

BRISBANE THIS WEEK

Protection Impossible The Railroad Crossings Things Are Better When Russia Is Rich

Europe seeks some network of "treaties" to prevent a war, or blind armies and air fleets of each of those signing such treaties to protect the others in case of attack.



Arthur Brisbane

Unfortunately, in the new war of the air, as in secret gangster war, no protection is possible.

Where one criminal has an "automatic" or "sub-machine gun," agreements among law-abiding citizens cannot protect them. And while one nation can secretly build and suddenly launch airships with poison gas and explosive bombs, no city can consider itself safe.

France and England, after elaborate experiments, announce that there is no possible way of protecting a modern city against air attacks, even though the city knew in advance when to expect them.

The only safeguard is fear of retaliation.

Deeply grieved by the killing of many school children at a public crossing, the President plans extensive elimination of railroad grade crossings. Complete elimination of such crossings would involve spending hundreds of millions or billions. The work would be undertaken with careful concentration on the fact that railroad itself is bound to change or disappear so far as transportation of passengers is concerned.

Railroads in the future must carry passengers more than one hundred miles an hour, on light railroad equipment, able to climb steep grades as easily as automobiles do now. Elimination of grade crossings will take that into consideration and include elimination of existing sharp curves at crossings, that the work may not be done twice.

Dun & Bradstreet, well informed usually, say that a big business rise is coming. Their weekly survey informs you that before the end of this quarter business progress will have developed to a degree beyond the most sanguine estimates offered at the beginning of the year.

How rich will the Russians become, with their energetic development of national resources, all over Russia and far into Arctic regions?

And what will be the effect on Communism, bolshevism and the proletariat when Russia becomes, as she may do, the richest nation on earth, and those that rule her become the world's richest men, perhaps the first multiple billionaires in history?

Expeditions sent into the Arctic have discovered coal, nickel, zinc, tin, copper, gold and oil, all inside the Arctic circle.

A regular line of freight ships has been established through the north-west passage, gigantic icebreakers going ahead of the freighters. Already Russia produces three times as much gold as the United States. What will be the psychological effect on Communism when Russia produces more gold than any other nation on earth?

Gambling in silver, made inevitable by this country pushing up the price, goes on all over the world; poor old China is buying back at double prices silver sold too cheap, and Britain must wish she had been in less of a hurry to unload below 30 cents an ounce the hundreds of millions of ounces taken from India, when India, in a foolish moment, was put on the gold basis, only to fall off again.

An old true saying tells you: "There is some good in all evil," and this applies even to the deadly venom of the cobra, or "hooded snake of India."

A full discharge of the cobra's poison into the human body means death, while the scientific use of that poison supplies a superior substitute for morphine in diminishing pain.

If you love your British cousin, rejoice. Neville Chamberlain, chancellor of the exchequer, says British income taxes will be cut because British finances show a substantial surplus. That surplus appears in spite of the fact that Britain is adding more than \$52,000,000 to the cost of armaments.

Your satisfaction in this good news may be increased by your knowledge that the United States had the pleasure of financing the surplus and the additional armaments to the tune of \$5,000,000,000 in war debts not paid.

Senator Wheeler of Montana has introduced a bill ordering the national government to take over, own and operate the railroads of the nation beginning January 1, 1936. There is no doubt that railroad stock and bond holders would say, "Amen," if they could be sure of getting a fair price for their property. Railroad management, naturally, would grieve. To give up power is always unpleasant.

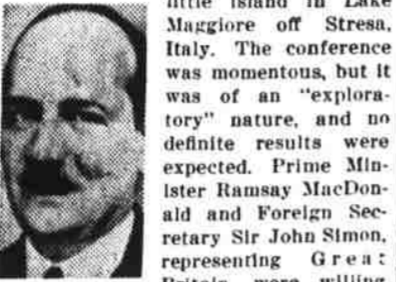
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CURRENT EVENTS PASS IN REVIEW

THREE POWERS IN A UNITED FRONT AGAINST GERMANY; BOOM FOR McCARL.

