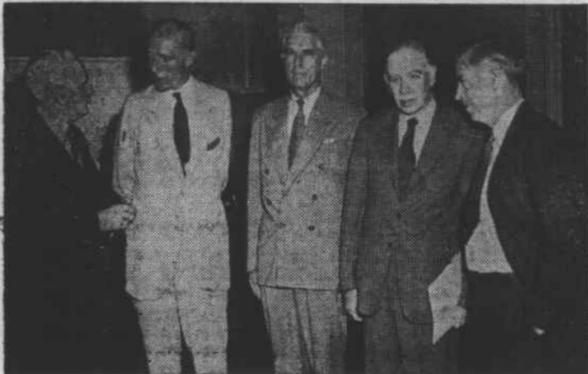
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WEEKLY NEWS ANALYSIS

Round Up Japanese War Leaders; Hog Slaughter Shows Big Dip; British Seek Financial Aid

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(EDITOR'S NOTE: When opinions are expressed in these columns, they are those of Western Newspaper Union's news analysts and not necessarily of this newspaper.)



With Britain seeking extensive American financial assistance, consultations get under way at state department with leading conferees including (from left to right) Leo Crowley, foreign economic administrator; Lord Halifax, British ambassador; William Clayton, assistant secretary of state; Lord Keynes, British economist, and Henry A. Wallace, secretary of commerce.

JAPAN: Round Up War Lords

With high Japanese war leaders taking their own lives as the American net gradually began to tighten around them, the Nipponese government of Premier Higashi-Kuni assumed the responsibility for rounding up suspected war criminals in an effort to head off a mass suicide wave.

Japan's No. 1 war lord through most of the Pacific conflict before enemy reverses forced his retirement, ex-Premier Hideki Tojo had off the suicide wave by attempting to take his life as American troops arrived at his country residence outside of Tokyo to arrest him.

Though Tojo misfired, former war minister and army chief Sugiyama used better aim to kill himself, and ex-welfare minister Koizumi also succeeded in taking his life.

Having first professed full responsibility for the war before trying to shoot himself, Tojo shut up tighter than a clam following an improvement in his condition under the watchful eye of American medics.

Refusing to talk on his sick-bed, the athen 61-year-old former Japanese kingpin declared that he would not answer questions without documentary reference.

Meanwhile, capital circles revealed that Tojo and other suspected Japanese war criminals would have their unhappy day in court before a four-power military tribunal similar to the one trying Nazi overlords in Germany.

Representatives of the U. S., Britain, Russia and China will comprise the tribunal, which probably will sit in Tokyo, and, as in the case of its European counterpart, try foreign government leaders on the unprecedented charges of conducting wars of aggression.

In addition to trial on the novel count of carrying on aggressive warfare, Japanese will be tried for such crimes as racial persecution, torture of helpless people, and murder of captured military personnel.

Though not questioning the goal of bringing Nazi and Japanese overlords to justice, many eminent American lawyers have opposed the procedure for trial, declaring that it establishes a precedent for kangaroo courts which might be used against Allied personages in the future.

SLAUGHTER: Hogs Down

Though slaughter of cattle and sheep during the first eight months of 1945 hit new tops for federally-inspected plants, butchering of hogs dropped off severely, resulting in a continued tight meat situation. Only with an improved hog situation increasing the overall supply of meat did marketing experts look forward to an end of rationing.

With August slaughter at an eight year low, the eight month hog production totalled 26,821,667, away below the 50,332,226 mark for the same period last year. During the early part of September, hogs continued to trickle into leading markets, with shipments commanding ceiling prices.

Partly offsetting decreased hog slaughter were record butchering of cattle and sheep for the first eight months of the year, with 9,071,406 cattle killed and 13,960,594 sheep. At 4,182,778, the calf total was the second largest on record.

FOREIGN AFFAIRS: British Ask Aid

In the U. S. to sell this country on the feasibility of offering financial assistance to Britain, Ambassador Halifax and Economist Keynes declared that a prosperous Britain, getting its great exporting and importing machinery going at full blast, would help assure the stability so necessary for postwar peace.

