WEEKLY NEWS ANALYSIS BY JOSEPH W. Labine

Dutch-Belgian Arbitration Bid Lost in Beer Hall Excitement; Fear of Nazi Invasion Mounts

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



STEEL MILLS BLOSSOM AT GARY, IND.

to be financed by Reconstruction

TRADE & INDUSTRY

Repeal of the U.S. arms embargo, which keeps American ships out of combat zones and allows belligerents "cash and carry" rights, not only set off a partial business boom at home but also brought major reper-cussions in world diplomatic, trade

and maritime circles.

There was cautious expansion in U. S. industry, where building awards for October totaled \$49,910,000 against \$12,814,000 a year ago. Many firms announced stock dividends payable in December. Railroads, which coupled their expansion with a plea that they might be permitted to operate without government interference in times of emergency, were offered a new recovery program by

program by Jesse Jones, federal loan administrator. This plan, used first by the Boston and Maine line, calls for postponing

EUROPE:

Cause Celebre?

"This," said Prime Minister Chamberlain, "is not a state of war but a state of siege." He was not far wrong. The French claimed nine of their U. S.-made planes had downed one-third of a 27-plane German force over the western front.

There was also a mysterious battle in the North sea from which the

WILHELMINA AND LEOPOLD

Their peace exploded.

Ark Royal reportedly limped home with a captured vessel. But, as usual, the biggest war news was made far from the front.

Some 20 Nazi divisions stationed



MAX TRUITT nual interest "Completely sound." charges through a refunding process

Cotton and Wheat

AGRICULTURE:

Three items made news for cot-ton and wheat farmers as Novem-

ber got underway:
(1) With 10,100,000 bales of sur-(1) With 10,100,000 bales of surplus cotton stored under government loan, and with an 11,845,000-bale crop (slightly less than 1938) forecast for this year, the agriculture department announced loans based at 8.3 cents a pound on seveneighths inch middlings would be available to 1939 growers who planted within their acreage allotments. A week earlier the loan program seemed stymied by increased cotton consumption thanks to the war.

(2) The burean of agricultural economics forecast the same wheat acreage for 1940 as for 1939, I. 2, 64,600,000 acres, which would produce about 760,000,000 bushels of spring and winter wheat. But next

duce about 760,000,000 bushels of spring and winter wheat. But next year's yield will be under par unless unusually favorable weather comes along. Reason: Drouth has already damaged much seeded winter wheat beyond recovery.

(3) Closing its first year, the federal crop insurance corporation was sad. Having taken 6,769,120 bushels of wheat as premiums from 165. els of wheat as premiums from 165,-551 farmers, the corporation had claims from one-fourth its custo-mers. Indemnities paid, totaling 9,461,730 bushels, brought a loss of about \$1,885,000. to be financed by Reconstruction Finance corporation.

The government restricted foreign commerce in some quarters and expanded it in others. Approved was a new reciprocal trade pact with Venezuela, "freezing" tariff schedules on exports of wheat flour, oatmeal, lard and lumber. In return, the U. S. will reduce import taxes 50 per cent on Venezuelan crude petroleum.

RUSSIA:

Unhappy Birthday

Twenty-two years ago a bloody revolution gave birth to the U. S. S. R. Only a month ago Soviet Premier Viacheslav Molotov showed Premier Viacheslay Molotov showed Russia's strapping maturity by de-nouncing President Roosevelt's in-tervention in the Finnish-Russian scrap. When Moscow began its three-day anniversary celebration, Premier Molotov again slapped the



HANS THOMSEN AND WIFE

U. S.: ". . . in the case of certain countries neutrality only serves as a mask to conceal their activi-

On that same day in Washington, On that same day in Washington, the Soviet embassy decorated Lenin's statue with red roses, assembled Scotch whisky and Russian soda, green sherbet in crushed raspberries, and cakes smothered in rum sauce. Awaited were the guests to help Charge d'Affaires Dmitri Chuvakhin celebrate. But he was embarrassingly disappointed.

embarrassingly disappointed.

Absent were all Supreme court justices, cabinet members, senators and high ranking state department officials. Only China, Turkey and Ecuador sent their diplomats, Only prominent New Dealers: NLRB's Edwin Smith, SEC's Leon Headerson, and Mrs. Thurman Arnold, wife of the assistant attorney general. Most beaming visitors: Hans Thomsen, German charge d'affaires, and his pretty wife. and his pretty wife.

while the Nazi press railed at Jews and the British secret service as "instigators" of the plot, the Wilhelmstrasse offered a \$200,000 reward for capture of the perpetrators. While seers wondered if the Munich explosion might not prove another cause celebre like Sarajevo or the Peiping bridge incident, pro-Hitler sentiment began crystalizing in Germany. Dead as a dodo was the Belgian-Dutch peace plea; in fact, the Dutch opened their dykes in self defense following border clashes that smelled suspiciously like those before the Polish invasion. Committee Time

Home to the stamping grounds went most senstors and congressmen when the special neutrality session adjourned. But between sessions is a fine time for committee hearings. Still in session is Martin Dies' un-Americanism group, bally-hooing for another appropriation. Two other groups, working out legislative suggestions for next January's term, are:

sixteenth birthday, he scorned peace: "There can be only one victor—that is we."

