

The Week In Washington

A Resume of Governmental Happenings in the National Capital

Washington, Nov. 18—It looks as though no new taxes will be passed by congress at this session in spite of the proposal by Secretary of the Treasury Morgenthau for heavy new taxes to be deducted from 1942 incomes.

The secretary's aim of putting our war on a pay-as-we-go basis and at the same time curbing inflation by higher taxes is being carefully sidetracked by congressmen who already are acting with an eye on the congressional elections a year from this month.

The secretary had suggested that a new tax be passed before the end of the year so that it could be collected beginning with the first week in 1942. He proposed a tax of as much as 15 per cent of the taxable income of all wage earners, to be deducted by employers from wages and salaries. It was pointed out that this plan would really call for the paying of two income taxes in one year—since the new tax would be paid out of 1942 income and 1941 income taxes would also be paid during 1942.

Congress, however, is not expected to act upon new taxes this year. And as the 1942 elections get closer they are less and less apt to pass tax measures unless the President puts on great pressure for their passage.

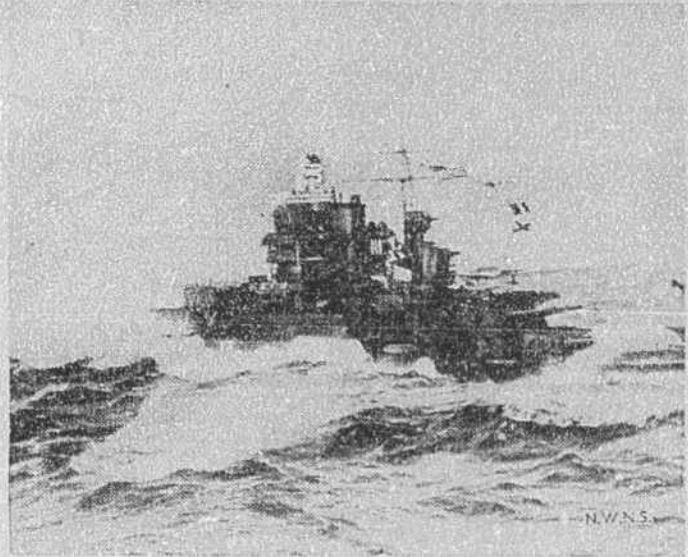
Almost as frightening as taxes to congressmen is the demand for price control legislation which they are now forced to act upon. It is expected that some form of price control will be passed, but unless the congressional attitude toward it changes radically it is unlikely that a measure with enough teeth in it to stem inflation will be enacted. Opposition by farmers to price control and by labor to wage control is expected to prevent passage of any adequate measure. Therefore, it is predicted by economic experts here that we can expect high increases in prices during 1942 and therefore continued demands by labor for more increases in wages.

The railroad situation, with a general railroad strike threatened for December 5, has centered attention on labor problems again. The railroad mediation plan, which includes a 30-day "cooling off" period before a strike goes into effect, has been held up as a model plan which should be followed to prevent strikes in other industries. It is only because of the cooling off period provision that the railroad strike didn't begin on November 6. At that time both railroad employers and employees turned down a compromise plan offered by a fact-finding board appointed by the President. The plan provided for temporary wage increases which would have cost the railroads \$270,000,000. If, because of the cooling off period, the railroad strike is averted, it is held likely that congress will make such a mediation period mandatory before any strike can be carried out. But if the railroad plan doesn't work out, then the public demand for anti-strike legislation will again be strong.

As the United States becomes a more active participant in the war, following congressional action ending restrictions on our merchant marine and permitting the arming of our ships, this city is playing host to two important diplomats who may have a lot to do with our next moves in the war. One visitor is a well-known Japanese diplomat, Saburo Kurosu, whose conversations with our government officials may determine whether we will have war or peace in the Pacific. The other diplomat, with whom government officials are most anxious to work out plans for the part we will play in this war, is Maxim Litvinoff of Russia.

With a leading Japanese and Russian diplomat in Washington at the same time, it is wondered if any effort will be made to bring them together to aim at working out the delicate relations which now exist

U. S. Battlewagon Battles Atlantic Storm



Released by the navy, this striking photo shows the U. S. S. Mississippi as the great battleship plowed her way through heavy seas during a storm in the Atlantic on her patrol beat. In war or peace the ships making up the first line of defense must always be ready to battle the elements before taking on any other "enemy."

between the Soviet and Japan, but it is probable that Mr. Kurosu's mission will be confined entirely to relations between his country and the United States.

Whether the strained relations which exist between this country and Japan can be lessened by the conversations with Mr. Kurosu is doubted, but it is expected that these conversations will clarify the situation in the Pacific and thus aid our government in determining whether our navy must be divided between the two oceans or if we can strengthen our forces in the Atlantic to speed the delivery of munitions to the anti-Axis powers.

The shelving of our neutrality act is considered here as a green light for our navy to go to war. Because of that interpretation, certain congressmen would have preferred a vote on an actual declaration of war on Germany, but it is now thought unlikely that such a vote will be

POTATOES

The U. S. department of agriculture has just announced a program for diversion of up to 5,000,000 bushels of Irish potatoes into starch and dextrin.