By EDWARD W. PICKARD
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SIX of Europe's foremost statesmen, with experts and secretaries, solemnly considered peace plans and security pacts on Isola Bella, a lovely little island in Lake Maggiore off Stresa, Italy.



Premier Flandin

The conference was momentous, but it was of an "exploratory" nature, and no definite results were expected. Prime Minister Ramsay MacDonald and Foreign Secretary Sir John Simon, representing Great Britain, were willing to carry out that nation's military obligations under the Locarno treaty but balked at further commitment in continental affairs. Anyhow, they had promised to enter into no new agreements without the consent of parliament, which cannot be consulted until after the Easter holidays. Premier Flandin and Foreign Minister Laval of France sought to persuade England to line up with France and Russia rather than with Germany, and they presented as one argument a new mutual assistance pact they had just signed with Russia. Premier Mussolini, solemn and pessimistic, handled matters for Italy with the help of Fulvio Suvich, undersecretary of foreign affairs. He had already warned the world that the issue of war or peace probably could not be settled at Stresa.

Of course, the chief question was the attitude of other nations toward the constantly growing Pan-Germanism of the reich under Hitler, and the first concrete problem taken up was France's appeal to the League of Nations against Germany's repudiation of the military clauses of the Versailles treaty.

Premiers Mussolini and Mac Donald persuaded Flandin to moderate the tone of this protest and not to demand any specific penalty against Germany, and then all approved the note and in a resolution slapped Hitler on the wrist for halting the progress toward arms limitation.

The three premiers also agreed that their nations should act in concert in promoting an Eastern Locarno, strengthening the position of Austria, Hungary and Bulgaria, proceeding with the negotiation of an air convention, opposing unilateral repudiation of treaties, and calling a Danubian conference in May.

France's memorandum as submitted to the League of Nations council when it assembled in Geneva was still a vigorously worded document, characterizing Hitler's military moves as "the culmination of long and methodical labors pursued in secret." The action, it said, "has deliberately destroyed one of the bases" of Germany's collaboration with the league. "By so doing it has seriously compromised the success of international negotiations on limitation of armaments pursued under the auspices of the League of Nations and on the basis of article VIII of the league covenant," the memorandum continued.

Foreign Minister Laval, who presented the memorandum, recommended that Germany be "condemned" for her action, and that the league consider economic penalties against nations which, in the future, violate treaties. Berlin came back at the memorandum with an official communique which said:

"If France believes it is necessary to recall the obligations forced on Germany one need only to recall France's solemn and voluntary obligations in the Locarno protocol to take immediate steps toward disarmament."

"The statements of the French ministers for years revealed that France never seriously intended to carry out the disarmament obligations."

Actually, the Stresa conference resulted in little more than a demonstration of the continued solidarity of the three great powers participating. This was in a considerable measure a triumph for Mussolini, who had expected nothing more, but had insisted on the united front.

THE new mutual assistance agreement reached by France and Russia was at first supposed to be merely an agreement on sanctions to be taken against an aggressor once the latter has been determined by the League of Nations. But Paris correspondents assert that it is in effect a military alliance such as Russia had been urging on France and that in certain cases the signatories will determine for themselves who is the aggressor without waiting for word from Geneva. The agreement is, of course, directed primarily against Germany.

That Russia still seeks "to maintain and strengthen the general peace" was shown by the signing of a Russo-German trade treaty which it is believed will greatly increase the volume of Russia's exports to the reich.

