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Weekly News Review

Farm Problem Still Unsolved After Five Years, Three Bills

By Joseph W. LaBine

Agriculture

Since 1933, Franklin Roosevelt's administration has enacted three major agriculture laws, spending \$3,000,000,000 to end the woes of 30,000,000 people on 6,000,000 American farms. Chief victim of this headache is Iowa's onetime Republican, Henry A. Wallace, who turned New Dealer in time to become President Roosevelt's one and only secretary of agriculture.

No business can live by spending alone. To match its \$3,000,000,000 outlay, Farm Relief's five-year income has been only \$969,258,000, collected in processing taxes before the Supreme court outlawed AAA in 1936. To replace AAA, congress enacted a soil conservation measure calling for periodic land retirement. Last spring this was incorporated in an intricate crop control law drafted by the Farm Bureau federation.

By last week it looked like this latest panacea was failing. To Henry Wallace in Washington came reports of good weather and bountiful crops, surpassing last spring's most fervent hopes. Prices were dropping, but that was only part of the problem. Foreign nations that once bought U. S. wheat, corn, cotton and tobacco have started buying from other surplus-producing countries. Some are even growing their own crops, approaching self-sufficiency. That Henry Wallace deserved sympathy, was plain. Whether he would get it, was something else. To his office he called reporters, defending his department against charges that farm income has



AGRICULTURE'S WALLACE
He needed still more panaceas.

dropped back to 1932 levels. His figures: 1938 income would be \$7,500,000,000, against 1932's \$4,328,000,000. Not forgotten was the fact that this year's income is weighted with government subsidies.

Already seeking new ways of bolstering U. S. agriculture to a pre-war status, Secretary Wallace left for Montreal, there to discuss with Canadians a way of splitting the world export market between North America's two nations. When he gets back there will be more investigation into the McAdoo-Eicher bill for price fixing and export duties, generally opposed on the grounds that price fixing against processors would place a new hidden tax on consumers.

But next winter, when Farm Relief is again thrown at congress, there must be discussion of the only panaceas yet remaining: export subsidies, federal price fixing and compulsory limitation.

Domestic

Since 1927, Mexico has seized \$10,000,000 in American-owned farm lands. Last spring Mexico did even better, confiscating \$200,000,000 worth of American-owned oil lands. A month ago, Secretary of State Cordell Hull addressed a courteous note to Mexican President Lazaro Cardenas, asking what his nation intended to do by way of repayment. A few days later came the blunt reply, stating in effect that there is no law or treaty making compensation obligatory, but evincing a desire to pay when, and if, it is economically feasible.

Cordell Hull mullied this unprecedented answer through his mind for two weeks, then decided to try again with another tack. Scolded he: "It is proposed to replace the rule of just compensation by the rule of confiscation. Adoption . . . of any such theory . . . would result in the immediate breakdown of confidence and trust between nations."

Politics

Not since early July had Franklin Roosevelt seen James A. Farley. Since then the former had made a

cross-country tour, fished the Pacific and wished for the defeat of anti-New Deal legislators in Georgia, South Carolina, Maryland, New York. The other had been on his own fence-mending expedition, soothing ruffled New Deal nerves as only Jim Farley can do it.

Last week Teacher Farley came to Hyde Park to see his most successful political student once more. Behind closed doors the President and postmaster general talked all afternoon, all evening, part of the next morning. Though no early official announcement was forthcoming, newsmen got their heads together, decided Jim Farley had urged the President to push his "purge" of Maryland's Sen. Millard E. Tydings. Less enthusiastic, thought newsmen, was Jim Farley's reaction to "purge" efforts against Georgia's Sen. Walter F. George and South Carolina's Sen. Ellison D. ("Cotton Ed") Smith.

● In Mississippi, where Democratic nomination is tantamount to election, all seven incumbent congressmen were renominated.