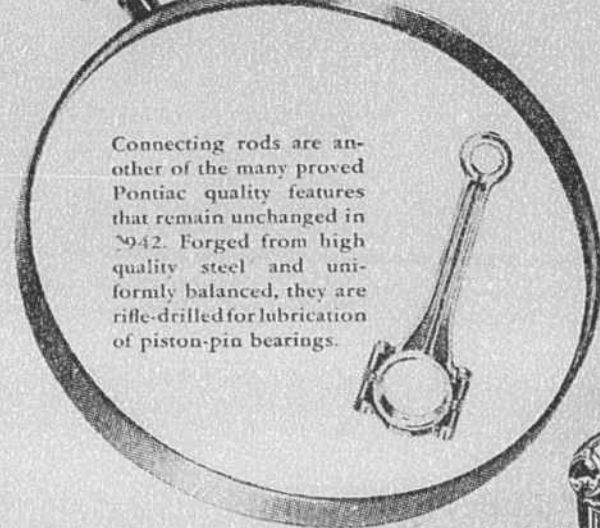
HOARDING

Grocers report a low level of food hoarding in the United States, saying that only about 16 per cent of America's consumers are buying more than their normal food requirements.

taken this winter.

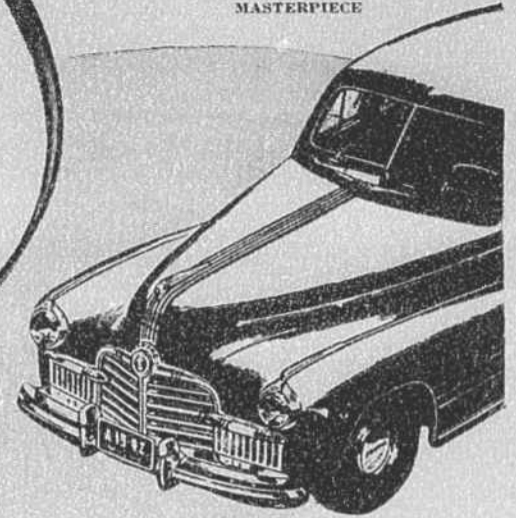
Our navy is now in a position to do whatever part is necessary in getting munitions to the anti-Axis powers and for the time being there is no further role which it is considered necessary for us to play. Probably not until there is a demand for an American expeditionary force will any further vote on war be presented to congress.

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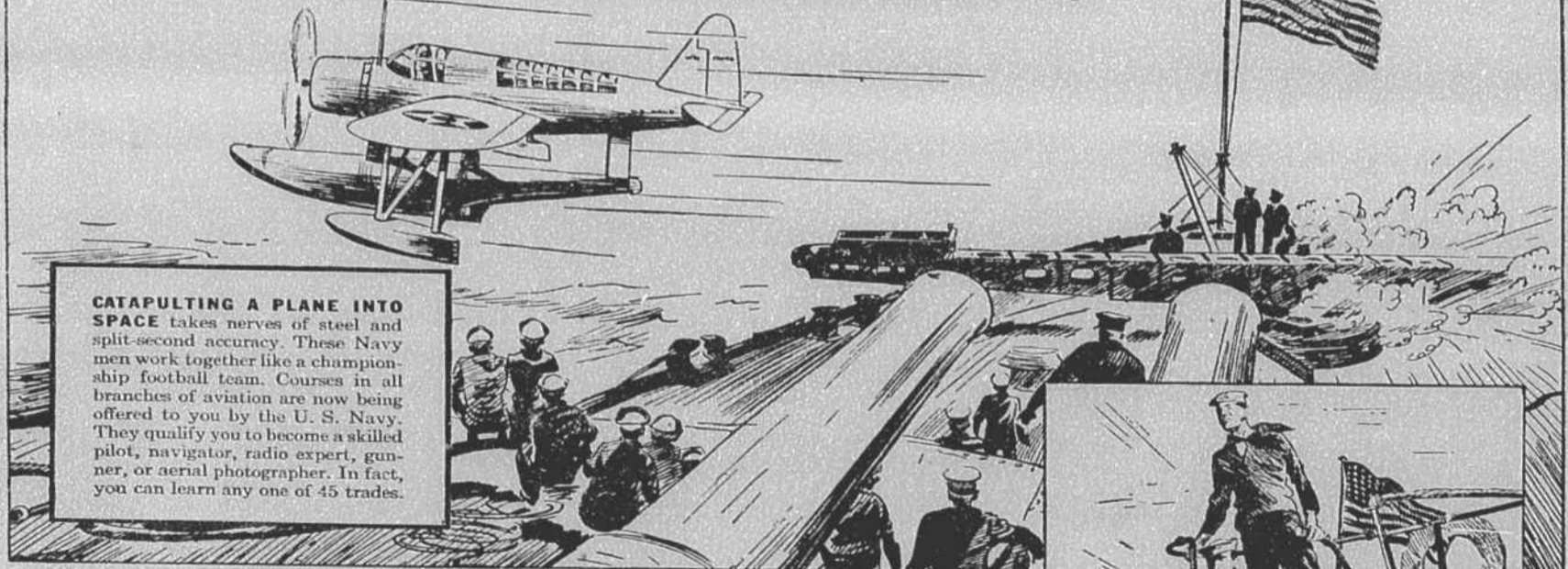
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nation in the world. For those who enlist in the Navy there is a wide variety of fascinating work, including everything from aviation to engineering. Pictured here are a few of the thrills that are everyday occurrences in the life of a Navy man. They're open to you right now if you've reached your 17th birthday.



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