THERE will be no strike at present in the tire plants of Akron, for the rubber workers in the Goodyear, Goodrich and Firestone factories ratified an agreement that was reached in Wash-

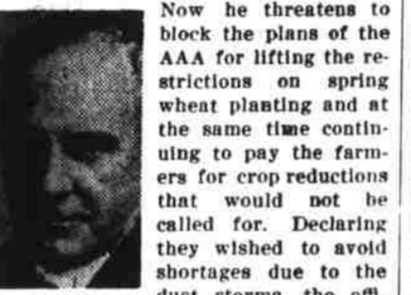
ington between labor leaders and officials of the three companies brought together by Secretary of Labor Perkins. The pact provides that the companies will meet with representatives of any group of employees for collective bargaining. It also postpones strike action pending final court tests of orders by the national labor board that Goodyear and Firestone should hold immediate elections for representation in collective bargaining.

JUST as soon as the President says the word, the federal bureau of public roads and the various state highway departments are ready to jump into the work of grade crossing elimination, the building of arterial highways and similar projects. The work relief act earmarks \$900,000,000 for such undertakings, and the sum may be increased by the President to a billion. The roads bureau already has \$100,000,000 of grade crossing eliminations and other projects contracted for under authority granted by congress last year, officials revealed, and these contracts are to be met with work-relief money.

Arthur W. Brandt, president of the American Association of State Highway Officials, advised a congressional committee recently that states were prepared to wipe out 4,058 dangerous crossings if as much as \$461,881,500 was made available. He said \$277,567,500 of such projects could be completed in a year. Brandt reported also that state officials were ready to begin construction—or widening and straightening—of 1,739 trunk line routes through cities at a cost of \$208,732,800.

States will not be required to match the work-relief money set aside for highway, street and crossing construction. After it is made available by the President, the fund will be apportioned among the states.

JOHN R. McCARL, the able, efficient and independent comptroller general of the United States, has annoyed the New Dealers on several occasions.



J. R. McCarl

Now he threatens to block the plans of the AAA for lifting the restrictions on spring wheat planting and at the same time continuing to pay the farmers for crop reductions that would not be called for. Declaring they wished to avoid shortages due to the dust storms, the officials of the AAA said the farmers would be paid for the abandoned reductions in acreage if they would promise to curtail their plantings next year. Mr. McCarl asked for further information on this matter and indicated he could not approve of the plan, though AAA men declared he had not ruled definitely against it. Chester C. Davis, AAA administrator, might not be content to abide by such a ruling if it were made, and the administration might refuse to accept it.

Mr. McCarl, a Republican, holds his office under a law which specifies that the comptroller general shall be appointed to a 15-year term and can be removed only by death or impeachment. Nevertheless Attorney General Cummings, it is understood, gave it as his opinion that, like any other Presidential appointee, he could be removed at the pleasure of the President. He based this opinion on a ruling of the Supreme court in the case of a postmaster who was ousted by President Coolidge, the court holding that the President was within his rights under Article 2 of the Constitution. So it may be the New Dealers will seek to have Mr. McCarl ousted before his term expires in 1936, for it is feared by them that he will hamper the expenditure of the \$4,880,000,000 work relief appropriation to an extent that would greatly irk the Democratic party leaders.

It is interesting to read that the Nebraska Progressive league, made up of liberal Republicans, is planning the organization of "McCarl for President" clubs in that state and afterward in all others. George W. Kline, its chairman, says he was asked to support McCarl for President in 1936 by friends of Senator George W. Norris. The comptroller general is a graduate of the University of Nebraska law school and for years was Mr. Norris' secretary.

SEVEN agencies of the government are organizing to combat the damage done by the constantly recurring dust storms. They are the AAA, farm credit administration, emergency relief administration, soil erosion service, bureau of plant industry and bureau of agricultural engineering.

The efforts, officials said, will include shipping feed, food and water into the stricken areas of Texas, Oklahoma, New Mexico, Kansas and Colorado, starting work relief projects on roads, private lands and the public domain, planting of fast-growing and hardy crops as ground cover in areas where moisture conditions permit, and "listing" operations. This latter work is an attempt to prevent soil blowing away, by making alternate ridges and furrows.