Religion

In a cabin near Merced, Calif., Mrs. Ola Irene Harwell sat reading the Bible to her husband and two small sons. In the Book of Matthew, Chapter XVIII, she read the eighth verse:

"Therefore if thy hand or thy foot offend thee cut them off and cast them from thee; it is better for thee to enter life half or maimed than having two hands or feet to be cast into everlasting fire."

She read the ninth verse: "And if thine eye offend thee pluck it out and cast it from thee; it is better for thee to enter into life with one eye rather than having two eyes to be cast into hell fire."

Finishing, Mrs. Harwell picked up her scissors, walked to the woodshed and gouged out one eye, hacked off one hand. Next day at a Merced hospital physicians said she would live.

Foreign

To cope with military-mad Adolf Hitler has been France's biggest problem since the Nazi war leader quit the League of Nations. As Germany advanced her fortifications along the French frontier, Paris took counter steps, designed her magnificent Maginot line. But fortnight ago when Adolf Hitler began drilling 1,300,000 troops in Germany's largest peacetime war games, Premier Edouard Daladier was frightened.

Jerking vacationing Frenchmen from their midsummer sluggishness, he suddenly proposed extending the 40-hour week to 48 hours, thereby boosting war industries, increasing general manufacturing output and aiding recovery.

If he expected radical France to take this pronouncement quietly, M. Daladier was badly mistaken. Two cabinet members quickly resigned. Next day, Socialist Leader Leon Blum, whose cabinet was over-



SOCIALIST LEON BLUM
"The hour is too grave . . ."

thrown last spring, threatened to withdraw government support of his party. Paris labor unions met, planning a countermove. Two hundred thousand miners threatened to strike by September 15. Along the Mediterranean coast, all stevedores struck and troops took their places.

By week's end a potentially dangerous situation was apparently smoothed out. Said Leon Blum's party newspaper: "We do not exploit the difficulties which Daladier himself has created. The hour is too grave for that. Next evening M. Blum and M. Daladier talked half an hour over the telephone, seeking conciliation to avoid a crisis while Germany is strutting her military strength."

Labor

Last week American workers could look to September as the biggest month of their year. That widely observed Labor day falls in September was incidental. What promised to make news was another outbreak of the tiff between William Green's American Federation of Labor and John Lewis' Committee for Industrial Organization.

At Atlantic City, A. F. of L.'s executive council made plans for its annual meeting in Houston. At Washington, C. I. O. thought about



C. I. O.'S JOHN LEWIS
Will he bow to the ladies?

its first constitutional convention scheduled tentatively in September or October. That each group would lambast the other was a certainty, but the biggest lambasting could be expected not at Houston or Washington, but at Mexico City. There, on September 5, Mexican and South Central American labor unions meet under leadership of Vincente Lombardo Toledano, a Mexican labor chief, whom Mr. Green says is "either communist or extremely radical."

Since Mr. Lewis will attend the Mexico City affair, his A. F. of L. foes decided last week that C. I. O. plans expansion into new fields, competing with the dormant Pan-American Federation of Labor, which has Mr. Green's blessing.

Only one ray of hope appeared for labor peace. To Washington's C. I. O. headquarters came David Dubinsky, whose International Ladies Garment Workers are still technically affiliated with A. F. of L. despite their suspension in August, 1936. Since the garment workers decided last May to make one more overture to close the breach between labor's two battling factions, observers thought Mr. Dubinsky and Mr. Lewis had talked of peace. If so, perhaps garment-making ladies can succeed where war-making labor leaders have failed.

War

Sweltering in 140-degree heat, Japanese troops captured Juichang for their first notable victory since the occupation of Kiukiang on July 26. Still 110 miles from their objective, Hankow, Nipponese warriors could anticipate strong resistance from 1,000,000 soldiers and 200,000 civilians which China had mobilized.

● For more than one year England has labored to perfect a 27-nation plan for withdrawal of foreign troops from war-torn Spain. Last Eastertide, the Anglo-Italian friendship pact carried an "unwritten agreement" that Benito Mussolini would co-operate in this ambitious plan. But fortnight ago Rebel Generalissimo Francisco Franco bluntly rejected the non-intervention idea, effectively shattering the Anglo-Italian pact.

