WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

## Battle to Raise National Debt Makes New Taxes Impossible; Touchy Topic in Election Year

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







HARRISON

## WHITE HOUSE:

Next spring the national debt will reach its \$45,000,000,000 legal limit. To circumvent the issue or force an increase through a hostile congress during an election year will provide such a test of political etiquette that the New Deal will have little stomach for a tax-boosting campaign. If anything, it will be smart politics to slash expenditures.

There were signs in late November that such attempts might be



lately as a "spokesman." While Budget Director Harold D. Smith nodded his assent, Steve Early pointed out that the President is

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There were signs in late November that such attempts might be made. One by one, administration spokesmen purred for the press:

Said Mississippi's Pat Harrison, chairman of the senate finance committee: "Receipts are showing up fine. The way they are coming in gladdens our hearts. If ... we can cut down expenses somewhat, we may get along without a tax bill."

But there was a less pleasant side to the picture. National defense, which last year cost \$1,500,000,000, may easily reach \$3,000,000,000 this year and would thus wipe out the boost in tax receipts. Relief costs are predicted at \$1,000,000,000 against \$1,400,000,000,000 this year, a comparatively small cut. Summed up, the budget will probably hit a rough \$9,000,000,000, which still fails to reverse the spending trend.

# considering sharp economies next year. Other leaders hoped to trim the deficit to between \$2,000,000,000 and \$2,500,000,000. (Last fiscal year's deficit: \$3,500,000,000.)

#### EUROPE: Mad War

Spies, parachutes and trade conspies, parachutes and trade conversations made bigger news than actual warfare as Europe ended the third month of its strange war. And if any deduction could be drawn from this mad sequence of illogical activity on a hundred fronts, it was that Europe is already pretty sick of the convergence of t war, more and more convinced that

The new "weapon" Adolf Hitler threatened during his speech at Dan-zig took form in a new sea mine



GEORG ELSER

parachuted from airplanes. Presumably scores of these were dropped in the English channel, the parachutes dissolving. In one week they took a toll of 25 allied and neutral vessels, Britain retaliating by strengthening its blockade against the Reich. This was not too smart, for London soon had the wrath of Netherlands, Belgium, and Maly on her should Belgium and Italy on her shoul-

The allies were more successful in other branches of warfare. No one knew how many French-British planes had been lost, but 20 Nazi airships were allegedly shot down in two days' warfare over the Western front. At sea the French destroyer Siroco sank two German submarines within three days.

While Berlin was genuinely worried by disorders in the Czech province, where eight students had been purged, the Nazis were making the most of another disorder. Heinrich Himmeler, chief of the feared Gesups, announced simultaneously that a German named Georg Elser and

two British intelligence officers, Mr. Best and Captain Stevens, had been arrested in connection with the Munich beer hall explosion which almost cost Hitler's life. Elser is charged with the crime, while the Britishers were said to have financed it. Direct leadership, say the Nazis, came from exiled Otto Strasser, ploneer Hitlerite who soon became his bitter foe. Britain kept its tongue in cheek throughout the its tongue in cheek throughout the affair, for Germany was obviously making the most of this detective thriller. Biggest mystery: Why should the British instigate a plot that would martyrize Hitler?

German activity also had reper-cussions in the Balkans. When Ru-mania's cabinet rejected Nazi de-mands for a virtual monopoly on Rumanian oil and raw materials, Premier Constantin Argetoianu re-signed. His successor, whose are pointment was hailed as an allied victory, is George Tatarescue, former premier and a strong Francophile.

#### AGRICULTURE:

#### Farm Vote

In at least one man's opinion, 1940's presidential campaign will be won or lost in the farm vote. Addressing the National Grange convention in Peoria, Oregon's Republican Sen. Charles L. McNary (himself a potential candidate) outlined a

O. P. could

(1) Equalize AAA benefit pay-ments. One weakness in



maintained, SENATOR MeNARY is its dis-

favoring a few commodities (wheat, cotton, corn, tobacco, and rice). Four other products ranking ahead of these in production are dairy, live stock, poultry and eggs and hogs.