Meanwhile other officials of the same bureaus were beginning to map out permanent plans designed, they said, to prevent recurrence of dust storms in dry periods.

Primary among these was a program with the declared aim of permanently acquiring, through the AAA and relief administration, 15,000,000 acres of land before July 1. Such land will be retired from farm production to cover crops and forests and for use as recreation and wild-life areas. The land is deemed sub-marginal by government experts since it is in a region of small annual rainfall.

PRESIDENT ROOSEVELT called Senator Pat Harrison of Mississippi to the White House for a conference concerning the veterans' bonus bill, which already has passed the house.



Pat Harrison

Harrison is chairman of the senate finance committee and the administration looked to him to devise a way to spike the measure which is so objectionable to the President in its present "green-back" form. Other majority leaders in congress also were busy with the problem, and it was believed a compromise had been found that would solve it. This would be a bill providing full cash payment by 1933 and, meantime, substitution of interest bearing negotiable bonds for the adjusted service certificates due in 1945.

Senator Harrison refused to discuss in detail his conversation with Mr. Roosevelt but expressed hope and confidence that within the next few weeks there would be a settlement of the bonus question satisfactory to all.

ACCUSING the federal government in Washington of maintaining a "dictatorial colonial policy," the legislators of Puerto Rico went on strike, walking out of the capitol at San Juan 36 hours before the session would automatically have ended and leaving unfinished a lot of important legislation. The lawmakers complained especially of methods of carrying on relief and rehabilitation on the island.

ANNOUNCEMENT was made by the government that it had uncovered extensive frauds in the immigration and naturalization service from 1923 to 1933, and steps were taken for the ousting of a number of employees and for criminal prosecutions. It was estimated that a ring of bribe takers and fixers had received as much as a million dollars from persons illegally entering the country.

IN HIS first post-vacation conference with congressional leaders, President Roosevelt disregarded their fears of a prolonged session and insisted on enactment of his legislative program. Especially he wants legislation dealing with extension of the NRA, social security, utilities holding companies, extension of federal authority over banking, ship subsidy readjustment and extension of \$116,000,000 in nuisance taxes.

Later the President conferred with Senator Joe Robinson, who said both of them felt that very satisfactory progress is being made. To the correspondent Mr. Roosevelt said he hoped to have the work relief program at its peak by the middle of November, at which time 3,500,000 unemployed should be at work under its terms. He indicated this program would be carried out as far as possible by existing governmental agencies. He will seek to avoid moving workers from one area to another, and will take care of as many "white collar" workers as possible.

The social security bill finally was produced on the floor of the house of representatives. There were several blocs against it in its form as reported. These included representatives who want higher unemployment and old age payments; members from the poorer states, who want the federal government to bear the entire cost of the program, with the states relieved of any contribution, and the conservatives, who are opposed to the "government going into the insurance business" and exacting a pay roll tax during the depression.

SIR OSWALD MOSLEY, chief of the British Fascists, has committed his organization to a policy of anti-semitism fully as severe as that of the Hitler Nazis. At a riotous meeting of his Black Shirts in Leicester, Mosley said: "For the first time I openly and publicly challenge Jewish interests in this country. Commanding commerce, commanding the press, commanding the cinema, dominating the city of London, they are killing industry with their sweatshops. These great interests are not intimidating and will not intimidate the Fascist movement of the modern age."



Sir Oswald Mosley

Leaders of more than 200 of Chicago's 300 Jewish organizations assembled to endorse the campaign of the American Jewish congress for consolidation of all organized Jewish action. The chief speaker was the famous Rabbi Stephen S. Wise, national president and founder of the congress. In the course of his address he said: "I want the day to come when no Jew shall live in Germany—not one. I want the day to come—although I shall not live to see it—when the Jew will be a regretted memory in Germany, just as their presence was a blessing and an ennoblement in every sense."