At Rome one day last week, British Charge d'Affaires Sir Noel Charles paid a visit to Count Galeazzo Ciano, Italian foreign minister. Surprise stole across his face as Count Ciano formally announced that Rome is sending new reinforcements to Generalissimo Franco.

Simultaneously, 80,000 rebels were hurled against Catalonia's western boundary.

Aviation

At East Aurora, N. Y., Aviator Frank Hawks and Broker J. Hazard Campbell entered an airplane, delayed their takeoff while a friend gave Commander Hawks a four-leaf clover for "good luck." Minutes later their ship soared, tripped over telephone wires, crashed. At a Buffalo hospital died the man who set a non-stop Los Angeles to New York record in 1929. Later, Broker Campbell also died.

People

In January, 1937, Columbia university's Roswell Magill left his academic post, became the United States treasury's chief tax expert. Last week Roswell Magill made use of his previous understanding with Franklin Roosevelt, resigning to teach law once more.

Bruckart's Washington Digest

New Taxes Sure to Come, Senator Harrison Warns

Another Federal Deficit of Four Billion Dollars Faces Country; New Sources of Revenue Sought; More Persons to Be Hit.

By WILLIAM BRUCKART

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

WASHINGTON. — It requires a considerable amount of courage for an active politician to talk about more taxes in an election year, and it is a hopeful sign when one tells the truth about such a politically delicate matter. When Sen. Pat Harrison, the veteran Mississippi Democrat, announced the other day that new taxes are coming, therefore, it became a matter of moment. It was significant first that Senator Harrison, speaking as chairman of the powerful senate finance committee, should boldly say there must be new taxes, and it was significant in the second place because Senator Harrison has not always stood shoulder to shoulder with the New Dealers.

But there is another federal treasury deficit of something like \$4,000,000,000 staring us in the face, and the size of it indicates that no progress has been made whatsoever in curtailing federal spending. It tells us, too, that the much ballyhooed business recovery of a year ago is yielding less in taxes than had been calculated by the wishful thinkers.

Thirdly, the probable deficit seems to show there was at least some merit in the assertions by Senator Harrison and others in congress last winter that some of the New Deal policies are driving the country further into a hole instead of bringing it out.

Senator Harrison's statements constitute a warning that federal taxes must dig deeper. In effect, he told the country that the government has been taxing to the point where it can not expect any increased returns from the present sources, however heavy the levies, and that the scope of taxes must be extended and expanded.

More Persons to Be Hit by Federal Taxes

What does that mean? Simply, it means that in any new tax laws that are enacted, congress will include a greater number of persons within the realm of federal tax sources; people who never have paid taxes to the federal government before are going to pay them hereafter. I am referring to income taxes, directly, but the way the picture looks to me, there will be more taxes that are indirect—and they hit everybody. If congress doesn't extend the scope of federal taxation, there will never be any chance of a balanced budget, and if the future does not bring forth a balanced budget, we may as well kiss our democratic form of government good-bye.

The reason I say there must be additional "hidden taxes," levies that are included in the cost to the consumer such as the cigarette tax, is that Senator Harrison's own statement shows there will be insufficient revenue raised by lowering the personal exemptions under the income tax laws or by making the tax heavier on those of, say, \$10,000 annual income and above. There can not be any very large addition to the revenue gained in that field for the very good and sufficient reason that there are not enough of those taxpayers. Bureau of internal revenue statistics prove that about 60 per cent of the country's income earners have less than \$2,000 per family. As the laws now stand, a person who is married and has an income of \$2,000 or less need pay no tax. So it is seen that only a mere drop in the bucket of new revenue can be obtained in that direction, wholly because if all of them were taxed the amount still would be small. Yet, any serious attempt to raise revenue to balance federal expenses must include levies on the lower incomes as well as other new taxes that apply generally.

