

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

## Little Taxpayer Not Relieved By Current Revision Program; Higher Levies Seen Next Year

(EDITOR'S NOTE—When opinions are expressed in these columns, they are those of the news analyst and not necessarily of this newspaper.)  
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### TAXATION: Relief?

In retrenching 1939, many states have cut their budgets and many a congressman has preached economy. But John Public has yet to see his taxes cut; indeed, the mill-run U. S. investor holding tax exempt securities will be lucky if such exemptions are not outlawed next year. Reasons for neglecting John Public are: (1) his taxes cannot be cut without adding to Big Business' burden; (2) Big Business, far from accepting such a burden, has good reason to protest its present tax status. The only apparent solution, federal economy, will go by the boards this year as U. S. expenditures for 1939-40 top the 1938-39 budget by approximately \$1,000,000,000. Four probable points of the current session's tax revision program are: (1) re-emption of "nuisance" levies expiring June 30; (2) repeal of the undistributed profits tax and substitution of a flat 18 per cent levy on corporations with incomes above \$25,000 a year; (3) deduction of net business losses from

budgetary request for 1939-40. The report came from the American Association of Relief Workers, which reviewed conditions in 35 states and two territories (Hawaii and Puerto Rico).

Principal recommendation was that federal grants-in-aid to states be continued as the only means of achieving a uniform and adequate system in a nation where relievers would otherwise prosper or starve depending on their state's wealth.

### AGRICULTURE: Cotton Conference

Forgotten fact by most critics of the New Deal's agriculture program is that international wheat and cotton production has raised tremendously the past 15 years, closing the door against export of surpluses without expensive government subsidies. Though regulated production produces a vicious artificial circle which upsets all natural commodity price levels, the blunt facts are that even with restricted planting in the U. S., 1938 world wheat production set a new record of approximately 4,479,000,000 bushels, while U. S. cotton exports are currently at their lowest level in 60 years.

One possible solution is a world-wide co-operative scheme. Already underway are negotiations for a formal wheat conference at London to draft an international agreement authorizing export quotas and eliminating price-cutting tactics facilitated by government subsidies.

With 14,000,000 bales of old American cotton on hand when the current harvest starts, and with the price to growers at 8.50 cents a bale compared with the agriculture department's "fair price" estimate of 15.6 cents, a world-wide cotton agreement is also in the offing. Next September 5 representatives of 10 cotton-producing nations will meet in Washington for an "exploratory" conference which may pave the way for export quotas. Co-operating nations: Argentina, Brazil, Egypt, India, Mexico, Peru, Sudan, Soviet Russia, France and Great Britain, the latter two for their cotton exporting colonies. Significantly absent from the list is Japan, whose new cotton plantations in China are wiping out another U. S. market.

### ASIA: Mongol Buffers

Puppet buffer states are handy weapons for nations which want to fight without going to war. Other nations use them for "shock" purposes, to bear the brunt of an attack which might otherwise hit close to home. For 15 years both Japan and Russia have used the once-glorious Mongols of Genghis Khan as buffers against the Jap-Russ war which has actually been waging in Asia for the past seven years. Under Soviet tutelage has grown the Outer Mongolian republic; under Japan a puppet ruler leads Inner Mongolia.

A sample of how such buffer nations can work was reported recently from Tokyo. In the Lake Bor region south of Manchuria, Japanese troops reported 1,000 Soviet-trained Outer Mongolian soldiers charged Jap-Manchukuoan positions while 200 Russian fighting planes soared overhead. Always victorious (by her own reports) Japan claimed 42 of the Soviet planes were downed.

### RELIEF: Recommendation

At Indianapolis a "Mr. Stinger," his wife and nine children live in three rooms of an old butcher shop, so rat-infested he and a two-year-old baby have been bitten. Although ill, "Mr. Stinger" must stay awake nights to shoo off the rats.

In 254 Texas counties relievers get no aid other than federal surplus commodities, and in one state food grants are one-fifth the minimum standard food budget prescribed by the U. S. department of agriculture.

