

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

Congress May Out-Spree FDR In Boosting Defense Budget, Despite Election-Year Fears

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

CONGRESS: On Guard (?)

Biggest item on the congressional agenda was Franklin Roosevelt's \$8,242,000,000 budget, which the senate voted to investigate via a joint sub-committee. But there was more talk than action. While congressmen fumed to bury their teeth in the \$1,800,000,000 defense program, major budget item, they also hesitated, watching developments abroad. In an election year there must be economy talk, but 1940's congress may end up by spending more on defense than even the President asked.

There were probes aplenty. Even though the house might kill that unprecedented super-committee, four more groups were hard at it. The house naval affairs committee began by slapping newly appointed Navy Secretary Charles Edison. The ship: Pigeon-holing a proposal that the President be given peacetime power to commandeer factories, materials and ships. Next came Admiral Harold Stark, chief of naval operations, who opined (1) that the U. S. now has no two-ocean

the fortification plan. (See ASIA.) Appropriations, under Colorado's Alva Adams, wanted to junk the emergency defense fund and probably would.

What would eventually happen, most observers were willing to guess. Investigations will probably string along several months until Europe's war gathers steam. Then, overnight, congress will shoot the works and forget that it's an election year.

Also in congress: (1) The house passed Rep. Joseph Gavagan's (D., N. Y.) perennial anti-lynching bill imposing fines on county or state officials who fail, by negligence, to prevent mob killings. The bill went to the senate, which customarily defeats it, two years ago by a South-sponsored filibuster.

(2) The house ways and means committee heard Secretary of State Cordell Hull defend his reciprocal trade act, which expires June 12 unless renewed. Score: Ten Republicans against it, most of 15 Democrats in favor. But on the floor it will face greater opposition, probably being renewed only on the condition that the senate shall ratify all pacts. Meanwhile doughty Sen. Bill Borah of Idaho inferred that the breakdown of trade talks with Argentina and Uruguay was a plot to win continuation of the act.

(3) Adolph Sabath of Illinois, chairman of the house rules committee, said he opposed any more money for Martin Dies' un-Americanism committee. Reason: "After all, Mr. Dies has had enough publicity for any and all purposes and perhaps he will be still in demand for public speeches and writing magazine articles."

ASIA: Naughty U. S.

By mid-January the U. S. was giving Japan so much trouble that the cabinet of Gen. Nobuyuki Abe was ready to fall. It was not enough that Tokyo's emissaries had been unable to win a new trade treaty replacing the pact being abrogated this month by Washington. Japanese also learned:

(1) That the senate foreign affairs committee was talking again of imposing an embargo on war material shipments to Japan. Leader of the move is Nevada's Sen. Key Pittman, committee chairman. Such

navy, and (2) that 52,000-ton battleships wouldn't be a bad idea. (Now building are two 45,000-tonners, with two more provided in the current bill.)

Chairman Carl Vinson stepped in at this point with the week's No. 1 surprise, a proposal to boost naval strength 25 per cent the next three years through a \$1,300,000,000 added appropriation. With this suggestion Admiral Stark agreed in toto. Another house committee, appropriations, showed neither thriftiness nor laziness in okaying \$267,197,000 for immediate emergency defense (army, navy, coast guard and FBI). The committee simply knew not where to turn. But if the senate approved this fund the current year's defense bill will be higher than next year's. Next day, when Carl Vinson learned the appropriation committee might okay another \$4,000,000 to fortify Guam, he boiled over. That question, he insisted, should first come to his attention. Said he: "This committee (naval affairs) is jealous of its prerogatives."

Two senate committees meanwhile got up steam. Foreign affairs looked suspiciously at Guam, wondering how Japan would swallow

a step would sound the death knell of Japan's war in China.

(2) That Washington was again talking about a big navy (See CONGRESS). The Guam fortification plan, pigeon-holed last year, when Japan objected, was making news again. Tokyo papers were warning that the U. S. would soon be No. 1 offensive-defensive power in the Pacific. But the public, suffering from an internal stomach ache, was unexcited.

It seemed likely, meanwhile, that the Abe cabinet's sole accomplishment and last act would be to launch the puppet government of Wang Ching-wei over Japanese-dominated sections of China (see map). But if the U. S. embargo falls, lack of military supplies will make it hard to preserve what Japan has already won.

