WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

Predict New Pact With Brazil As U. S. Staves Off Nazi Bid For Entree to South America

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

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PAN-AMERICA:
Hair's Breadth

Many years ago when the U. S. clamped down on immigration, millions of Germans, Italians and Japanese turned to unexploited Brazil. When Adolf Hitler came to power he began a diligent campaign to Nazify Brazil's Germans, just as Benito Mussolini tried Fascifying Brazil's Italians to the degree that Brazil's Japs were natively loyal to Tokyo.

To Hitler, one of Brazil's major charms was its unexplored iron deposits which might some day be taken by military force. As a foundation German crews began manning German airships from German airports established in Brazil, an expensive commercial aviation venture which could never pay out except in war. But one of Hitler's mistakes was to barter armaments and machinery for Brazilian coffee, which he then dumped on the markets to obtain badly needed foreign exchange, thus undermining world prices and damaging Brazil's coffee trade.

FLYING UP FROM RIO
It could become a menace.

Even this blunder was almost overcome, however. Early this year a Brazilian commercial mission was about to leave for Berlin when the U. S. convinced Foreign Minister Oswaldo Aranha he should visit Washington. Result: Brazil gained a loan from the U. S., also received aid in developing her resources and agreed in return to begin servicing her payments to American bondholders during the current summer.

After this hair's breadth escape came another. In May Gen. Pedro Aurelio Goes Monteiro, Brazilian chief of staff, was about to visit Berlin for general staff consultations leading either to a co-operative understanding or a military alliance. Hastily dispatched to Rio de Janeiro was Gen. George C. Marshall, newly appointed U. S. chief of staff. Result: Back home in mid-June came General Marshall with the bacon. On an American cruiser he brought General Monteiro to Washington, where observers expected a military agreement would soon be reached between the U. S. and Brazil.

The agreement's substance: The U. S. could use emergency air fields in northern Brazil, thus perfecting the American plan to make an American lake out of the Caribbean, with bases at Puerto Rico and Guatanamo, Cuba, serving as miniature Hawaiias.

Simultaneously, the Atlantic Clipper's inaugural trip to Lisbon with 30 passengers and 12 crew members gave every layman an idea of transatlantic aviation possibilities and their bearing on a U. S. pact with Brazil. Should a European power beat us to the draw, Brazil might easily become an operations base from whence bombers (after crossing the Atlantic at its narrowest point) might work against the Panama canal, Guatanamo, Puerto Rico and even the U. S. itself *(see map)*.

BUSINESS:
Housing Doldrums

Most U. S. industrialists believe government policy is holding back recovery. But this belief is not universal, for a recent Gallup poll showed public opinion well split on the responsibility; business itself got plenty of blame. A few weeks later Steelman Ernest T. Weir admitted he thought the "principal responsibility" for his industry's nine-year losing streak rested on the shoulders of steel corporation management.

True or not, that charge gave Trust Buster Thurman Arnold good justification for probing deeper into depression's cause. Most economists agree that the U. S. boom, when it comes, will begin with renewed housing activities. Hence it is to this field that Mr. Arnold will look first with his new $500,000 appropriation and enlarged legal personnel to "police" American business.

Basic idea of the justice department's drive is that a large, well-trained anti-trust staff should ferret out illegal combinations of manufacturers, wholesalers, retailers, contractors and labor leaders. Once such illegal groups are smashed, Mr. Arnold thinks business paralysis caused by high costs will cease. His allegations regarding the business industry:

"Producers of building materials have fixed prices either by private arrangement or as the principal activity of trade associations. Owners of patents on building materials have used them to establish restrictive structures of price control, control of sales methods and limits upon the quantities sold."

Regarding labor unions:

"In recent years they have frequently been used as the strong arm squads for collusive agreements among contractors, refusing to supply labor where the contractors' ring wishes labor withheld . . . In other cases the unions themselves have refused to permit the use of new products or new processes because of their fear that the new method might make it possible to erect a new house with fewer hours of labor than the old."

One joker in the campaign for which Mr. Arnold is not responsible is that he seeks to tear down industrial price fixing combines which resulted directly from an earlier, less successful New Deal venture which fostered collusion by manufacturers and dealers, namely, NRA.