(2) Repeal the reciprocal trade pact. Said Senator McNary: "While some industries may have profited by these agreements, it has been at the expense of products of the soil."



1. The round object shown above has been the principal weapon in Europe's war. What is it?

charged their texts contained unAmerican propaganda.

3. Kermit Roosevelt is the son
of the late President Theodore
Roosevelt. Why has he renounced
his American citizenship?

4. Sammy Boy, a 16-year-old
California dog, is listed in a telephone directory and has been
used for movies and advertising
illustrations. How did he make
news?

5. Owen D. Young and Gerald Swope, board chairman and pres-ident of General Electric compa-ny, made what important an-

ouncement?
(Answers at bottom of colu

#### Mr. Welles Complains

Biggest actual news of Japan's war in China came from a suddenly developed front in southern Kwangsi province (see map), where 40,000 Nipponese staged a blitzkrieg to sever China's rail connections with French Indo-China. Thus Tokyo hoped to starve the Chungking government into submission, expecting no protests either from Britain or no protests either from Britain or France.

Meanwhile Japan gloated over re-ports that her puppet Chinese gov-ernment, soon to be established un-der former Chinese Premier Wang Ching-wei, will be recognized by It-



SOUTHERN CAMPAIGN

aly and Germany. Even Britain, East, was rumored about to capitu-late. But Jap Premier Nobuyuki Abe realized Chinese resistance was not easily broken. Threatened he: "Ja-pan will keep troops there until Chi-na is entirely free from the Communist menace."

Another menace was the U. S. At Washington, Undersecretary of State told his press conference that Americans in China—especially at the Tientsin British concession—are being molested by the Japs. He also emphasized that the U. S. still insists the citizens have every right

emphasized that the U. S. still insists its citizens have every right to pursue their commercial enterprises in China.

This looked bad for U. S.-Jap trade relations, which Tokyo hopes can be smoothed over before the present treaty is abrogated January 26. Although Premier Abe hoped these relations "could be adjusted" before the deadline, it hardly looked like Washington was in the mood. like Washington was in the mood.

## Eighth Wonder

At Gillespie, Ill., labor's rival C. I. O. and A. F. of L. staged an eighth wonder of the world by co-operating in a coal mine dispute. Said A. F. of L.'s David Reed, without precedent: "The time has ended when companies can play one labor organization against the other . . ."

1. A mine.
2. (B) is correct. They were dismissed until the first of the year because the schools ran out of money.
3. To become a Britisher. Rossevelt is a major in the British army.
4. He died.
5. They amounced their retirement January 1.

Bruckart's Washington Digest

## European War Doing More Damage To American Industry Than Good

Some Lines of Business Are Profiting, While Others Are Declining; Efforts to Boost Cotton Exports Fail; American Merchant Marine Affected.

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

When steel began to flash abroad, there were thousands, if not millions, of Americans who believed a conflict overseas would pull us out of the depression. Visions of exports amounting to millions of tons were seen by many of the unthinking and misinformed persons. Higher prices—it is hardly necessary to recall how excited some folks got about the prospects of higher prices and there was talk about shortages and all of that sort of thing. There was the usual effort of a certain type of business interests to grab off extraordinary profits. Most of the price hysteria has collapsed and quite a few persons lost their shirts in the speculation to which they turned with the excitement of war talk.

It is true that there are some industries which are profiting from the war. Some, but not very many. Statistics are tiresome, but close examination of them does reveal, in this instance, how thoroughly spotty the anticipated war boom actually is. In my own appraisal of the situation, based on all of the facts I can obtain along with opinions of experts, I have come to the conclusion that the war thus far has done our American business—agriculture, commerce and industry—more damage than it has done good. That is to say, if it were possible to balance the increase due to the war against the further decline in other lines, the total business of the United States would show an actual loss.

Airplane Manufacturers

#### Airplane Manufacturers And Rail Lines Benefited

It can be pointed out, for example, that airplane manufacturers are doing a thriving business. They are selling airplanes for war purposes and they are selling them here, as well. Likewise, the official reports show how the industries producing airplane parts and equipment and show how the industries producing airplane parts and equipment and certain other types of war material are rushing their products through to a finished state.