Ohio's experimenting, badly pestered legislature has passed 82 relief bills since January, 1931, yet still has trouble.

Monthly food grants for relief vary greatly from the states' affluence, including: Atlanta, Ga., \$6.70 per month; New York, \$30.97; Mississippi, \$2.91; California, \$30.97; Arkansas, \$4.82.

This startling picture of U. S. relief conditions was offered the house appropriations sub-committee as it began considering a \$1,477,000,000

## PUZZLERS

Know your news? Answer all these questions and you're excellent; answer three and you're good; two, fair; one, poor.



1. This U. S. senator will accept the Republican presidential nomination, but if elected wouldn't take a second term. Who is he?

2. What famous pianist was recently forced to cancel the last part of his American tour because of a heart attack?

3. Floyd Roberts, racing at the Indianapolis automobile speedway's Memorial day classic: (1) set up a new record, (2) won for the second year in a row, (3) was killed, (4) came in second.

4. True or false: According to a Gallup poll, the majority of U. S. citizens believe the New Deal, and not business, is delaying recovery.

(Answers at bottom of column.)

### ARMY: Recruits

Not since the World war has Uncle Sam gone out of his way to solicit new blood for the army. Regional recruiting officers took what came their way, yet had no trouble maintaining a small peacetime force.

Now underway is a high-pressure campaign to recruit or re-enlist 115,000 men during the next 12 months, necessitated by replacement and expansion needs of the air corps and other branches of the service.

Weapons include 18 recruiting stations on wheels, slogans, posters, motion pictures and the radio. Biggest problem: To reach boys in the country as well as in cities, since better—as well as more—men are the prime objective. Largest single expansion is a prospective increase of 25,180 men in the air corps.

### TRANSPORTATION: Auto-Rail

Early day mainstay of railroad passenger business was the traveling salesman. But automobiles made it easier and quicker to call on most customers, and railroads suffered. A few years ago the New Haven railroad tried a unique plan whereby salesmen could ride to a central point, there renting an automobile from the railroad to make customer calls in adjacent territory. So successful was the plan that seven western lines plan inauguration of a similar program next January 1.

### NAVY: Statistics

Significant and fearsome is a U. S. peacetime naval construction program bigger than any in history. With a \$773,000,000 building appropriation on its hands, with 74 vessels already underway, and with 23 new contracts about to be let, the fleet's current status is something like this:

Type of vessel	In com.	Under con.	Approved for
Battleships	15	6	2
Heavy Cruisers	15	1	0
Light Cruisers	17	8	2
Aircraft Carriers	5	2	0
Destroyers	218	25	5
Submarines	87	12	2
Auxiliary	107	12	3

Primary emphasis in the new program will be on capital ships, 15 such battlewagons already being in service. On the way are two more, the 35,000-ton North Carolina and Washington. About to be started are the South Dakota, Indiana, Massachusetts and Alabama. Two more, 45,000-tonners and larger than anything afloat, will be started under current appropriations. None of the eight battleships will be ready before 1945 or 1946.

### Answers to Puzzlers

1. Sen. Arthur Vandenberg of Michigan.

2. Ignace Faderewski.

3. Floyd Roberts, who won last year's race, was killed this year.

4. False. According to Gallup findings, 69 per cent think business is delaying recovery. But 63 per cent think the New Deal is delaying it, too.

### Bruckart's Washington Digest

## President Restates All New Deal Theories and Convictions

### Retail Federation Speech Seen as His Political Philosophy For 1940 Campaign; Insists on Continued Spending; Would Hold Down Business Profits.

By WILLIAM BRUCKART  
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WASHINGTON.—As the days go by, it appears more and more that President Roosevelt's speech before the American Retail Federation here, May 22, amounts to a declaration of greatest political importance. It may be, indeed, that the Chief Executive's pronouncements before the retail merchants that night will eventuate as the cornerstone of his political philosophy for the campaign of 1940.