Should Britain fail to secure sufficient aid to rebuild its industry and obtain raw materials for processing into finished goods, Messrs. Halifax and Keynes pointed out, the whole intricate system of exchange among nations would be affected, leading to social disturbances the world over and another outgrowth of isms.

Thus, in approaching the U. S. on a basis of mutual concern, the British came over as practical statesmen and not as beggars. Further, they disclaimed any intention of seeking an easy way out by negotiating interest bearing loans, but rather stated that they were opposed to any type of debt of a burdensome nature which, like World War I obligations, would have to be eventually repudiated.

In shying from the idea of an interest-bearing loan, the British left the way open for an outright grant, which would be strongly bucked here, or a long-range interest-free advance.

Shape Italian Treaty

While the British talked dollars in Washington, D. C., the Big Five council of foreign ministers continued discussions in London concerning the future political and territorial makeup of postwar Europe, with the diplomatists occupied with drawing up an Italian peace treaty.

Foremost of the problems associated with an Italian treaty was the disposition of the country's North African colonies, with the British reportedly frowning on the American proposition for permitting the Italians to retain their territories under a United Nations trusteeship.

As the eternal jockeying for protective boundaries and rich interests cropped up, the British were said to favor Italian retention of only western Libya while taking for themselves eastern Libya covering Egypt and Italian Somaliland fronting the gateway to the vital Red sea leading to the Suez canal. At the same time, the French reportedly sought a slice of northwestern Libya from Italy to strengthen their own Tunisian holding.

But if the disposition of Italian colonies posed a big problem, so did the readjustment of Italy's European borders, with France out for a readjustment of the Alpine boundary and Yugoslavia hot for annexation of the strategic Istrian peninsula with its rich port of Trieste. As the meeting progressed, the Big Five were said to have considered a compromise under which Italy would relinquish the peninsula jutting into the Adriatic sea but retain Trieste itself.

With U. S. and British pressure for free and open elections in Romania and Bulgaria already having forced the communists' hands in those countries, Yugoslav and Greek rightists next came to the fore at the foreign ministers' conference to request intervention in the political affairs of those Balkan states to assure a fair and peaceful democratic representation.

RELIGION:

Courses Challenged

Traditional American separation of church from state was the issue Mrs. Vashti McCullom of Champaign, Ill., raised against the Champaign school board in her suit to halt voluntary religious instruction in the public schools in the community.

With both Mrs. McCullom and the board prepared to appeal to the Supreme court in event of their loss of the decision, the suit promises to affect similar instruction in 1,856 communities in 46 states. North Dakota and New Hampshire are the only states without such religious courses.

In bringing her suit as the interested party, Mrs. McCullom stated that as the only pupil in his class not enrolled in the voluntary 30 minute per week instruction in the Protestant, Catholic and Jewish faiths, her 10-year-old son Terry had suffered acute embarrassment. As a result, she said, indirect pressure had been brought to bear against the youngster to take the course, regardless of his inclination, on public school property maintained by taxpayers' funds.

In countering Mrs. McCullom's charge, the school board pointed out that the courses were outside of the school curricula and purely voluntary, with the representatives of all of the principal religious denominations conducting and financing the instruction.

Aside from the state constitution and statutes involved, federal intervention hinged on the first amendment to the U. S. Constitution, which provides: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof" . . . and section 1 of the 14th amendment to the Constitution declaring . . . "No state shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States; nor shall any state deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

Mother of three boys and wife of a University of Illinois professor, 32-year-old Mrs. McCullom said that while she realized the suit might harm young Terry, her deep conviction on separation of church from state inspired her action.

Plan Jobless Benefits

Though the senate finance committee worked out a broad postwar unemployment benefit bill, the solons turned down Pres. Harry S. Truman's recommendation that jobless compensation be raised to a maximum of \$25 per week.

Instead, the committee bent to the task of shaping a measure which would authorize the federal government to contribute funds toward extending the time of state unemployment payments 60 per cent. Benefits now range from \$15 for 14 weeks in Arizona to \$28 for 39 weeks in Connecticut.