The rail lines have benefited. Through a stretch of six consecutive was a stretch of six consecutive.

tive weeks, car loadings—an accurate business barometer—have exceeded 800,000 cars for each seven day period, and then dropped off. In this case, car loadings have shown a vast bulk movement but shown a vast bulk movement but one must examine the commodities hauled to calculate what conditions are. It is to be noted that there were exceedingly heavy shipments of stuff usable in war included in the 800,000 total. A good deal of this had been ordered previously. It could not be sent out until the so-called arms embargo was removed. Experts appear to believe that a large portion of the shipments may not be repeated. At least, not in such quantities. All of which is to say that shipments of normally domestic products, consumer goods, must still be very much below par. The industrial conference board, a private organization which is quite accurate in its reports on business

a private organization which is quite accurate in its reports on business conditions and trends, said lately that our exports to Canada are due to fall with a dull thud. In 1838, Canada acquired 68 per cent of all of the things she imported right across the border in the United States. It is to be remembered, too, that about 40 per cent of all exports from the United States in normal years go to Canada.

#### What Has War Done to American Merchant Marine?

But the situation is changing rapidly. Canada is going industrial as rapidly as she can under the streas and strain of war. Being a part of the British empire, does any one think that the British war office is going to seek supplies in the United States that can be bought in Canada? Obviously not. To show how Canada has developed her capacity

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

WASHINGTON.—Although our nation is not mixed up in the European mess, and its people will not permit any administration to drag us in, it strikes me that the war on the other side of the Atlantic already has done a lot of things which ought to be reviewed. There has been much laughter about the "phoney" war and the "sitdown strike" of the enemy armies, because thus far there has been no real fighting. I do not propose to discuss that phase of the situation. There are some things which have happened and are happening here at home, however, that surely are worthy of consideration.

When steel began to flash abroad, there were thousands, if not millions, of Americans who believed a conflict overseas would pull us out of the depression. Visions of exports amounting to millions of tons were seen by many of the unthinking and misinformed persons. Higher prices—it is hardly necessary to recall how excited some folks got about the prospects of higher prices and there was talk about shortages and all of that sort of thing. There was the usual effort of a certain type of business interests to grab off extraordinary profits. Most of the price hysteria has collapsed and quite a few persons lost their shirts in the speculation to which they turned with the excitement of war and the fight and the indications are that exports to get smaller.

And what has the war done to the American merchant marine?

Our government has spent a good many hundred millions and bout the same time our ships begin to attract siteration on the high seas and in international trade, along comes new war conditions and our flag is forced to stay out of the trade in Canada; the present European war has pleased and in helping private shipping companies to building ships. It about the same time our ships begin to attract siteration on the high seas and in international trade, along companies to building ships. It about the same time our ships begin to take the canada; the present European war has priva

with him.

The same legislation provided that no ships flying the American flag may enter what is called combat zones. So, trade in our ships is confined to those nations not engaged in warfare. It happens, however, that the three greatest buyers who use ships (since Canadian exports are largely by rail) are the three nations now fighting in Europe.

## Transfer of Ship Registry Raises Stink in Washington

Raises Stink in Washington

The latest development with respect to the shipping industry is the effort of one of the great shipping companies to transfer the registry of its ships to Panama—to fly the Panama flag. That action, of course, is like changing your, own American citizenship and becoming the subject of another nation. It can be done under the law, but it has raised quite a stink in Washington, because this course of action simply circumvents the so-called cash-and-carry law. Under the Panama flag, those ships could sall into war zone ports which they cannot do as long as they fly the Stars and Stripes from their masthead. It does not mean a great deal, I believe, except it shows the influence of the European war. (Incidentally, the fuss about those ships recalls how difficult it is to make a law that will not have loopholes in it or means of getting around it.)