In Mr. Roosevelt's speech before the retail businessmen, it will be recalled upon examination that he restated virtually all of the New Deal theories and convictions. That was important. But more important was the emphasis with which he offered, in new language, the general assertion that there will be no backtracking. More important to the country, as a whole, was his determined adherence to the principle of virtually unlimited government spending, because his renewed insistence in that direction came at a time when there is considerable fear that the country faces further inflation of its currency.

There seems to be quite a general agreement that the retail speech should be examined in the light of 1940. As far as I can learn, that is the view taken by New Dealers, by old line Democrats, who are antagonistic to spending policies of the last five years, and by cautious Republican observers who are anxiously looking for signs indicating whether Mr. Roosevelt, himself, will seek a third term in the office of President. While the views of the three segments converge, their reasons differ. The New Dealers who want Mr. Roosevelt to run for a third term desire to consider the speech as a preliminary statement, a charting of the future course; the old-line Democrats who desire to get the party back in Democratic hands, rather than in the hands of the radical wing, entertain fears which force consideration of 1940, and the Republicans secretly are hoping that Mr. Roosevelt will try to break the third term precedent.

Speech Sought to Court Favor With Retailers

There is another reason, apparent to some observers, why the speech that sought to court favor with the retail dealers should be thought of in terms of a year hence. It will be remembered that the annual meeting of the Chamber of Commerce of the United States was held here only two weeks in advance of the speech which is the subject of so much discussion. Now, I never have thought that the Chamber of Commerce represents very much of the country's sentiment. It is made up, of course, of business interests that are representative, but as a matter of cold fact it is dominated and managed and directed by the really big business of the nation. Thus, it speaks the big business viewpoint to the extreme, and likewise in these columns before that the Chamber of Commerce usually can kill off projected legislation by the simple expedient of supporting it.

But the recent chamber meeting took no notice of Mr. Roosevelt beyond damning his program and policies lock, stock and barrel. The President, it seems, took advantage of the opportunity to tell the retailers about his innermost thoughts as an offset to the vials of poison scattered about by the big business representatives. He reasserted his views on every point to which the chamber had taken opposition and about which there had been fighting speeches made. I suppose if one's sense of humor could be sufficiently detached from the gravity of the situation, they could describe the circumstance as similar to two small boys who were sticking out their tongues at each other as proof of their anger.

Harrison Tells President Tax Revision Is Necessary

A third factor might be brought into the picture. You will recall that it was only a week or so prior to Mr. Roosevelt's speech that he spent an afternoon in conference with some of the legislative leaders. Among them was Senator Pat Harrison, the old-line Mississippi Democrat, who occupies the post of chairman of the powerful senate committee on finance. That is the committee which handles tax legislation in the senate. Included in the

conference also was Chairman Doughton, of the house committee on ways and means, also a tax committee.

No further review of that conference is necessary than to relate how Mr. Harrison told the President there must be tax revision in order to lift and readjust some of the unfair taxes on business, and he said there would be tax legislation in this session of congress. Chairman Doughton appeared to join in rather timidly, but I believe it is not going to be important whether the Doughton heart is with Harrison or with Roosevelt. The fighting Pat Harrison is going to obtain some tax legislation if it is possible, and Mr. Roosevelt will have an opportunity to veto the bill if he likes.

So, in his speech, Mr. Roosevelt took a sideswipe at the proponents of tax changes. Their reasons for demanding tax revision, you see, are based upon a belief that business will not go ahead until government gives more consideration to the burden that is on business. Senator Harrison, along with many other old line Democrats, feels that business can not re-employ workers as long as taxes are unevenly distributed. That is to say, the Mississippi senator is seeking ways by which business will take on workers and the federal treasury will be free from the enormous appropriations for relief spending.

With reference to the Harrison position, however, it should be said here that congress has shown a dozen yellow streaks about cutting down on spending.