PEOPLE: Outstanding Stassen

At Chicago, the U. S. Junior Chamber of Commerce chose Minnesota's G. O. P. Gov. Harold Stassen as 1939's most outstanding young man.

Off to Australia from Shanghai went Clarence E. Gauss, U. S. consul general, just named the first American minister to Canberra.

NEWS QUIZ

Test your nose for news. Answer all these questions and your score is 100. Deduct 20 points for each question you miss. If you miss more than three, better not tell anybody!

1. Bartley, W. Va., is a coal-mining community. Why was it in the news?

2. The man at the right, now British lord of the admiralty, may become supreme defense chief. What's his name?

3. According to the treasury, the average American had how much money in his pocket on January 1: (a) \$57.71; (b) \$10.13; (c) \$126.54; (d) \$1,401.

4. True or false: Thousands of workers at the Binghamton, N. Y., plant of the Endicott-Johnson Shoe company made news by voting for affiliation with the C. I. O.

5. Both Republican and Democratic national committees will meet in February to pick their 1940 convention date. Which committee will meet first?

News Quiz Answers
1. Ninety miners were trapped two miles underground.
2. Winston Churchill.
3. (A) is correct. This is the highest per capita circulation since March, 1933.
4. False. They made news by thumb-downing both C. I. O. and A. F. of L.
5. Democrats on February 5; Republicans, February 18. This is important because the Republicans can now delay planning their candidate and platform until the opposition has committed itself.

THE WARS:

In the West

Germany and the allies seemed to be fighting everything else but each other as mid-winter arrived. There was sporadic sea warfare, a "great battle" over Sylt, German air base, and a Nazi raid over 500 miles of English coast. But despite those threats of heightened conflict, public attention was focused elsewhere:

Germany. Nazi soldiers were reported massed along the Baltic shores as the Reich eyed Scandinavia's neutrality, taking a more positive pro-Russian stand in the Soviet-Finnish war and threatening to invade Sweden and Denmark. But Germans were more worried about internal developments. Supplies from Russia and Rumania were held up by disputes, poor rail facilities and frozen river routes. The greatest cold wave in 11 years struck hard in Berlin, where there were shortages of both coal and food. At this unstrategic time, it was rumored workers would soon be paid IOU's instead of cash.

Allies. France was rumored about to shake up her cabinet, something Britain had already done. While the London press still railed at Prime Minister Neville Chamberlain for dismissing War Minister Leslie Hore-Belisha, Chamberlain turned about and rallied the empire to "more vigorous prosecution of the war." Both Hore-Belisha and Chamberlain were soon scheduled to unburden themselves in a secret session of commons. By general consensus, Chamberlain's position was none too secure.

In the North

Catching their breath during a temporary lull in fighting, the Finns estimated they had destroyed three, and possibly four Russian divisions in one month. Still undetermined was a battle raging on the Salla front, where correspondents heard that Soviet relief troops were being encircled. Counting 10,000,000 worth of booty seized when the forty-fourth Russian division was annihilated, the Finns forecast a several weeks' lull.

THE BALKANS:

Carol's Choice

Back to Budapest from Venice went Hungary's Foreign Minister Stefan Csaky. In his pocket was a Plan: Italy would safeguard the Balkans from either Russian or German aggression provided that stubborn Rumanian, King Carol, could be whipped into line. All Rumania must do is guarantee territorial revision with Hungary and Bulgaria, in which case Italy and her neighbors will help Rumania if Russia tries to recapture Bessarabia. But should Rumania refuse, her neighbors will not only let Russia come in, but will invade King Carol's precinct themselves.

Actually this Italo-Hungarian agreement constituted an important step in breaking Italy away from Germany. Details of the pact were not published, for fear of "giving offense" to the Reich and Russia.

Bruckart's Washington Digest

Roosevelt's Latest Budget Has Congress Pretty Badly Muddled

Arguments, 'Ifs,' Suggestions and Suppositions Leave Solons in Daze; Leaders in Congress to Seek Facts for Themselves.