Hardly had Hitler left the been hall before a mysterious blast in the empty attic upstairs sent its heavy ceiling crashing on the hangers-on who had stayed behind. Next day, while the Nazi press railed at Jews and the British secret service as

House Tax Subcommittee. Opening its hearings under Tennessee's Rep. Jere Cooper, the committee talked about broadening income tax bases. But there was a disinclinabases. But there was a disinclina-tion to offer concrete proposals. It was announced final determination of a program will await the opening of congress. Two official reasons: (1) The treasury is studying taxes, soliciting suggestions from business and industry; (2) National defense needs for the next fiscal year are not yet known. on their frontiers worried Belgium's King Leopold and The Netherlands' Queen Wilhelmina. Moreover, they heard rumora that Adolf Hitler would invade on November 15.

would invade on November 15.

Though steadfastly denying any German "ultimatum" for a statement of their positions, the king and queen held all-night consultations with their foreign ministers. Result: A peace appeal was dispatched to all combatants offering Belgian-Dutch mediation services. Britain rejected it polities. NLRB Investigating Committee. Deferring hearings until its Chair-man Howard Smith (Dem., Va.) gets well, the house labor commit-tee found new kindling for its cammit: A peace appeal was dispatched to all combatants offering Belgian-Dutch mediation services. Britain rejected it politely.

Fuehrer Hitler was less polite.

Not waiting to reply directly, he hastened to the beer hall at Munich where his notorious pusch took place in 1923. There, on Naziism's gets well, the house labor committee found new kindling for its campaign against the labor board in a paign against the labor committee found new kindling for its campaign against the labor board in a paign aga

POLITICS: No Ham, No Eggs

The tumultuous 1930s have brought an unprecedented thirst for secur-ity taking form in unorthodox pension schemes. Most schemes were born in California, like Townsendism born in California, like Townsendism and EPIC. In November's elections two more panaceas went down to de-feat, but there were signs many a politician might follow them.

Ohio's Rev. Herbert S. Bigelow promised to "continue the fight" for his badly snowed-under plan to give

via state ina levy on nia died 'ham-andscheme to give \$30 ev-

GOV. OLSON

day to everyone over 50. It even trailed in Los Angeles county, its birthplace. One reason: Gov. Culbert Olson had fought ham-andeges by promising "useful and productive employment" to all who wanted it, as a reward for defeating wanted it, as a reward for defeating the plan. As pension leaders began a recall move against Mr. Olson, the governor soothed them: "This defeat doesn't mean that California is against the further development of sound social security . . "

Bruckart's Washington Digest

Home Folks Fed Up on War Talk; Want to Know About Tax Problem

Considerable Transition From Interest in European Affairs To Domestic Concerns on Part of Public Is Noted; Treasury to Borrow More Money.

> By WILLIAM BRUCKART WNU Service, National Press Bldg., Washington, D. C.

> > 000,000.
> >
> > One of the new taxes—the tax on payrolls to maintain pensions and unemployment—yielded in excess of \$1,500,000,000, or almost one-tenth of all of the money taken by the tax collector. Its total seems to give substance to the complaint that this tax is a tremendous burden on any one who hires workers. The payroll tax, according to the administrators' analysis, was the third largest of single items of taxation—only the property tax and the income tax

the property tax and the income tax brought in more money for the spenders of federal, state or local

Another Group Includes The Concealed Levies

Cut in Personal Exemptions

present limits, would as \$50,000,000 a year to the national revenue. That is not a good drop in the bucket. If all of the present income tax amendments that have

in the bucket. If all of the present income tax amendments that have been mentioned were now in force, the total taxes they would yield would be only about \$250,000,000, according to Mr. Hanes. Hence, Mr. Hanes said, with reference to the federal government:

"You, the American public, have the final control. Demands from back home" upon the Congress for more and more federal expenditures, for less and less needed projects, are at least a partial source of difficulties.

WASHINGTON .- Observers, here | collected by the federal, state, co in Washington, have a little way of their own by which they are able to forecast the trend of public thought and interest. It is a meth-od that was developed solely from experience. Most of us who attempt experience. Most of us who attempt to serve you, outside of Washington, as eyes and ears have learned to watch the demand for speakers and subjects upon which public men are asked to talk. It is not an infallible method, but it is usually correct. The only fly in the ointment is that we must learn to distinguish between the propaganda preachers and the legitimate desires of groups to have government questions explained to them.