INTERNATIONAL:
Russia's Gain?

One hundred years ago a squabble between Japan and Great Britain would have caused no repercussions in Europe. But today's challenge of occidental rights in the Far East is tied inseparably with Britain's efforts to perfect a military alliance with Russia. Although Germany has gloated over London's failure both with the Russian pact and in the Orient, best guesses are that not Germany, not England, not Japan, but Russia alone will have profited when today's international cauldron has ceased boiling.

Germany has tried in two ways to hamstring the British. While William Strang of the London foreign office is conferring with Dictator Josef Stalin, the Reich's ambassador to Russia has been ordered to work for a stalemate by offering Moscow a commercial and credit agreement. If Germany thus joined western democracies in begging for Russia's friendship, it carried the begging to still greater heights during the Jap incident by singing a siren song that went something like this: "Why should a great power like you care to tie

WILLIAM STRANG
Germany ridiculed his efforts.

up with people like the British, who can now be kicked with impunity even by the Japanese?"

The Reich's second effort, obviously in desperation, has been to push its projected military pact with Japan. Although Tokyo's ambassadors to Italy and Germany both favor Jap participation in the anti-Communist front, the foreign office back home has shunned such complications for good reason—Japan has enough ambitions and troubles in the Far East without getting embroiled in Europe's woes. Moreover, both Russia and Japan—bitter enemies—doubt the sincerity of a nation which tries simultaneously to win the friendship of both.

Hence observers predict consummation of the Anglo-Russ alliance, with Britain asking help in the Far East as well as in Europe, thanks to Japan's clamping down on London's interests in China. For Britain this would be merely a last-ditch defensive alliance with a nation most Englishmen dislike. Russia would thereby gain British support in her projected Far Eastern war with Japan, also winning a comparatively free hand to expand westward by exercising Hitler-like pressure on Baltic states like Finland, Latvia and Estonia. Out of this, Britain may hope, will come a German-Russian war in which Europe's dictators will slaughter each other.

UKRAINE:
Incentive

Russia's rich Ukraine ranges from the Carpathian mountains of central Europe almost to the Caspian sea, embracing 360,000 square miles and populated by 53,500,000 Russians, Slavs and Germans. Through its east and central part run rich valleys of the Dneiper and Dneister rivers, which for years have fed vast Russia. To the east, in the Donetz river basin, lie vast deposits of coal, iron ore and manganese, ace cards in the deck of any military nation.

If Adolf Hitler's fascination for the Ukraine was once a puzzle, public interest has zoomed to such heights since he captured Czecho-Slovakia and thus made a path to the east, that the Ukraine's resources are now public knowledge. Even "Mein Kampf," which outlines Der Fuehrer's plans for wresting the Ukraine from Russia, revealed far less than a new U. S. bureau of mines study. Data:

The Ukraine's coal reserves are 72,300,000,000 tons; iron, 4,066,000,000 tons; ferruginous quartzite containing large iron percentage, 40,800,000,000 tons; manganese, 441,000,000 tons; lignite, 510,000,000 tons.

TAXATION:
Profit Sharing

Last autumn a special senate committee inspired by Michigan's presidency-aspiring Sen. Arthur Vandenberg began studying profit sharing as a means of curing capital-labor trouble. The basic idea: Industrialists would get tax credits for sharing their profits or (if regarded in another light) would be penalized if they did not share profits. Though pointedly socialistic, the idea caught fire when one witness after another told how profit sharing had worked successfully. Soon Republican Vandenberg's idea began looking good to his Democratic colleagues, Iowa's Sen. Clyde Herring and Colorado's Edwin C. Johnson, both of whom knew the administration needed a clever card trick to soothe tax-irritated business.