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

WASHINGTON.—Congress is pretty badly muddled up over the latest Roosevelt budget of estimated expenditures and receipts for the government's next fiscal year. And well it may be. There were thousands of greater and lesser items of government cost dumped into its legislative lap at once the other day, but these were not alone. There were arguments and "ifs" and suggestions and suppositions and an official defense of the policy that for 11 years has seen government income fall far behind the expenses—11 years of deficits. And, along with these things came a proposal by the President to add a special tax, or a tax for a special purpose—national defense.

In view of the fact that few persons have been able to arrive at

an absolute conclusion on the financial problem submitted by Mr. Roosevelt, some of the more influential leaders of congress have taken the lead in a plan to find out for themselves. Men like Senator Pat Harrison, the old Mississippi w r-horse, who has been chairman of the senate committee on finance for years and who once missed being Democratic leader of the senate because President Roosevelt wrote a letter to "Dear Alben" Barkley of Kentucky. Senator Harrison has support in the move and I am told that he is determined to get affirmative action.

The Harrison plan calls for something new in congressional policy. He would have a joint committee of 12 senators and 12 representatives, divided equally among two senate and two house committees, to do some spadework on the new budget—the budget for the year beginning next July 1. It is a thing never attempted before and may or may not be a wise course since it smacks of utilizing a great new power by congress. But this much can be said: for the first time, if the Harrison plan eventually is adopted, congress will get some information through its own channels instead of accepting the unsupported statements, the wishful thinking and the planned extension of power by the bureaucrats intent upon preserving their agencies.

There is, however, still another "if" to be considered. Mr. Roosevelt advised congress that if all conditions materialized as he expected, the national debt on June 30, 1941, would be \$44,938,577,622. That is right close to the line, for the present national debt

Annual Federal Budget Once Comparatively Simple Thing

In years gone by, the annual federal budget was a comparatively simple thing, or as simple as messes of figures could be made. Its proposed items of expense were set down and totaled. The anticipated revenue was calculated. But such is not the case with the current budget, nor any in the last few years since operations of the federal government have become as general as flies around the barn in midsummer.

Times have changed, indeed. Here is a budget that covers the astounding total of \$8,424,191,570. It is smaller by \$678,000,000 than the last one and that reduction was described by Mr. Roosevelt as a first step toward gradual accomplishment of a balanced budget.

But the total of proposed expenditures shown was circumscribed with a handful of "ifs." The amount of \$8,424,191,570 will remain that way if cuts are made (from last year's totals) in public works, in federal jobs, in CCC camps, in relief and farm benefits and if there are no other increases voted except for a vast program of expansion in the army and navy.

On the basis of the budget calculation, the government's income will be \$5,547,960,000 in the next fiscal year if congress will lay a special tax for paying the cost of a part of the cost of expanding the army and navy. The President said this tax should be made to yield \$460,000,000. Thus, on the basis of the budget, the government will be in the red next year, if all things remain as planned to this point, by a total of \$2,416,231,000. The President intends, however, to cut that "way down" by using up some odds and ends of money lying around among the government-owned corporations. By executive order, the President

can restore to the federal treasury funds loaned by it to the various corporations. He said there was something like \$700,000,000 in this pot of gold and that will be used to reduce the deficit further.

Budgets These Days Merit Earnest Consideration

And there you have it. If all of the things go through as planned and if there is not another request from any office or agency of government and if there is as much tax collected next year as calculated and if the proposed "national defense tax" is passed and collected, the government deficit for the fiscal year that ends June 30, 1941, will be \$1,716,231,000.

Senator Harrison may be wrong or he may be right in his proposal to have congress do something about understanding this and subsequent budgets; but it must be said there is something about the condition of budgets these days that merits earnest consideration.

There was merited applause from congress for Mr. Roosevelt's declaration that he was prepared to curtail spending. He tossed some cold water on that enthusiasm, however, by a statement of policy that he did not favor too much curtailment at one time. Rather, "government support" for the many functions now a part of the federal structure ought "to be tapered off." There was not too much pleasure about that among the real supporters of an economy policy, and there was considerably less when attempts were made to analyze the true results.

I have a hunch that more disappointment is due. The budget that was sent to congress the other day, in my opinion, is not going to be nearly all that will be needed in the way of money.

Present National Debt Runs Right Close to Line

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BRUCKART ON THE BUDGET

Finds congress badly muddled over the latest estimates.

Harrison plans for congress to get information about the budget through its own channels. Something new.