Both federal and maritime workers would be made eligible for unemployment compensation under the proposed bill, at the rate existing in the state of their employment.

In addition, workers who migrated to war production centers would be allowed up to \$200 for transportation expenses back to their old residences or new job locations. Money would not be advanced for the shipment of any household effects, however.

STRIKES:

Hit Radio

Heading up a wave of strikes, leaving over 100,000 workers idle, was the walkout of engineers of the National and American Broadcasting companies partly paralyzing radio programs and forcing executive technicians to take over operation of the controls.

Though the strike ostensibly was over wage demands, informed industry sources said the walkout was a flareup of a dispute between the independent engineers' union and Jimmy Petrillo's American Federation of Musicians, AFL, over which of the two should represent the employees who turn the records for transcribed broadcasts.

While the war labor board ordered the radio companies to deal with the engineers over the record changers, the AFM's jurisdiction over the so-called "platter jockeys" has been recognized in Chicago, Washington, New York and Detroit. Because the big chains feared Petrillo might call his musicians out on strike if they dealt with the engineers over the record changers, it was charged, they have been stalling on the negotiations.



Notes of a New Yorker:

Don't be disappointed that Halsey didn't ride Hirohito's horse. . . . That was just the colorful Old Boy's way of saying he'd get to Tokyo. . . . Admiral Halsey always was good with the phrase-turner's tool. . . . As frixample? The congratulatory message he sent to a submarine crew after a job well done: "Your picture is on my piano."

The Boner Delightful (from an Aug. 24th a. m. paper): "De Gaulle Here. At City Hall, deception ceremonies will begin at noon."

Final Guffaw Dep't: The foot a newsmag once used to kick this columnist is now in its mouth. We were booted because one of our predictions fizzled. . . . The Aug. 13th (1945) issue of the same critic contained this gem: "Last week Russia was not ready - if ever she would be - to go to war with Japan. . . . Russia went to war with Nippon on Aug. 8th. To make the revenge sweeter - this broadcaster was first to accurately forecast Russia's positive entry into the war."

The House Ways and Means Committee has been giving a frosty reception to Pres. Truman's request for greater jobless benefits, with Rep. Krautsen of Minnesota asking: "If we pay a man \$25 a week for not working, what will we have to pay to get him to work?"

"The answer to that," commented a politico, "is that you'll have to pay him a living wage, that's all."

"Yes," agreed a colleague, "but what constitutes a living wage?"

"That," was the retort wonderful, "depends on whether you're giving it or getting it."

Sallies in Our Alley: In the Cub Room Fanny Ward, the 76-year old doll-face, swapped howjoodos with her friend, Supreme Court Justice Frank Murphy. . . . "Frank," she asked, "how do you keep so young?" . . . Looking at his charming companion alongside him, Mr. Justice replied: "Courtin'". . . . In "Polonaise," the new Chopin-inspired operetta, the principals are all European-born. . . . Kiepara is a Pole; his wife, Marta Eggerth, is Hungarian or Austrian. . . . Kurt Beis, the new comedian, is from mittel-Europa, and other foreigners include David Lichine, the ballet master, and Tanya. . . . "Who's the most important person in the show?" inquired a clown. "The interpreter?"

The nationalist group has adopted another rodent for a pet: Traitor Petain. . . . The boo-hooy consists of sobbing about Petain's age and blubbering that he was merely trying to save France. Nutz! When Petain was in Verminy's hip-pocket he was an accessory to Nazi crimes committed against Frenchmen of all ages including children. Petain sent 35,000 French children to work in Germany as slave laborers!

When the six Americans were arrested on State Dep't orders recently front pages whooped about the espionage angle. . . . This reporter pointed out that the spy hoop was merely the gimmick used by some diplomats in an attempt to muzzle journalistic criticism of State Dep't policies. . . . A few days ago a Federal Grand Jury refused to indict three of the accused, and the other three were not indicted for espionage but merely for "purloining" government documents. . . . It is about time Congress probed the striped-britches boys responsible for the whole shameful affair.