By mid-June Mr. Vandenberg had lost the ball entirely, for Senators Herring and Johnson issued the committee's cautiously worded report. Its gist was that some "prudent experiments" in incentive taxation could be tried "in the spirit of exploration." Points (with critics' concensus in italics):

1. Exemption from all income taxes of the payments industrialists make to employees from accumulated profit-sharing retirement funds or annuities. *(Good idea. Although it would temporarily make social security a duplication, that agency would eventually grow smaller as provision for old age returned to private hands.)*

2. Issuance and sale of government profit-sharing bonds which would be available only to profit-sharing funds and would be issued for the purpose of protecting investments by employees. *(Good and bad. Would discourage small private investment and small banking, meanwhile providing new source of money for government spending. May be discriminatory. But would also loosen large private capital for private investment.)*

3. Specific tax credits for increased employment by companies following other than capital-expenditure work; similarly, reasonable exemption on such expenditures as plant expansion. *(Good and bad. Would lower business taxes, but places capital in the position of a child who will be praised by a paternalistic government if he does right and punished if he does wrong. Presupposes that profit sharing, thus far untried on a national basis, would be substantially a cure-all that would permit drastic reduction in "extraordinary" government expenditures.)*

Essentially a successful idea in private application, profit sharing will probably be boosted by both Democrats and Republicans in the next campaign. Chief issue (and no one yet knows which party will take which side) will be on the application of government incentive taxation. Said the report:

"One school of thought insists that the taxing power should never be used for either incentive or punitive purposes, and that one is the complement of the other. The other school of thought insists that we already have the punitive tax and that—confronting a condition rather than a theory—we should also have the incentive tax, either as an offset or a substitute."

AVIATION:
Students

The world's undisputed No. 1 air power, Germany, can train 65,000 airmen annually. By contrast the U. S. has but 23,000 fliers of both sexes and all ages. Worried lest a war in the air find America unprepared, a training program will be in full swing by October 15 designed to teach 95,000 U. S. youths to fly by 1944. Cost: $5,675,000 to train 15,000 in the next 12 months; $7,000,000 a year to teach 20,000 more annually until mid-1944.

Now underway in Washington are plans to offer "ground school" study next autumn at 300 to 400 universities and colleges, followed by actual flying. Students from 18 to 25 years old will be accepted and the program will cost the U. S. about $325 per pupil.

Biggest fear voiced last winter when the program was broached has already been dispelled. To test it the civil aeronautics authority gave primary training to 330 students at 13 institutions, later granting private flying certificates to 173 of them. Though officials held their breath, only one student was killed.

Wage Earner Shows Steady Income Gains

Living Costs Still Down as Pay Checks Rise Gradually Throughout Nation.

MINNEAPOLIS. — With pay checks partially recovered and living costs still down, the average wage-earner's family is now as well off financially as in the spring of 1937, and is definitely ahead of its situation as of a year ago, according to a current study of family buying power just completed by Northwestern National Life Insurance company.

Average monthly wages per worker rose gradually from last November through March of this year, with a dip in April, the study shows, while the cost of living has declined with little interruption since October, 1937.

Food for an average family costs about $4 a month less this spring than it did in the spring of 1937; about a dollar and a quarter less than in the spring of 1938. Average rental rates are about the same as in the spring of '37; and clothing costs a little less.

Pay Check Climbed.

A typical family earning $120 a month at average wage rates of 1933 and spending the same sum for living at 1933's average prices, had to pay $140.86 to maintain the same standard of living in April, 1937, but meanwhile its monthly pay check, based on industrial pay roll figures, had climbed to $147.36.

At price levels of April, 1938, it cost the same family $138.60 for its living expenses, while its wage income had shrunk to almost the identical figure—$138.62. By April, 1939, the family's monthly outgoes had fallen to $135.11; meanwhile its pay check had climbed to $142.62.

A month's supply of food for a family of four, obtainable for $30 at 1933 prices, cost $38.67 for the same items in April, 1937; $35.88 in April of 1938, and $34.61 in April of this year. Though the long decline in living costs leveled off in April, the report states, wholesale food prices again dropped sharply the third week in May.

Average Wages Rise.

Average wages per worker in February, 1939, were actually above February of 1937, the study shows. From January through April of 1937, however, the spurt in wages was spectacularly swift, the report recalls. The rise since last October has been gradual, and with the dip in April, has not kept pace with the 1937 spring pay roll expansion, which reached its peak in May of that year. Living costs spurted upward in early 1937 also, however; in 1939 they have actually worked lower. Thus the average family is fully as well off now in terms of actual buying power as it was in the spring of '37, the report states.