WILEY POST is having nothing but bad luck in his attempts to fly across the continent in the stratosphere in record-breaking time. On his third try, starting from Burbank, Calif., he got as far as Lafayette, Ind., there his supercharger went wrong. So the famous Wiley Post came down at Purdue university airport eight hours twelve and one-half minutes after it left the west coast. Post was uncertain of his plans for the future.

Washington Digest

National Topics Interpreted
by William Bruckart
National Press Building
Washington, D. C.

Washington.—The true purpose of the investigation by the senate munitions committee appears to have come to light. It is seeking the honor of drafting legislation which will give it a historical standing as the group of men who first moved to remove the incentive of profit as provocative of war. In presenting its proposal to this end, however, the committee is regarded as having "started something" which it is unlikely can be finished by the group of individual senators making up that committee.

When the investigating resolution was adopted by the senate, its sponsors made much fuss about conditions in the munitions industry. There were many speeches made by Senator Nye (Rep., N. D.) concerning the wickedness of munitions manufacturers, and in the course of those speeches, which were made in a score of different communities, Senator Nye announced conclusions which apparently have not been supported by evidence adduced by the committee investigators. Further, the senator announced plans to disclose alleged corruption among the munitions manufacturers and stated definitely that the purpose of the inquiry was to provide the basis for laws which would control them.

Now, after seven months, we look back on the committee's record and find that it has played a game of hop-skip-and-jump from one subject to another and, I believe, the consensus is that little of real value either to the senate or as public information has been developed.

Since there was the minimum of publicity resulting from the inquiry into munitions plants, shipbuilding yards and the aircraft industry, the committee has taken another tack. Seizing upon President Roosevelt's phrase that profits must be taken out of war, Senator Nye and his colleagues turned their so-called "experts" loose on the track of those illusive profits. The result is a piece of proposed legislation that goes beyond anything ever offered before in the way of tax legislation. Of course, it is entirely likely that nothing at all will come of the Nye bill insofar as improvement of our taxation methods is concerned. But its radical and altogether unworkable character is looked upon as necessitating a frank examination of its provisions.

Because the committee started out to investigate the munitions industry and notwithstanding the fact that since it has wandered all over the surface of the earth with its inquiry there is a widespread belief that its tax bill will apply only to the munitions industry during war time. Such is not the case. It goes far beyond the munitions industry and, indeed, it affects every corporation and every individual with an income of \$1,000 or more.

Probably the Flynn-Nye tax proposal won't get anywhere at all. Certainly it will not be enacted in this session of congress. Nevertheless, when a senate committee seriously introduces a bill that would limit income of a corporation to 3 per cent of its peace-time capitalization—the government would take the rest by taxation—it is regarded by many as time to call a halt. It ought to be added here that obviously the country is faced with the highest taxes it has ever known in consequence of the tremendous spending that has been going on during the last two years and which is to be continued. Those taxes are due to come along within another year or two.

I referred above to the 3 per cent limit on incomes of corporations. This is brought about through a tax of 50 per cent on the first 6 per cent of earnings of every corporation. Above the 6 per cent earnings, it is proposed in the Flynn-Nye bill to take 100 per cent of the total.

Tucked away in one section of the bill is language that is ordinarily referred to as a "joker." It represents the first attempt by congress, rather by the sponsors of this legislation, to circumvent exemption of government securities from taxation. The federal, state, municipal, county and other governmental jurisdictions have the power to issue bonds and other securities free from taxation. This makes such securities attractive. For quite a while there has been agitation to do away with this tax exemption privilege. Nobody has found a way, however, to get legislative bodies to enact the necessary provisions into law. So, we have something like fifty billions of dollars in securities of this type outstanding. If this income were taxable, of course, it would represent a considerable increase in revenue to the federal government through income taxes. Thus it is stated the Flynn-Nye proposal is attempting to reach that income without actually violating the contract which the issuing government made with the buyers of those securities.