### Determined Business Profits Must Be Held to Minimum

When Mr. Roosevelt said in his speech, therefore, that he would demand only that the present distribution of tax levies and rates should remain the same, he was answering Senator Harrison's group. In other words, the President has budged from the position and viewpoint he long has held only to the extent that he now says he will not quibble about details; he wants corporations to bear as much tax as heretofore and he will insist upon it. He is determined that business profits must be held to the minimum and there are indications that he will carry such a fight "to the country."

Regardless of the tax question and the over regulation to which so many government agencies are addicted in dealing with business, Mr. Roosevelt expressed his whole thought in one sentence: "You can not expect this administration to alter the principles and the objectives for which we have struggled the last six years."

That declaration encompasses in one sentence germs of great trouble for the Democratic party. Some observers here described it as stubborn statement. It is known, of course, that Mr. Roosevelt can be positively bull-headed in his determination when he wishes. Because of this trait, therefore, some of the old line Democrats again are fearful of a wide open split in the party.

### Smacks Much of Old Argument for Pump Priming

In pooh-poohing the public debt and the great interest charge to be met every year, Mr. Roosevelt said the government had to continue spending and creating debt because, otherwise, there would be no business for the retailers or any other type of commercial endeavor. It smacked very much of the old argument for pump priming and certainly bore out many reports that Federal Reserve Bank, head of the federal reserve banking system, has great influence with the President, who used to get his advice on financial matters from Secretary Morgenthau, of the treasury. Mr. Eccles may be regarded, I believe, as one of the most visionary of all of the inner circle of New Dealers. In any event, he has preached spending, spending and more spending by the government as the means of lifting the country out of the depression by its own bootstraps.

It is on this public debt matter that attention is likely to center more earnestly later on. The debt has been growing and growing and the general condition of the country may be said fairly to have advanced not one bit in the last several years.

(Released by Western Newspaper Union.)

### Speaking of Sports

## Baseball's Best Pilots Played 'Average' Game

By ROBERT McSHANE

ANOTHER major American crisis developed not long ago when "Columbia-Lou" Gehrig benched himself after establishing what may be an all-time record for consecutive games. Plainly the iron man was nearing the end of the trail.

Huge, salty tears were shed over Gehrig's impending doom. What did baseball intend to do for the man who has done so much for it? Who would reward him with a managerial job? Forgotten was the fact that Gehrig hasn't yet retired, that he isn't a decrepit individual requiring a guiding hand to steer him to the closest relief agency.

But the American sports-loving public is like that. Let one of its heroes start slipping and the hue and cry is nation wide. He must



OSCAR VITT

be rewarded. What can we do for him? The fact that the big sports figure may make more in a week than the average person does in a year is seemingly beside the point.

It was a black mark against baseball, according to calamity howlers, that Babe Ruth wasn't given a manager's job when he retired. He was the game's most colorful figure, packing the stands wherever he appeared and giving the best years of his life to the diamond wars. Ruth was the highest paid baseball player in history, signing contracts at a top price of \$80,000 per year.

### Unsung Heroes

Overlooked is the fact that each year a lot of fast, smart ballplayers go by the boards. They, too, have devoted their best years to the game, but when the final day rolls around they cast an agonized eye over the bank book and wonder where they're going to open a filling station or lunch counter.

There seems to be some good reason why great baseball stars aren't usually picked when managers are appointed. Some of them have, such as Tris Speaker, Cobb and Walter Johnson. But they didn't last. The most successful managers seem to be those men who were good players, but not great ones.

Connie Mack, the most widely known, was once a catcher—and a good one. But experts don't rate him with Kling and Bresnahan. Oscar Vitt, Cleveland manager, was formerly a major league infielder. He isn't remembered for his outstanding ability as a player. Rather he was a reliable performer who played a steady game.

Joe McCarthy, the most successful manager in baseball, could never make the grade in the big-league.

### Success Stories

Casey Stengel and Jimmy Dykes were better than the average ball player in their best years, but neither of them were world beaters. Since they shed their uniforms they've been doing better than all right. Del Baker of the Tigers was a catcher in his day, but didn't do so well in the majors.