It is to be noted here, by way of review, that three months ago the bulk of the speeches by men from Washington had to do with war, our chances of getting involved, neutrality, etc. There were interspersed with these, of course, the usual truckloads of guff from Secretary Wallace and the other selftary Wallace and the other self-appointed spokesmen for agricul-ture, rinds and cracklings from Sec-retary Ickes, and about the usual quantity of mouthings from the "su-perior minds" whose owners are greatly concerned in development of culture, liberal thinking. But it was about the war and related sub-lacts that most records wanted to

know.

The scene is changing now; indeed, a considerable transition already has taken place. Home folks are getting fed up, at last, and are desirous of knowing more about home problems and what the government intends to do about them. It is a trend most pleasant to contemplate. There simply can be no doubt about the fact that if the people of the United States forget about that war in Europe and pay attention to their own business, we will be able to stay out rather easily.

Comes an Awakening to The Problem of Taxation

With this background, then, let me call attention to the number of persons who appear at long last to have awakened to the problem of taxation—federal, state, county and city. Obviously, when there is an interest in taxation there is a parallel interest in what government does with the money taken from its citizens. This interest surely exists now to a greater extent than at any time within recent months. More and more inquiries are being received, more and more requests for discussion of the subject are reaching officials in Washington. And if my information from outside sources be correct, there is a similar interest being shown in the states and cities.

In this period of changing inter-

In this period of changing interest, Secretary Morgenthau announced that the United States treasury is prepared to borrow more money. In the next two months, according to the Secretary, the treasury will borrow an additional half a billion dollars. It will refund something like a billion and a quarter, also, but that process is simply trading new bonds or notes for old ones that fall due. The borrowing is "new" money, in the sense that new bonds will be sold and the proceeds used by the treasury to meet expenses, and naturally the national debt will be increased by that amount. It is well to remem-ber that, as of November 1, the public debt was \$41,139,971,217, and public debt was \$41,139,971,217, and that there are several other billions of bonds issued by such agencies as the Reconstruction Finance corporation, the Home Owners Loan corporation and debts guaranteed by agencies like the Federal Housing administration, for which the treasury is morally, if not actually, responsible.

It is not curious, therefore, that folks are asking each other: where is this spending going to stop? or, how are we going to pay off that debt? or, what are our taxes going to be in the future?

Tax Receipts for Nation Astounding in Magnitude

I am indebted to the federation of tax administration for some toof tax administration for some to-tals of tax receipts for the nation that are not only astounding in their magnitude but startling in the im-plications they give.

The statistics disclose that the American people paid \$14,811,000,000 in taxes in 1938. This money was

Speaking of Sports-

Coaches Attest Unpopularity of Grid Slaughters

By ROBERT McSHANE

W HEN Michigan's gridiron warriors raced over, through and
around the University of Chicago's
Maroons for an 85 to 0 victory on
Stagg field this midseason, the onesided score brought very little joy
to the victor and none to the vanquished, It wasn't a glorious defeat
for the Maroons—it was a rout. It
wasn't a great victory for the Wolverines—it was a stampede. collected by the federal, state, county and city governments and some odds and ends of special taxing districts which levied taxes for especial purposes. Of this amount, the federal government collected \$6,034,000,000; state governments collected \$3,857,000,000, and local governments took a toll of \$4,920,000,000.

Few are the football coaches who want to see their rival's team humiliated. A sense of decency and sportsmanship forbids that, And, if that isn't enough, coaches realize that football is an uncertain profession; that some time in the future sion; that some time in the future he might be on the losing end of one of those lop-sided scores.

Fritz Crisler, Michigan coach, re-rersed the usual gridiron order in the Chicago game. He ordered his team

NOT to score touch-downs. The score was 54 to 0 at the half, and Crisler wanted it to stay at that point. He con-ferred with Clark Shauelnessy during Shaughnessy durin the first half, an the two coaches agreed upon 12 min-ute quarters during the second half.

Despite Michigan's humanitarian efforts, the acore kept piling up. The Maroons fumbled repeatedly in their own territory, leaving Michigan with little to do but make touchdowns. Shaughnessy registered no com-

governments.

Property taxes, levies on everything you own, your house or farm or horses or automobile, paid a total tribute of \$4,745,000,000. If you are good at figures you will find that sum to be 32 per cent—almost one-third—of all of the taxes paid by the United States last year.