Reflecting the nation-wide expansion in building, construction employment has shown a gratifying increase. The seasonal spring pick-up in retail employment has been above average; the gain in total factory employment has been below average, with the aircraft industry, spurred by war orders, standing out as a shining exception; employment in the aviation industry is running almost double what it was in 1929, the study states.

The Babe, No. 1 Authority, Shows Kids How It's Done

Babe Ruth, former New York Yankee home-run king, and at one time the highest paid player in the history of baseball, conducting the baseball class for boys at the court of sport at the New York World's fair. The Bambino is showing ambitious youngsters how to use the bat most effectively.

Mr. Blacksnake Plans to Dine On Noisy Young Woodpeckers

By THORNTON BURGESS

MR. BLACKSNAKE, coiled on a flat stone of the old wall on the edge of the Old Orchard, had fully made up his mind to dine on young woodpeckers. All about him were the little feathered people who live in the Old Orchard, all screaming at him and calling him bad names. He didn't mind this in the least. In the first place, he was used to it. In the second place, he knew perfectly that bad names never yet hurt anyone. The truth is, he had

"One, two, three, four, five," counted Mr. Blacksnake, and smacked his lips.

coiled up there just to draw the birds around him. You see, he is so sharp that he knew that he would be able to tell by the way they acted when they saw him which ones had babies in their homes, and which had not. And sure enough he could. He knew that the ones who appeared the most worried at the sight of him, who were the boldest and came the nearest, were the ones who had babies at home.

One of these was Goldie the Oriole. "His nest is way up high and out on the slender branches. It is too much work and too risky to climb way up there," thought Mr. Blacksnake.

Another was Chippy the Sparrow. "His nest is not very high and it is easy to get to, but his babies are so small that they are hardly worth while," thought Mr. Blacksnake.

A third was Drummer the Woodpecker. "His nest is in a hole in that nearest apple tree, because I saw him making it there. It isn't very high up. His babies are of good size, and there is sure to be enough of them for a good meal. Young Woodpeckers are very good eating, so I believe I'll sample them right away," thought Mr. Blacksnake.

He lazily uncoiled and slipped off the stone wall. Then he glided swiftly through the grass, all the birds following and anxiously watching to see where he was going. All the time they made a terrible racket. Mr. Blacksnake paid not the least bit of attention to them. He made straight for the tree in which was the home of Drummer the Woodpecker. When Drummer saw this he became almost crazy. Twice he dashed almost in the face of Mr. Blacksnake. Mr. Blacksnake just chuckled to himself, for he knew now that there wasn't the least doubt about those babies. Mrs. Drummer, who remained at home, now came out, and she was even braver than Drummer in trying to drive Mr. Blacksnake away. Once he struck at her and almost caught her.

But nothing that Drummer or Mrs. Drummer could do changed Mr. Blacksnake's intention. He kept right on and began to climb the tree. Now, some of Mr. Blacksnake's relatives—in fact, most of them—cannot climb, but he himself is a very good climber, and it was no work at all for him to get up to the round hole which was the doorway of Drummer's home. As he drew near he heard a sound that made his eyes sparkle. You see, the babies inside the hollow heard him, and, being young and quite innocent of the dangers of the Great World, they thought it was their mother, or father bringing them something to eat, and so each began to call for the goody they thought was being brought to them.

When Mr. Blacksnake reached the doorway he coiled himself about a branch so as not to lose his balance, and fall, and then he looked in at the doorway.

"One, two, three, four, five," counted Mr. Blacksnake, and smacked his lips.

"My, but I shall have a feast! I'm so glad I happened to think to come up to the Old Orchard."