The American Navy and Hirohito's eyeglasses prove the same thing. That the Japs are a very shortsighted people. . . . The Japs signed the surrender terms. But our safety is in our fleet, not in their signatures. . . . We had their signatures on treaties December 7th, 1941. . . . The Jap is anxious to let bygones be bygones. So is any criminal on the day of his conviction.

Sounds in the Night: At the Enduro: "A waiter is a guy who believes that money grows on trays." . . . At the Metropole: "When is that tramp going to write her naughty - biography?" . . . At Chateaubriand: "He made her an honest woman. Sent her back to her husband."

Stork Club Confucius: Beware of a Jap on his knees. It only makes it easier for him to hit you below the belt.

Tax Question Spotlights Spectacular Growth of Co-Operative Movement in U. S. in Recent Years

Private Business Complains of Disadvantage; Co-Ops' Volume Tops Five Billion Dollars

By AL JEDLICKA

When congress ponders a new revenue bill this fall, one of the major propositions under discussion will be the taxation of co-operatives. Under pressure of established tax-paying enterprises, the solons can be expected to comb the situation thoroughly, since the rapid growth of co-operatives in the present century not only poses the question of tax equality, but also of maintenance of revenue.

But though the question of taxation itself appears to head up the co-operative question now, there are other and even more deeply rooted underlying causes, principally the movement's threat to the traditional American business system. In this respect, the whole co-operative development may well shape as an economic evolution, though frequent cycles have robbed it of the consistency necessary for historical reform.

At the present time, however, American co-operatives are on a rising tide, with the strongly established farm organizations numbering 4,390,000 members being steadily complemented by urban consumer and manufacturing groups. During the 1943-'44 season rural marketing and purchasing co-operatives alone did over 5 billion dollars worth of business, mostly on a tax-free basis.

As a result of the steady growth of co-operatives spearheaded by the farmer associations, and their extension into various fields, traditionally established American businessmen are stirring uneasily. Whereas only the handler and supplier of agricultural products and material formerly had been pressed by the co-operatives, competition now has been extended to manufacturers of farm machinery, hardware, paints, electric refrigerators, washing machines, toasters, clocks, cigars, cigarettes, lipstick, tires and batteries.

In addition, co-operatives now drill wells, own pipe lines, refine petroleum, possess timber tracts, write insurance, and operate banks, telephone companies and electric power installations.

From the beginning, the co-operative movement assumed the nature of a joint enterprise for performing a non-profitable service for each participant's individual welfare.

Though contemporary history traces the real origin of the co-operative movement back to Rochdale, England, where poor working people organized a grocery co-op in 1844 to avail themselves of cheaper food, some historians credit the birth of the movement to local farm groups which banded together in the U. S. in the 1820s to reduce insurance costs.

Following the establishment of the local fire insurance groups, the co-operative movement assumed another form in the U. S. after the civil war in the national farm Grange, a social and educational organization also bent upon relieving stringent economic conditions. Eventually turning to co-operative methods to attain its early objectives, the Grange failed in promoting a purchasing co-op because of the unscrupulousity of agents; bogged in pushing consumer co-ops partly as a result of the panic of 1873, and gave up a farm machinery manufacturing co-op following overproduction and under-servicing.

As the co-operative movement began to take root here during World War I and congress recognized it as an instrument for aiding the farm producer, legislation was enacted to afford tax relief to operators. In 1916, congress stipulated that farmers, fruit growers and like associations organized and operated on a co-operative basis and acting as selling agents for their members should not be requested to pay an income tax on earnings.

In subsequent legislation, the solons provided that co-operatives could purchase as well as sell for producers; deal with non-members as well as members; become corporations and pay interest on stock, and not be prosecuted under the anti-trust laws.

The government also set up a federal agency to loan money to co-operatives in 1921, with the financial machinery expanded through the farm credit act of 1933. In 1933, the securities act also permitted co-operatives to sell equities without prior approval of the Securities and Exchange commission, which exercises that right over corporate issues.