Present estimates will leave the government in the red \$2,416,231,000.

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Possibilities cause wonder as to the future.

ent law limits the national debt to \$45,000,000,000. It was suggested that the administration was able to stay under the limit only by taking away some of the funds from the in-laws and stepchildren, known as government corporations. That probably is proper, for the government gave each of them money with which to set up housekeeping. It was more important to the administration, however, since it thereby became necessary to ask congress to raise the limit of the national debt—a request that was sure to raise a row.

One cannot survey the budget and all of its possibilities and probabilities without wondering what lies in the future.

Take a look at this general division of where the federal money is being spent, and I think you will agree there is a critical need for a general revamping of the functions of the government at Washington:

- National Defense, \$1,800,000,000.
- Work Relief Programs, \$1,300,000,000.
- Agricultural Programs, \$900,000,000.
- Public Works and Investments, \$1,100,000,000.
- Interest on the Public Debt, \$1,100,000,000.
- Pensions, Retirements and Assistance, \$1,200,000,000.
- Regular Operating Expenses, \$1,000,000,000.

Sportlight

By Grantland Rice

The Danger Zone . . . Pay for College Football Players Debated . . . Reasonable Bounds And the Commercial Side.

LOS ANGELES.—In the active presence of some 400 famous football coaches and athletic directors from all over the map, I have been trying to get some group to answer one or two questions—"Has football moved into the danger zone of proselytizing and pay for athletes?" "Has the commercial side grown too important?"

Most of them tell you their universities give a certain number of athletic scholarships and try to provide jobs—but nothing more. Yet it is a well-known fact that any number of universities or their athletic associations have from \$10,000 to \$15,000 to help roundup, corral and capture star high school talent from coast to coast.

The pursuit of the elusive ball carrier, the crack forward passer or the big linemen emerging from school play is the keenest I've ever seen.

There is another school of thought that believes the football player doesn't get nearly enough. They tell you he furnishes the battered body for the billion-dollar industry.

I've found no coach who believes in paying any football player any form of salary. Yet in one way or another, I know many are paid. It is entirely too complicated for my limited brain.

Maybe there isn't any real danger zone. But football is too great a game, it affects directly too many American kids, including the high schools, to move along unguarded. The count goes into the millions.

One answer may be the different conferences.

As it is now the Ivy league has gone into a covey of its own. It rarely leaves the fold. Try to slip some outsider into an Ivy league contest. The Big Ten has done about the same, outside of playing Notre Dame, and members of the Big Six.

As one of the Ivy league coaches told me, "We have Harvard, Yale, Princeton, Cornell, Pennsylvania, Dartmouth, Columbia, Brown, Army and Navy. Syracuse and Colgate are O. K. Who else do we need? We can't play everybody."

The Pacific conference and the Southwest are hanging together. They play most of their games among themselves.

In spite of all this, I have found a strong feeling of distrust when it comes to the matter of proselytizing and taking care of star players.

In the last few weeks I've covered several thousands of square miles through hot football territory. Today almost all territory is football hot.

I've heard over 40 stories of high school stars offered board, lodging, scholarships, and a fairly substantial wage. I know part of it is true. I also know part of it is bunk. Almost every high school kid likes to boast of the offers he has had. Most of them are baloney. But not all of them. A kid likes to brag.

I asked one veteran athletic director just how much money he figured colleges were putting out or giving away for football talent, one way or another.

"There are only about 100 colleges or universities," he said, "which can afford to meet the competition. Their funds range from \$8,000 a year to \$20,000 a year. My guess would be around \$1,000,000. This isn't so much when you figure 40,000,000 people look at football each fall—that football is easily a billion-dollar game for all concerned—colleges, hotels, railroads, planes, tickets and so on."

The main fault goes back to the colleges and the universities. The directing people are the ones who have turned football into a billion-dollar industry. They are the ones who have stood back of all the bowls and stadia. They are the responsible people. It is something bordering on a crime to start blaming the coaches.

"I'll give you one answer that will help some," a prominent athletic director said. "Pass a rule that no team can play over two men who live over 300 miles away from the university they play for. Don't think we get fooled when we see teams with eight or ten players on the squad who come from 800 to 1,500 miles away. And there are plenty of these."

I still think the main answer has to be on the scholastic or scholarship side. This is where the final segregating will take place.