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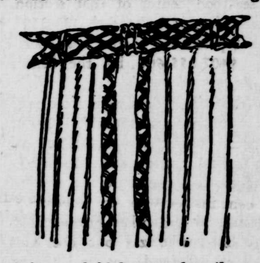
Smart Curtains Show Evidence Of Gay Nineties

By BETTY WELLS

WE REALLY went down town to look for a hat. But we had a new curtain exhibition on our list and it proved so exciting that we forgot all about millinery and spent the whole afternoon sketching new window treatments and stuffing new fabric samples in our purse. For curtains are all of a sudden getting very giddy and the gay nineties and the dressmaker touch are seen everywhere in new windows.

BURLAP AND A BOW—Quite the smartest new window we saw had side curtains of burlap in lime green with a giant shaped valance in the shape of a bow and covered with plaid gingham in terra cotta and green. A slip cover to match has plaid seat and back with lime burlap skirt.

WHITE SEERSUCKER—For a peasant or a maple room, curtains of white seersucker were fresh and appropriate. They were edged with a wide cotton dress braid in bright



A huge plaid bow makes the cornice for this informal window.

colors . . . the motif of the braid, a conventionalized flower, was repeated on an enlarged scale on the valance made of cut-out flowers of bright appliqued on a plain white cornice board. These big bright felt flowers were also used for the tie-backs.

EYELET EMBROIDERY—Plain peach chintz curtains finished with eyelet embroidery ruffles were pretty hung from a cornice cut out in the shape of a cupid's bow arch, covered with the peach chintz and frilled across the bottom with eyelet ruffles.

SPIC AND SPAN—White organdy curtains trimmed with three vertical rows of red ric-rac, and tied back with bunches of red cherries was our choice for a maple room.

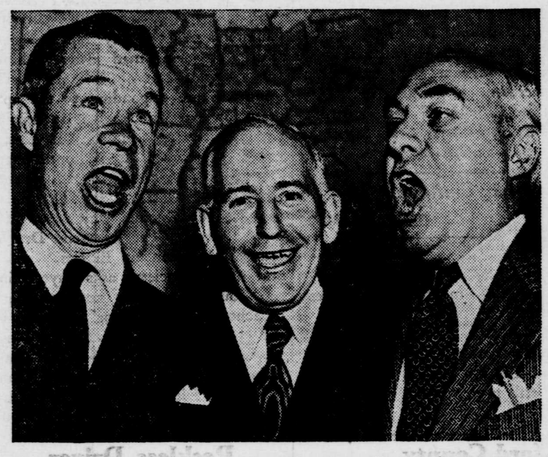
ON THE TAILORED SIDE—Brick colored twill draperies finished with a rope braid in a looped design running down each side . . . a striped cornice in congenial masculine colors.

EASY TO COPY—White dotted swiss tie-back curtains with a swag valance of green and white checked gingham.

RIBBON BEADING—White muslin curtains with an extra wide valance (18 inches deep) were edged with embroidered ruffles joined by beading run with blue ribbon. Especially pretty with bedspread to match.

(Consolidated Features—WNU Service.)

All-American Game Gets Spotlight



Joe E. Brown, left, film and radio star, after urging members of the house immigration and naturalization committee to act favorably on a proposal to admit 20,000 German refugee children to the U. S., found time to join in a trio presentation of "Play Baseball, the All-American Game," a song written by Rep. Louis C. Rabaut, right, of Michigan. Representative Rabaut dedicated the song to the sandlot teams throughout the nation. Center: Rep. Charles Kramer of California.

Battle of Lexington Was Only Second Page News

PHILADELPHIA. — Start of the American Revolutionary war was only page two news in the Pennsylvania Journal, old files of the newspaper disclose.

"The King's troops are actually engaged in butchering and destroying our brethren in the most inhumane manner," the Journal said in a second-page item regarding the Battle of Lexington.

A letter under the item described how well-drilled British troops of "about 1,000 or 1,200 men landed at Phipp's Farm at Cambridge and marched to Lexington" in search of John Hancock and Samuel Adams. The redcoats killed eight of "our Colony Militia" and wounded nine, according to the letter, which reached Philadelphia five days later.

Thieves Butcher Pigs

LISBON, OHIO. — Thieves stole two pigs and butchered them in his barn at Leetonia, near here, Anthony Ferry told Sheriff Harry L. Gosney. They also took several chickens but did not wait to dress them.