The war in the Far East has

The war in the Far East has an accu- between the United States between the United States and Japan and China. There is a quan-tity of exports yet moving in that direction, but I am told by persons who know the facts that when that war is over, Japan will be without any money and her purchases in the United States will be next to

## Our Cotton Exports Are

Continuing to Decline

We have witnessed the spectacle of our secretary of agriculture seeking to get our cotton or some other farm product into foreign markets by use of various forms of cash payments to the producers. While he has been passing out checks, our exports have declined and are continuing to decline, and there is nothing that can be done about it. Other folks have learned to grow cotton and they are not going to stop. We cannot control them by a law saying a farmer must plant only so much, or that there must be six million little pigs killed off.

I was asked recently for my own opinion on the outlook for business. My reply was that I disliked making gloomy predictions. Pollyanna stuff is much more pleasant. On the other hand, President Hoover tried hard to get prosperity to come around the corner, and he looked rather ridiculous when she stayed just around the corner through more than nine years up to the present time. Secretary Hopkins, of the department of commerce, is trying now to induce the coy young woman to come around the same corner. His department has been issuing statements about bulges in production and in sales and in shipments. But I could not read the figures the same way the secretary read them.

-Speaking of Sports-

## Night Baseball. 'Fads' Hit by Yankee Chief

By ROBERT McSHANE

FDWARD G. BARROW, president of the New York Yankees, in his latest communique from the baseball front, has evidenced complete disinterest in the many save-thegame-from-obilivion suggestions made by various diamond messials.

The president of the world champions seems quite well satisfied with things as they are. In fact, he remarked that "Outside of a couple of young pitchers, you can say I'm almost tempted to go along as is."

Returning from a southern yaca-

Returning from a southern vacation, Barrow was emphatic in stating that he is not interested in getting Hank Greenberg from Detroit, in night baseball for the Yankee stadium during the 1940 season, in other "fads" or in breaking up the Yankees or "selling 'em, either."

Barrow believes the Yanks can win their fifth straight pennant without making a single change. A lot of club owners, incidentally, go along with him on this belief. He does admit that the Yanks may have to bolster a bit here and there, but only after winning five straight.

Six-day weeks, night baseball and post-season play-offs or major league Shangnessy play-offs, were rapidly disposed of by Prexy Barrow. He pointed out that gate receipts for baseball have increased 100 per cent in the past 20 years. Why, then, he asked, go in for any new-fangled ideas? The game has prospered through regularity and dignity.

#### Lighting a Fad?

He has little fondness for either night baseball or the day-off, "The idea of a six-day playing schedule



EDWARD G. BARROW

mend it—night baseball is a fad and upsetting to the players, the umpires and to the newspapers, not to men-tion club officials."

to had been among the foren capitulated. The success the Brock-lyn. Dedgers have had with night ball, plus the fact that their own attendance fell considerably last year, have made the Giants see the light.

#### Yanks Can Wait

Tanks Can Watt

The Giants broke down when they saw the Dodgers' attendance figures. That club played to more than a million customers, and more than 200,000 of them were counted in the seven night games played in Ebbets field. In cash that amounted to \$270,000—exactly 270,000 reasons why Master William Terry decided to play ball under the mardas.

Terry was the Glants' strongest holdout against night ball. Herece Stoneham, the president, and Leo Bondy, vice president and treasurer, were believed to have been in favor of the innovation.

of the innovation.

Barrow isn't preused by the necessity of installing a lighting system. Other hall clubs may have to resert to artificial devices to dram up hox office trade, but the Yanks continue to be one of the most talked of baseball teams in the game's history. As long as they can keep on winning championships they'll get crowds. Barrow knows that, and as a business man is shread enough to let other clubs conduct the experiments.

If, as is thought in some quar-

## Sport Shorts

Horses sired by Elli Man O'War have

### The Violent Vols

This year, though Tenness schedule wasn't as tough as mo the nation's outstanding teams one will deny the Vols the glory is theirs.

# BOWLING Made Easy



How to hold the ball.

There are several styles on each has its own champions. On good thought to keep in mind, however, is to do things as naturally a possible. Try to make each fings do some work in the delivery.

The "non-working" ingers should be spread alightly so they can alin carrying, delivering and impuring spin to the ball. Practice with help determine your natural grip.