The effort to tax income from these securities has been worked out in a fashion that is better illustrated than demonstrated. Assume that a corporation had invested a large portion of its surplus or reserves in tax-exempt bonds. The bill proposes first to limit the amount of income which that corporation may receive and to tax half of the remainder. The result is that income from tax-exempt securities would be mingled with other forms of income and the government would dip its hand into the total and take whatever amount the law prescribed.

Another provision of the bill would result in government confiscation in wartime of every dollar of income that any official of any corporation, company or partnership received in excess of \$10,000 per year. It is to be remembered here that the above-mentioned \$10,000 would not be tax-exempt. Those drawing such salaries still would have to pay the government \$2,800 in taxes on the \$10,000 income. In other words, since nearly every one receiving salaries of this size serves in an official capacity with some commercial unit, the tax provision actually reaches nearly all of the individual income tax payers.

Certainly, the drastic rates affect all persons receiving any income of consequence because there is a sharp reduction in the personal exemption prescribed and the tax rates themselves are boosted higher than a kite. For instance, a married man with an income of \$3,000 a year would have to pay a minimum of \$300 to the government immediately war was declared.

The lethargy that continues among national Republican leaders is beginning to grow irksome upon minor wheel-horses and individual Republicans of lesser consequence in national affairs. Word is coming through to Washington from various sections of the country indicating considerable dissatisfaction with the management of Republican party affairs by the present regime, headed by Henry P. Fletcher, national chairman. There is likewise a growing volume of criticism of the work of Senator Hastings of Delaware, and Representative Bolton of Ohio, joint chairmen of the Republican-senatorial-congressional committee. Superficially, at least, it appears that the Republican pot is about to boil over.

I don't believe anybody can forecast at this time what the result is going to be. It should be said in favor of Mr. Fletcher and Co-Chairmen Hastings and Bolton that they are in a tough spot. They are criticized if they do and criticized if they don't. Yet the fact remains and I think it is recognized everywhere that none of these three has taken a positive position nor has he initiated any constructive effort in behalf of his party's political future.

From among Republicans who yet remain in congress, I have picked out much private discussion indicating fear on their part that the Republican party management is faced with an upheaval equivalent to the Roosevelt New Deal among the Democrats unless the party leaders awaken from their unperturbed sleep. The point made most frequently is that President Roosevelt actually has inaugurated his campaign for re-election, and the Republicans are doing absolutely nothing about it. It is well to recall that Postmaster General Farley is planning to retire—just when nobody knows—to devote his attention to his other job which is chairman of the Democratic national committee. This information can be construed in only one way now that Mr. Fletcher is getting ready to take his seat again at the helm of the campaign machine. Some of the smarter Republicans insist that this should be notice to the guiding lights of their own party to begin construction of political trenches.

Something may come of the Republican sectional meetings now being planned. It is just possible that out of these group discussions may be evolved some national program, or the makings of a national policy. It is likewise possible that from these group discussions some individual may arise who would be a worthwhile leader for the party against Mr. Roosevelt next year. To date, according to all of the information I can obtain, that leader is not in sight. Senator Arthur Vandenberg of Michigan, who was re-elected to the senate last year in the midst of a Democratic landslide, has been suggested. On the other hand, wise politicians tell me that because Senator Vandenberg has been mentioned thus early, he is likely to be out of the running when the convention time comes because in politics it is the early bird who catches the worm.

But to forget the weaknesses of the Republicans in leadership does not cause one to forget the palpable failure made by those in charge at present. So far as the public record shows they have taken no advantage whatsoever of vulnerable spots in the New Deal armor. No administration has been or can be perfect. President Roosevelt does not claim that his New Deal is perfect. He has gone so far as to admit failures in certain of his countless experiments. It is possible that the Republican organization has made note of these failures but it can be stated as a fact that they have made very little use of them by way of political attack.

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