000 business annually. Though consumer labor co-ops have failed in the past, the CIO's entrance into the field on a limited basis bears watching anew, with the union tactics apparently aimed at making up future tighter wage rates by reducing staple living costs.

In singing the praises of farm co-ops, advocates describe the movement as a means of putting the country's gigantic rural plant on a more efficient basis, with resultant profits to the producer.

This increased efficiency can be attributed to both the size of co-operatives and the nature of their ownership. By banding together, farmers are able to purchase goods at lower prices, and group distribution results in smaller overhead and decreased handling charges. By owning the business, of course, co-operators avert dealers' margins.

Though tax-exempt co-operatives have been the target of competitive businesses complaining of their tax preference, R. Wayne Newton, manager of the National Association of Co-operatives, declares that the increased return of farmers results in payments of higher individual income taxes. At the same time, Newton says, the larger profits enable operators to spend more on merchandise in the local communities.

Charges that co-ops are making huge profits on their operations only serves to emphasize the size of margins formerly enjoyed by private dealers, Newton avers. By banding together for co-operative operations, farmers have tended to offset their previous disadvantage of being com-

peted to sell their products on a flexible open market and buy on a more or less rigid retail price level, he further states.

In spearheading the opposition to tax-exempt co-operatives, the National Tax Equality association points to the fact that co-op reserves retained after patronage refunds remain untaxed; thus enabling them to do business at lower cost while also permitting continuing expansion. As a result, the NTEA asserts, co-operatives are growing at a rate of 10 times that possible for tax-paying enterprises.

Not only that but many tax-paying corporations have shifted to a tax-exempt status either through acquisition by co-operatives or by the voluntary action of stockholders, NTEA declares.

As examples, NTEA president, Ben McCabe, cites the northern California holdings of the Red River Lumber company, bought by the Fruit Growers' Supply company, a subsidiary of the California Fruit Growers' exchange, with a loss to the U. S. treasury of nearly \$1,000,000 a year in tax revenues; the Ohio Cultivator company of Bellevue, Ohio, purchased by the National Farm Machinery Co-operative Inc., with a loss of about \$196,000 annually to Uncle Sam's coffers, and the Globe Refining company of McPherson, Kans., taken over by the National Co-operative Refiners' association.

Against the background of already established co-operatives and the shift of some tax-paying enterprises to a non-paying co-op basis, McCabe also cites the possibility of the growth of labor-sponsored consumer organizations, which would remain tax-free on two counts: one, because ownership would be vested in tax-exempt unions, and two, because they would distribute earnings before computing their levies.

While membership fees, stock sales and reserves provide working capital, co-operatives borrow on a large scale to finance operations, a study of the Farm Credit administration in 1939 revealing that approximately one-half of the co-ops then existent resorted to loans.

While figures show 4,390,000 members of 10,300 farm marketing and purchasing co-ops, the actual number of individuals participating in the movement may be considerably less since a person may belong to more than one organization.

With 7,522 units and 2,730,000 members, the farm marketing co-operatives do by far the largest business, with 1943-'44 activities totaling almost \$4,500,000,000. Handling of dairy products accounted for \$702,000,000; livestock, \$636,000,000; grain, dry beans and rice, \$482,000,000; cotton and its products, \$258,000,000; fruits and vegetables, \$160,000,000; poultry and eggs, \$130,000,000; tobacco, \$120,000,000; wool and mohair, \$107,000,000; nuts, \$49,000,000, and miscellaneous, \$115,000,000.

For the 2,778 purchasing co-ops with 1,660,000 members, total business for the 1943-'44 season was placed at \$730,000,000. Seventeen major regional procurement organizations alone secured \$151,640,000 of feed; \$50,702,000 of gas, oil and grease; \$19,571,000 of fertilizer, and \$10,893,000 of seed.

Never as successful in the U. S. as in Britain, American urban or consumer co-ops are insignificant alongside of the farm organizations. It has been figured that there are no more than 400 units at the most with 110,000 members doing about \$5,000,000

Successful co-ops include refinery at McPherson, Kan., top, and grain elevator of Indiana Farm bureau at Indianapolis, Ind.

