

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

European Peace Talk Persists Despite Increase in Warfare; Is Hitler's Collapse Imminent?

(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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INTERNATIONAL: Peace in the Wind

Though Nazi mines and submarines counted almost two score victims in 10 days (including Poland's huge *Pisudski* and Britain's *Rawalpindi*), though the allies reportedly downed 22 Nazi planes in 48 hours, the big news of Europe's war was not conflict. Instead it was the story of peace efforts, of one mediation after another, of European and American overtures first to make peace and then to maintain it.

Venlo & Munich

By adding facts and subtracting propaganda, neutral observers pieced together a plausible solution to the Sherlock Holmes mysteries which burst into headlines after Adolf Hitler "escaped" the Munich beer hall explosion November 8. Heinrich Himmler's *Gestapo* merely told Germans and the world that



HIMMLER AND HITLER
Where does Goering stand?

two British intelligence officers—Capt. Richard Stevens and Maj. Sigismund Best—had been seized for aiding in the Munich explosion, for which a German named Georg Elser had subsequently been arrested. By implication, Himmler admitted a minor anti-Hitler movement in Germany, but by the time Netherlands and Britain got through with the story it looked like Hitler was skating on thin ice.

At the Hague, the Dutch newspaper *Het Volk* charged a Belgian neutrality officer had been killed November 9 when Best and Stevens were abducted from Venlo, where they had been carrying on peace negotiations with "anti-Hitler leaders" from Germany. Identity of these "leaders" remained a mystery that Heinrich Himmler would give his right arm to solve, for many Germans know he is a fervent Nazi who looks suspiciously on Field Marshal Hermann Goering as a potential Hitler foe.

In Britain it was claimed that Georg Elser was merely a concentration camp prisoner who was "seized" for the record; that the Munich bombing had really been planned by Himmler as an excuse for making wholesale Nazi arrests and thus weeding out revolutionists—possibly including Herr Goering. Whatever the true facts of Venlo, Munich, Best, Stevens, Elser et al, it was obvious Nazi Germany was worried by an underground anti-Hitler movement which has roots in dissent following the wedding of Nazidom and Communism.

Visionaries

Scattered generously in dispatches from Washington and Europe have been suggestions concerning the peace to follow war. Few Englishmen or Frenchmen now believe Versailles was a just treaty; they now hope to lick Hitler and give Germany a rational post-war settlement. Most important, there is growing talk of a European confederation whose units might include:

(1) Eastern Europeans, encompassing nations from the Gulf of Finland to Rumania, with Poland dominant.

NAMES ... in the news

Martin Dies, maligned head of the un-Americanism investigating committee, demanded that the administration co-operate in the inquiry or take the responsibility for killing it. Said he: "I'm worn out. It's been a headache."

Harry Woodring, secretary of war, announced he was proud to have been governor of Kansas, and the only Kansan ever named to a cabinet post, "but the only real accomplishment is for a man who was a bachelor governor six years ago to be expecting a fourth baby. That's something."

Harry Hopkins, secretary of commerce, opened a drive to remove interstate trade barriers which, he said, constitute a serious threat to the nation's economic life.

(2) Southeastern Europeans, ally-ing the Balkans to Italy.

(3) Central Europeans, drawing the Catholic German, Czech and Rhineland peoples nearer to France.

(4) Northern Europeans; an alliance of Scandinavian countries.

(5) North Central Europeans, permitting Austria and Sudetenland to remain with the Reich.

Biggest visionary of the week was none less than Prime Minister Neville Chamberlain: "A war aim... means defeat of our enemy, the defeat of that aggressive, bullying mentality... If the German people can be convinced that spirit is bad... they will abandon it... When we have achieved our war aims, we can establish a new Europe, a Europe with a new spirit... In such a Europe it would be recognized that there can be no lasting peace unless there is a full and constant flow of trade... In such a Europe each country would have the unfettered right to choose its own form of internal government."