With so many players of average ability making the grade as managers, it seems more than coincidence that the stars fall in an executive capacity. It seems, though, a waste of sympathy to shed tears over a great man whose playing career is drawing to a close. He has made money, has a host of friends and admirers and has led the kind of an existence he wanted. Because baseball doesn't offer him a manager's job it doesn't mean that moguls of the game are hard-hearted wretches, casting off a man when his usefulness is over. A man may be a great ball player, but lack the essential qualifications of a good manager.

Fortunately, ball club owners realize that.

### Jack of All Trades

ONE of baseball's sensations—though not for his playing ability—is Morris (Moe) Berg, scholar, gentleman and catcher for the Boston Red Sox.

Not that Moe isn't a good baseball player. He is. But he's such a versatile individual that his accomplishments in other fields tend to awe the average onlooker.

To begin with, Moe can talk fast and furiously in five different languages, and has a working knowledge of about a dozen more. He studied Romance languages at Princeton, graduating in 1923. He originally planned on going to the Sorbonne in Paris to study phonetics, but decided to finance his continued education by playing ball with Brooklyn. He played the summer of 1923 and then went to Paris.

When he came back the following summer the Dodgers weren't particularly impressed. The winter spent in study hadn't helped his hitting, so he was sold to Minneapolis. From Minneapolis he went to Reading in the International League, and from there to the Chicago White Sox in 1925.

Deciding on further education, Moe enrolled in the law school of Columbia university. He passed the New York state bar examinations in 1929. His comprehensive knowledge was ably demonstrated recently when he appeared on a quiz program over a nation-wide hookup. He astonished even his fellow broadcasters with his rapid-fire answers to the brain-stumping questions.

In addition to his other accomplishments, Moe is familiar with the scores of several operas, and is a lover of the drama. A real gourmet, he knows the best restaurants in all the cities on the big league route.

Moe, despite his amazing versatility, is primarily a baseball player. He doesn't want to be known as a lawyer or a linguist, he wants to be looked upon as a competent, hard-working catcher.

He played on the 1933 Washington team, under Manager Joe Cronin, and Cronin, Berg's boss now on the Red Sox, will attest to Berg's value to the team which won the American League championship. He plays a steady, consistently good game, and though no second Babe Ruth, manages to be a dangerous hitter in a pinch.

Nor does he play baseball for the money involved. He has been a well-paid player, and in addition, is a member of a New York law firm, and a director of two New Jersey manufacturing plants.

### Sport Shorts

AFTER losing the first heat in which she started, Nancy Hawks, first trotting horse to beat 2:05, won 45 straight and never lost another race.

Carl Hubbell never argues with umpires, believing it to be bad luck. That's probably the reason George Magerkurth says Hubbell is the easiest player in baseball to get along with. . . . Manuel Salvo, 'Giant' pitcher, was a floorwalker in a San Francisco department store during his off seasons there. . . . George Sisler, member of baseball's Hall of Fame, recently traveled a thousand miles to deliver one pitch. Guest of honor at a Wichita semi-pro game, Sisler arrived from St. Louis during a driving rain. The game was postponed, but Sisler made his one pitch, then caught a train for home. . . . Bad news item: Tommy Farr says he is coming back to America to fight Max Baer again. . . . Billy Coon recently announced that he will not become a heavyweight fighter, but will content himself with being the best light-heavy. . . . Warner Brothers expect to sign Spencer Tracy to play the lead role in "The Life of Knute Rockne". . . . The Philadelphia White Elephants were repaid the Athletics when Connie Mack took over the club in May, 1907. . . . Loyola university of Chicago won 42 of its last 43 home basketball games. . . . E. J. Deleahy is the only player who has won batting championships in both major leagues. He won the National league title in 1899 with a percentage of .408 and the American league championship in 1902 with .376. . . . Though the New York Giants won 26 consecutive games to establish a record in 1916 they did not win the pennant. . . . The Green Bay Packers are increasing the capacity of their stadium for the third straight year.

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