PAST IS RE-CREATED IN COLLECTOR'S HOUSE OF DOLLS

ST. CLOUD, FLA.—The international doll house—"doll heaven" somebody called it once—boasts one of the largest and most varied collections of dolls in the country.

Mrs. Jack Baughman is mother to the dolls, which she has gathered from all over the world and exhibits in this little Florida cattle town. She has hundreds of the little figures, filling cases and lining the walls of her international doll house.

Some are exhibited in miniature displays, such as "Innocent Nell" of the old melodrama who is shown in an old-fashioned bedroom with a tiny maple dresser and cross-stitched sampler and rag rug. Beside her is the bedroom of a modern girl, with latest design furniture, including a cigarette tray and a miniature radio.

A few of the dolls are old and valuable. One is labeled an "Italian Lady of Quality." Her clothes, embroidered with gold, were copied from a painting by Pisanello, Fifteenth century artist. She wears a girdle and neckpiece of rubies, emeralds and diamonds.

An odd pair is Amanda Button and her son, Ezra. Their entire clothing consists of 10 pounds of metal, ivory and bone buttons—all colors, sizes and shapes.

The collection shows the progress of dollmaking since time began. The dolls represent many national and international personalities who were famous years ago. Among them are Queen Wilhemina, Lillian Gish, Jenny Lind and Lillian Russell.

Light Facts

Electricity in the average American home costs approximately one-half what it did in 1913, according to the Edison Electric institute.

Corn on Cob Started Life in South America

Corn on the cob first appeared in the damp savannas of South America and attained its present form under cultivation by the farmers of prehistoric Peru. The origin of maize, or Indian corn, long has been a puzzle to botanists and archeologists. It was due to a single gene mutation from a wild form of pod-corn, in the opinion of botanists.

Maize, no longer found in a wild state, must originally have had "the two essential characteristics" of pod-corn to survive in the wilderness, says a bulletin from the National Academy of Sciences. These are a protection for the individual kernel and a means of dispersal of the seed.

Troubled by the total absence of wild pod-corn in Peru, the greatest center for cultivation of maize, the scientists looked long before they discovered evidence that it must have grown there in ancient times.

Keep Glassblowers' Tradition

VENICE. — Master craftsmen work in the Fifteenth century setting of the Barbarigo palace on the famous Grand canal of Venice to produce the rarest of Murano glass goblets, sold at $500 a dozen. Garbed in the costumes of the early masters of the art, today's master glass blowers employ exactly the same implements that were used by Petrus Flabianus in 1201 in turning out custom made goblets for the royal houses of Europe.

Cannon Used by Napoleon In Sutter's Fort Arsenal

SAN FRANCISCO.—The long arm of coincidence stretched around the earth to link two great historical events at Sutter's Fort, focal point of California's 1849 gold rush, WPA workers compiling a guide to California discovered.

Cannon which formed a portion of the arsenal at Sutter's fort were French weapons discarded during Napoleon's disastrous retreat from Moscow in 1813. The thrifty Russians picked up muskets, brass pieces and cannon discarded by the fleeting French army. Some of these were shipped to Fort Ross, in northern California, where Russia had established a colony.

Blind Man Tours World.

CALCUTTA.—S. C. Roy of Calcutta, who is now back in his native city after a world tour, claims to be the first blind man to have accomplished such a tour alone.

Munition Boom Aids Japanese Slum Dwellers

TOKYO.—Booming munition industries are bringing prosperity and luxuries to Japanese previously restricted to the poverty of the slums.

A Tokyo department store recently received an order for two "extra-special" easy chairs. The delivery truck driver was given an address in one of the city's worst slum areas. However, the chairs were delivered to a munitions employee who had long dreamed of being able to sit in the same kind of chairs used by his boss. In Tokyo and Osaka bars and amusement places, munitions workers are flashing hundred yen bills and enjoying themselves in a manner unprecedented here.

Meanwhile, considerable jealousy has been aroused among white-collar employees who are still plugging along on subsistence salaries while prices are rising sharply. They think the boom should also help them.