Speaking of Sports

Coming Year Headache to Ring Industry

By ROBERT McSHANE

BOXING, like world peace and the St. Louis Browns, is in a bad way as it pulls itself together and starts in a new year.

It survived many a first class beating during 1939, but is merely holding its own at present. Recovery is a slow, painful process, skillfully hindered by many of the men who should be nursing it carefully during the period of recuperation.

The truly alarming state of affairs is evidenced by the fact that Tony Galento, the battling barkeep, again was ranked No. 1 challenger for Joe Louis' crown. A glance at the list is discouraging. Bob Foster is ranked as No. 2, followed by Lou Nova, Tommy Farr, and your old friend, Maxie Baer.

Not that these boys didn't deserve their ranking. They did. The discouraging part is that no better fighters have appeared on the scene to replace them.

The old year limped out with a juicy ring scandal still unsettled—a fitting farewell to a year which saw few favorable developments. The Harry Thomas fixed fight case still remains on the books to hamper boxing commissioners and prizefight



TONY GALENTO

officials. It should have been settled immediately. Blame should have been fixed and punishment meted out while the story was "hot." Then boxing fans would know that officials were doing their part to keep the game at a high plane.

Memory Lingers

Instead, a dark brown memory lingers in the minds of those interested in the sport. The investigation has been kicked around so long that it's little more than a job. Details of the scandal are largely forgotten, but the subconscious memory of another rotten deal lives on.

Boxing promoters have helped themselves into their present predicament. They have arranged and built up matches which were merely second rate exhibitions. They have foisted upon the public a series of fights which, for want of a better word, may be termed horribles.

It is true that these fights have been widely patronized. But a starving man doesn't demand oysters. The boxing enthusiast is interested in his sport. He wants to see good men pitted against each other, not a ham-and-egger or a has-been matched against a big name. Promoters should, and sooner or later must, realize that their customers know a great deal about the game. Even the less ring-wise can recognize a poorly matched fight.

Edward C. Foster, National Boxing association secretary, is none too enthusiastic at the beginning of the new year. However, he is heartily endorsed in his statement that at least one beneficial step has been taken. The two-title and three-title champions have been eliminated for good.

It will be remembered that Hammer's Heavy Armstrong, during 1939, held three titles at one time. He was featherweight, lightweight, and welterweight champion of the world. He relinquished his featherweight title, lost his lightweight title to Lou Ambers, and retains his welterweight championship.

One Title Rule

That was as it should be. No fighter should be allowed to hold more than one crown. If Armstrong was the logical welterweight champion then it was unfair to the top-ranking contenders in the two other weight divisions for him to be their king. The public can't get very excited over a featherweight championship bout if the champion of that class also leads the lightweight and welterweight divisions.



EDISON (LEFT) AND VINSON
The committee was jealous.

navy, and (2) that 52,000-ton battleships wouldn't be a bad idea. (Now building are two 45,000-tonners, with two more provided in the current bill.)

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WANG'S EMPIRE (IN BLACK)
What would an embargo do?

a step would sound the death knell of Japan's war in China.

(2) That Washington was again talking about a big navy (See CONGRESS). The Guam fortification plan, pigeon-holed last year, when Japan objected, was making news again. Tokyo papers were warning that the U. S. would soon be No. 1 offensive-defensive power in the Pacific. But the public, suffering from an internal stomach ache, was unexcited.

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PEOPLE: Outstanding Stassen

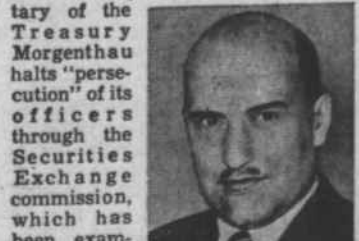
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TREND

How the wind is blowing . . .

BANKING—At San Francisco L. M. Giannini threatened to withdraw his Bank of America from the federal banking system unless Secretary of the Treasury Morgenthau halts "persecution" of its officers through the Securities Exchange commission, which has been examining records of Trans-



GIANNINI

america corporation, owner of 40 per cent of the bank's stock. Next day Henry Morgenthau struck back.

POLITICS—At Washington it was indicated that Chicago can have both Republican and Democratic national conventions for the asking providing the city posts a \$150,000 financial guarantee for each.