American Hand
At Washington the state department found the cause of international peace a good argument on which to hinge its plea for renewing the reciprocal trade treaty act, which expires next June. Assistant Secretary George Messersmith indicated the administration considered its treaties a basis for lasting peace when Europe's war is finished. Next day Secretary Hull himself jumped into the fight, indicating he wouldn't be content to postpone the renewal until after 1940's election, even though the 22 agreements already made could be continued without a congressional vote. Though farm and industrial leaders have claimed the program has damaged their interests, Secretary Hull asked reporters to compare it with the Republican Smoot-Hawley tariffs. Two years after these took effect in 1930, he maintained 10 to 12 million Americans had lost their jobs; by contrast, he said, the reciprocal treaties have been calculated to boost employment.

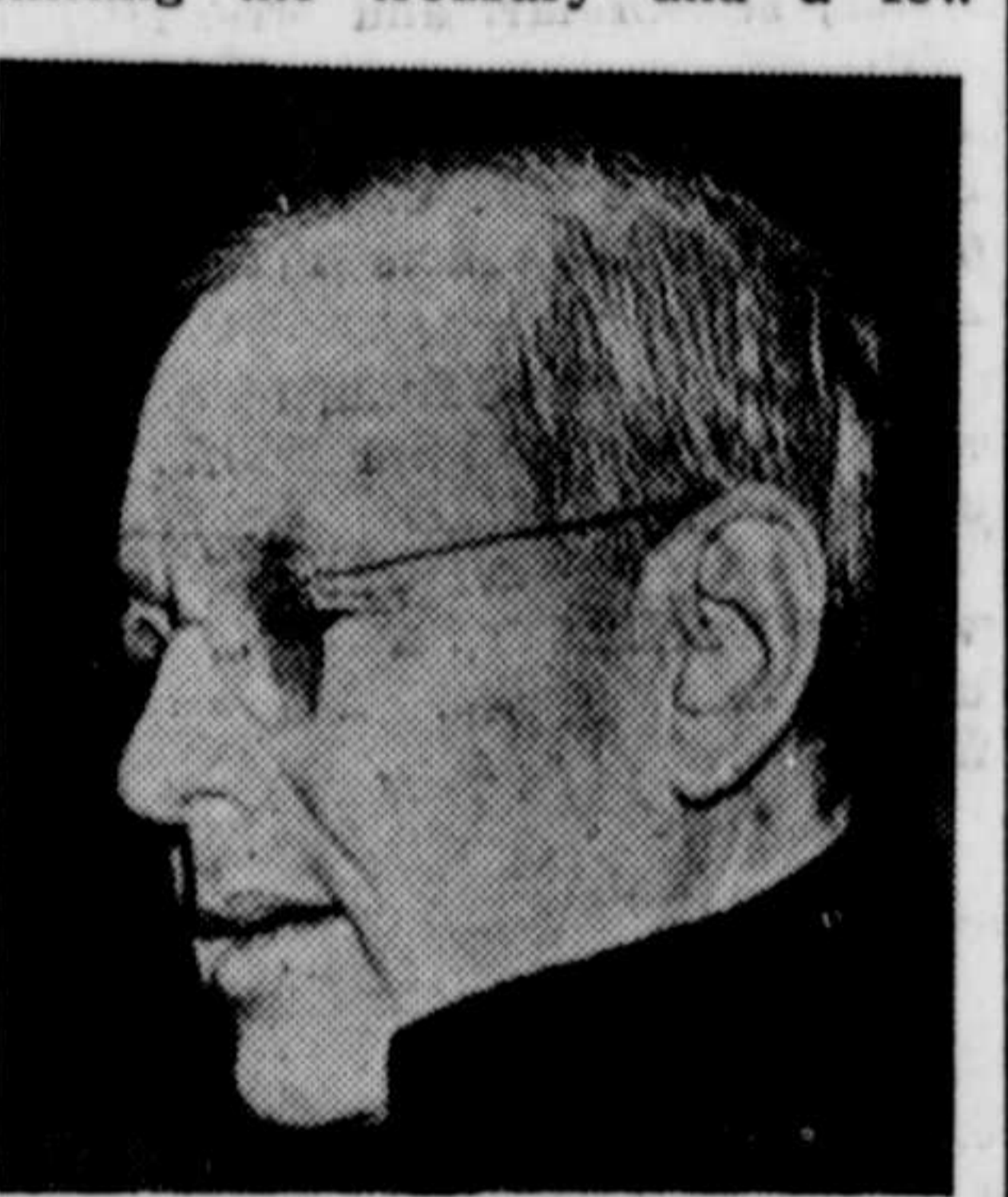
POLITICS: Forecast

"If he puts forth another big deficit spending program, you can expect him to be a third-term candidate. If he goes in for economy, he will not be a candidate."