Another Depression Was the Result

There came the time when Mr. Roosevelt's policies failed to work any better than those under President Hoover, and we had another depression on our hands. Mr. Jesse Jones, chairman of the Reconstruction Finance corporation, either of his own volition or by White House urging, made several speeches and statements to the bankers as the depression got really bad. He sought to stem the tide by persuading the bankers to make more loans. Some of us here got the impression that Mr. Jones wanted the bankers to shove out the money and ask later on whether they could get it back. Anyway, the sum and substance of the situation was that Mr. Jones was urging the banks to find ways to loan money.

Then came the climax, the peak, and the laugh. Hardly had Mr. Jones concluded his series of lectures to the bankers (who, according to the Jones picture, really did not want to make money) when another government agency gets into the play. The Federal Deposit Insurance corporation had something to say about the bankers, and Chairman Crowley issued a statement to all and sundry bankers.

Said Mr. Crowley, in substance: Bankers, the FDIC insures your deposits up to \$5,000 per depositor; thus they are protected. But that does not mean you can take a chance on unsound loans. You can't take any greater risk than you would if there was no insurance of the deposits. Just remember that, boys; be careful and don't stub your toes!

● Western Newspaper Union.

As everyone knows, when new taxes are added, a greater percentage of the country's voting inhabitants are included.

The addition of new taxes is a serious matter, yet it appears that new taxes cannot be avoided. We have had our play time, our fun. We have danced; now, the fiddler must be paid. When new taxes are added, the buying power of every person paying the tax is reduced by that amount. But through five years, money has been spent by the government in ways that put to shame the famed drunken sailor ashore for the first time in a year. Waste, wreckage, nit-wit plans and programs—all have cost billions of dollars.

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This Is No Joke to Bankers of Country

Some time ago, I reported the existence within administration policies of quite contradictory plans. Here is a new one, and one that to me is quite laughable. It probably is not at all humorous to the bankers of the country, whether they be big bankers or little bankers in small towns. Of course, bankers do not always have a sense of humor; nevertheless, I believe they may be forgiven for failing to laugh at this new condition.

To have a clear understanding of the circumstance, it is necessary to line up the several developments in the order of their appearance as government or administration policy.

First, it will be remembered how President Roosevelt ordered all banks closed (and some stayed closed) at the beginning of his administration. He followed that with legislation by congress that placed new restrictions on how the banks could loan money. It was a pretty good law since it prevented some sharp practices of which some bankers had been guilty.

On top of this law, some 10 or 12 months later, Mr. Roosevelt lambasted the bankers for not making loans to business. He charged them with locking their vaults, called them cowards and what-nots, trying to force money out into the channels of trade when there were few business men doing enough business to pay interest on the money they were using.

Then, the urge came for deposit insurance. Mr. Roosevelt was not enthusiastic about any federal deposit insurance scheme, but Senator Vandenberg, Michigan Republican, had developed a terrible desire to have it. He forced it through congress, and Mr. Roosevelt signed the bill.

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● Western Newspaper Union.

HUB OF PEACE

● International conferences never ruffle dignity of Switzerland's famous Lake Geneva, one of the world's most beautiful inland vacation spots.



Prepared by National Geographic Society, Washington, D. C.—WNU Service.

THE Lake Geneva country, self-styled "peace hub of the world," has learned to take international crises in its stride. Here, for 2,000 years, Caesars, Napoleons, bishops and barons have fought and ruled, come and gone, but Lake Geneva stays, and the ancient River Rhone "keeps right on rollin'" into one end of the lake and out the other.

Lake Geneva lies in a sort of peninsula that juts out from Switzerland's southwest corner into France. In fact, most of its southern shore is French territory, and two-fifths of the lake itself belongs to France.

Geneva people, if they want to go for a Sunday automobile ride, have but one main road on which they can drive more than a few miles without having to cross the French frontier. Most motorists like to drive in Switzerland, so the single highway along the lake's north shore is often jammed with traffic on pleasant Sunday afternoons.