Income taxes ranked second in the sums produced for governmental use. The income taxes laid by federal, state and city governments supplied \$3,242,000,000, and that is 22 per cent of the revenue. Mercy's Gates

It wasn't se long ago that Francis Schmidt earned his sobriquet, "Bar the Gates of Mercy" Schmidt. It all happened during his first year of coaching at Ohio State. The Buck-But there is another group of taxes—a long list of items that include most of the sneak-thief taxes, unseen and concealed levies—that really is bearing down. These general and special sales taxes, federal stamp levies, excise and license taxes were responsible for slightly more than one-fourth of all money paid into treasuries of government. This money came from tobacco, liquor, gasoline, sales taxes of various kinds which you saw only by close examination or could not discover at all, licenses, etc. The gasoline tax was the largest revenue producer. Federal, state and local governments obtained \$931,000,000 because most of us burned up gasoline through use of the motor or coaching at this State. The Buck-eyes went wild against a small col-lege team, completely overwhelm-ing their opponents by an avalanche of touchdowns. Schmidt wasn't over-ly happy about the victory.

Chicago's present situation is somewhat ironical. Chicago players of past years were themselves occasionthemselves occasionally accused of shuting and locking the gates of mercy. Before simon-pure amateurism weakened its teams Chicago umphs. In 1918 Coach Alonzo Stagg watched his man-eaters defeat Great

Lakes 123 to 0. The same school beat M lege by a score of 108 to 0 than 25 years ago.

local governments obtained \$981,000,000 because most of us burned
up gasoline through use of the motor
cars. Liquor revenue amounted to
\$838,000,000. It is said by some
authorities that this type of tax has
about reached its peak. To increase
it more will mean that bootleggers
can begin to operate once more, because added taxes will send the
price of liquor to a point where bootlegging becomes profitable. Such is
not the case with the other taxes in
the group; you pay them and like it. In 1916, Georgia Tech whipped Cumberland 222 to 0. No one could call the encounter a football game. It wasn't even a good track meet. But that victory aroused the engi-neers, for two years later they were responsible for the following statisresponsible for the following tics on successive Saturdays:

Georgia Tech 118, Furman 6. Georgia Tech 119, Eleventh Cav-

Georgia Tech 128, N. C. State 0.

The school of thought that has advocated broadening the base of income taxes by the federal government, by reducing the personal exemptions from \$2,500 for married couples and \$1,000 for single persons, was shown by Mr. Hanes to be somewhat ignorant of facts. He pointed out that an exemption of \$2,000 for married couples and \$300 for single persons, instead of the present limits, would add only \$60,000,000 a year to the national The tables were turned the fol-lowing Saturday when Georgia Tech met the University of Pittsburgh and lost 32 to 0. From then on it was a policy of live and let live.

Yale, by 113 Points

One of the worst defeats a major team ever suffered was in 1884 when Yale beat Dartmouth 113 to 0. At that time, however, Yale was much the brighter star in the football firm-

Sometimes a coach is almost powerless to stop a touchdown barrage. When II husky young men step out on a gridiron they're fired with enthusiasm. They're there for one purpose, and that's to play football. They pull no punches, and give the game everything they can. They expect their opponents to follow a similar course.

When one of those young men gets the pigskin in his arms he doesn't wait to be tackled. He wants to gain ground. If a long forward pass is sailing in, ready to settle in his arms, he can't ignore it, even though it means old Sivash may be outnumbered by an additional six

difficulties.

"We have developed our country a \$10,000,000,000 appetite with a \$5,000,000,000 pocketbook. I think our problem is not so much when we balance our budget, as where. In other words, how much federal expenditure are you going to demants and how do you propose that the government raise the funds?"

I am hoping that the apparent trend toward a public consciousness of the government's financial condition—whether that government be So don't be too hasty in condemn-ing the winning coach in a top-heavy victory. He's probably try-ing his best to stop an irresistible

Sport Shorts

A PPROXIMATELY \$10,000 a ally is spent by Western ference schools on X-ray examtions for injured players during football season. Two hundred n of adhesive tape is used for beages. . . Honolulu has a bury football league. . Charley Ke series hero, canceled a number of profitable engagements to go to Washington for the Variety club's charity show. He refused to accept even expense money for the latter. . Football at the University of California showed a net profit of \$33,344.95 in 1938. . . A survey shows

King of Swing

HARRY HEILMANN, the last

Marky Hell.Mann, the laman to hit 400 in a season batting against American leas pitching, declares that one of the seasons Joe Di Maggio of the N York Yankees will reach that ma Furthermore, Hellmann belief Di Maggio to be the greatest of around ball players. A Detrait ra announcer, Hellmann states of Joe is the best outleider he o saw, and that includes Tris Speak He gives the young Italian see for having a better throwing a than any outlielder, past or prese and including Bob Meusel.

And one of these seasons, he

And one of these seasons, he sists, Joe's line drives and he smashes are going to get through the infield or they're going so the alleys between the outfields. Then he'll have his .400 mark.



By NED DAY

(This is the first of a series of bow one by Hod Day of Hilwankes, Win., setch game champion and recognize utstanding bowling authority.)



BOWLING is the oldest of a

at a dis