Alf Landon, 1936 G. O. P. presidential nominee, made this forecast about Franklin Roosevelt last autumn. It was hauled from mothballs when the President, after permitting the treasury and a few

other political notes:
At Dallas it was learned authoritatively that Vice President John Nance Garner would soon announce his candidacy for the 1940 nomination.
At Boston, Mrs. Ruth Hanna McCormick Simms, ex-representative from Illinois, asked the Republicans to nominate young Tom Dewey, "a fighting young man, a man of vigor, courage and proved executive ability."

Whether A. F. of L. movie unions are powerful enough to shut down 20,000 U. S. film theaters is a question no movie producer is anxious to test. Directed by William Bioff (whom Chicago authorities sought on a 17-year-old pandering conviction) studio unions in Hollywood demanded a 10 per cent wage increase and threatened to close theaters if it was refused. Projectionists had promised their co-operation. Producers refused at first, claiming they had lost foreign markets since the war and faced sharp production curtailment. Unionists countered with not too far-fetched charges of "exorbitant salaries" paid to stars. As the deadline neared, producers capitulated. Until February 15 the unionists will have a 10 per cent increase. Then the question will be opened again.



ALF LANDON
No spending, no running?

"spokesmen" to say their say about taxes, made his own speech at Warm Springs, Ga. Public reaction to the no-new-taxes feelers had been good, and it was especially clear that the administration would have trouble forcing congress to levy new taxes and at the same time increase the national debt limit. In such a position, the President wisely said little and left the problem up to congress and the people.

His statement: That national defense outlays for the 1940-41 fiscal year will be increased about \$500,000,000 (total: approximately \$2,200,000,000) and that emergency defense taxes might be necessary. But the people, he said, should decide whether to finance it by borrowing or by new taxes. That left the problem squarely up to congress, with the President taking a sideline seat.

There were other indications he would seek no third term. At Warm Springs he urged the good people to start agitating for a new post office because "we have got only a little over a year left." Meanwhile Columnist Walter Lippmann decided the President really didn't want another term, but only wanted the honor of having to turn it down.

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TREND

JAPAN—Indicating business displeasure with the Tokyo government's anti-U. S. attitude, the commercial newspaper *Chugai Shogyo* demanded that immediate action be taken to obtain a new agreement replacing the present abrogated one, which expires January 28.

AGRICULTURE—A Gallup poll showed 70 per cent of the U. S. approves the food stamp plan for distributing surplus products to needy families, indicating strong support for an increased surplus commodities appropriation at the next congress.

UTILITIES—Meeting at Washington, private utility leaders are discussing plans for a super network of private and public electric facilities throughout the East. Item: A new 220,000-volt line from Chicago to New York.

FINLAND—Russia continued tugging to break Finnish-Russian relations, apparently to justify armed action. Latest charge: That Finnish border artillery had slain three Russian soldiers, wounded seven others.

ASIA:

Chiang's Woes

Into Kwangsi province's provisional capital of Nanning marched Japan's warriors, nipping effectively one of the two major supply routes whereby the Chinese government gets its supplies from French Indo-China and British Burma. On one side of his face Generalissimo Chiang Kai-shek laughed for publication, asserting this Jap coup meant little; 150 miles to the west, in Yunnan province, runs another supply route. But inwardly General Chiang could be worried. First thing the Japs did at Nanning was establish an air base from which to harass Kunming, capital of Yunnan.

Meanwhile the Chinese had other worries. The support they have long received from Soviet Russia appeared dwindling as the Kremlin appeared ready to have a love feast with its long-standing bitter enemy, Japan.

LABOR:

Film Strike

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SECRET MEMORANDUM CALLS

For Additional Spending

While the statements from the senators were being chewed over and while the word about Mr. Roosevelt's determination was sinking in, it was disclosed that a memorandum about future government spending was going the rounds among the so-called New Deal thinkers. The authorship of the memorandum has not been made known. None will admit where it came from or where it is going beyond the fact that it was being circulated for the information of those high in administration circles who desire that thought shall be given to next year's political campaign.