Lake Geneva fills a deep mountain abyss in which the Eiffel tower (984 feet high) would sink out of sight. The lake's surface is 1,230 feet above the sea, but the deepest hole in its bottom goes down 1,015 feet, almost sea level. Mountains 6,000 feet high tower close around its eastern end, but gradually give way to rolling green hills.

Lake Fronts

Like Follies Chorus

The lake fronts of all the towns around Lake Geneva are as uniformly lovely as the girls in a follies chorus and as much alike as their costumes.

Nyon's lake front is like them all, and, like most Lake Geneva towns, too, it has its castle, high on the hill, the roofs of its five towers as sharp as pencil points. But this castle seems to smile instead of frown, perhaps because there are flower boxes in its windows.

Entering the ghost-gray walls through a gate dated 1572, you find on the first floor a musty museum that preserves a few bits of Nyon's past: Roman tiles and carvings; ancient cannon; wax figures in the bright costumes of other days. A spiral stair in one of the round corner towers leads to neat courtrooms and offices for the judges.

THE prisoners, on the top floor, if they have an eye for beauty, must spend much time gazing out the windows. Across the lake, beyond the green hills of the French shore to the south, Mont Blanc, highest of Europe's peaks, looms like a white cloud on clear days.

The weatherworn houses of Nyon's 5,000 citizens cluster their white and gray walls and red-brown roofs closely around and beneath the castle. Narrow cobbled streets with sidewalks "one man wide" or none at all thread between them up the hill. But as you explore them the medieval peace is shattered by the blast of an auto horn, and you jump aside just in time as a modern sedan rushes down over the cobbles.

Pottery, Politics

Brought Fame

Pottery, long before politics, brought fame to Nyon. You may

visit the old pottery factory, its ancient wooden stairs worn hollow, its walls and floor gray with the accumulated clay of 150 years. In this same building pottery has been manufactured continuously since the days of the American Revolution.

Along the lake's north shore, eastward from Nyon, vineyards crowd every inch of space on the hillsides that rise steeper and steeper from the water's edge. They are planted so close to the edge of the road that in some places you can reach out from your car seats to pick fat bunches of grapes right off the vines.

AS THE hillsides grow steeper, innumerable terraces rise in steps from the water's edge. Each terrace, held in place by its stone retaining wall, supports a few square yards of soil that in some places slopes at almost a 45-degree angle.

The soil washes down when it rains on such steep slopes, even with the stone walls to hold it back. But every winter the farmers dig up the soil that has washed to the bottom of the terraces, carry it back up in baskets on their backs, and spread it again evenly over the slopes.

Up and down the hillsides you notice innumerable tiny flashes of light twinkling against the background of green leaves.

They are scarecrows. They are bits of polished metal, hung among the vines to be swung by the wind, reflect the sunlight, and scare the birds.

Bustling center of this rich farming region of the lake's north shore is Lausanne, sprawled over three high hills above its lake port, Ouchy, which, incidentally, claims the only natural bathing beach in Switzerland.

Lausanne is another of the "conference cities." In 1912 a treaty signed here ended the war between Turkey and Italy, and a conference in 1922-23 resulted in the signing of 17 different treaties and agreements.

When Lausanne

Moved to the Hills

Looking down your neighbor's chimney is no novelty here. Leaning over the balustrade on one high bridge, you can see straight down into the chimney pots of houses in the ravine below, while their smoke drifts up into your nostrils. Many a narrow street winds upward steep as a mountain path, and in some places long flights of steps take you from one level to another. History says the Lausannians took to the hills after a disastrous defeat in the Fourth century, and there they stayed.

On a cliff on the Cite, chief of the three hills, Lausanne's cathedral towers dominate the skyline. Its beautiful rose window was in place more than 200 years before Columbus came to America. The cathedral has been Protestant for 400 years, since the day of the "Great Disputation," in 1536, when John Calvin and other leaders of the Reformation wrested control from the Catholic clergy.