Stripped of all of its excess language, the secret memorandum points out a program for "rebuilding America," by building up America. Incidentally, and only casually, readers of the memorandum are told through its entire length that there must be additional federal spending in execution of this program. But haste is made to assure us that there should be no worry about additional spending—amount not named—because the borrowings can be paid back "out of increased income of our citizens."

And the war figures in it, too. The author of the memorandum observes that America "may be the last remnant of civilization." It has a special duty to all of the world, therefore, and the thinking element wants to make sure that our nation is ready to assume this new burden. There are many paragraphs of argument in the secret memorandum in support of the position that our nation must be "restored" and those who put it together reluctantly admit that it will take a great educational campaign to accomplish the rebuilding. What better opportunity can be afforded, then, according to the memorandum, than the election campaign of 1940. So, in case you are still ignorant; in case you do not realize the leadership the United States must accept; you may be fully educated next year by speeches and propaganda. This certainly will make you understand how important it is to spend more money out of the federal treasury.

PEOPLE:

Elliott's Network

In New York, Son Elliott Roosevelt announced his Transcontinental Broadcasting system, boasting 100 lesser stations, would take the air January 1. Sample outlets: New York's WMCA; Chicago's WJJD and WIND; Hollywood's KFVB; San Francisco's KYA; Pittsburgh's KOV Kansas City's KCMO; Minneapolis' WDGY.

Dimpled Senator

At Bucharest, dimpled Prince Michael of Rumania took his seat in the senate as one of the nation's counselors, a few days after his eighteenth birthday.

Billy's World Fair

At San Francisco, showman Billy Rose bid \$1,650,000 for control of the Golden Gate International exposition in 1940.

Bruckart's Washington Digest

Rumblings About Federal Spending Come From Two Schools of Thought

One Side Proposes Policing U. S. Operations; Another Insists Wanton Outgo Must Continue; Secret Memorandum Offers Program for 'Rebuilding America.'

By WILLIAM BRUCKART

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

WASHINGTON.—Rumblings have begun to occur again lately about federal spending. Some are for, but most of them are against, continued outgo of federal funds. They have come from widely separated schools of thought, as might be expected when there are those in the government who favor unlimited spending and those who believe in watching government finances with an eye to the future. I will try to piece them together for you.

Senator Taft, Republican, of Ohio, an avowed seeker after the nomination for President, and Senator Adams, of Colorado, a Democratic member of the senate committee on appropriations, and therefore influential in policy-making, seem to be agreed that spending has got out of hand. They are proposing something in the way of a policing of government operations, and obviously such policing will be done by an agency of congress.

Secretary Morgenthau of the treasury has been going to some lengths to have the country know there will be no violation of the present national debt limit. It is now fixed by law at \$45,000,000,000. The national debt is approaching \$42,000,000,000, in direct obligations of the federal government as distinguished from the four or five billions of debt incurred by federally owned corporations. Many persons feel this debt must be considered as a part of the public debt. Anyway, Mr. Morgenthau says there is no real reason to believe the \$45,000,000,000 limitation will be reached before next June 30, the end of the fiscal year.

President Roosevelt has sent around word to the various departments that their spending in the next fiscal year must be curtailed to some extent. He did not mention a balanced budget which he said a few years ago should be accomplished in 1940, but he took the position that the deficit in the next fiscal year should not exceed \$2,000,000,000. That is, the spending for all purposes, under the President's present conclusions, shall not exceed receipts from taxes and other general revenue by more than \$2,000,000,000.

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Tighter Hand on Government

Spending to Be Laid Down

There can be no doubt that relief spending will have to be large again in the next year. It cannot be avoided. Business is not doing any better. It is not employing more people, or to state it another way, unemployment is just as great as ever, and people must be fed.

Mr. Roosevelt has indicated that while spending for relief cannot be dodged, there are other phases of governmental activity that may be

curtailed. As to this, however, one might ask a pertinent question. It will be recalled that the President anticipated a reduction, a saving, of \$15,000,000 or \$20,000,000 would result from the government reorganization. The civil service commission and treasury figures, lately made public, show that there has been an increase of approximately \$100,000,000 for general expenses since reorganization was ordered. It seems in order then to ask how there can be curtailment, except and unless there is a willingness to abandon some of the numerous agencies of government along with the functions they perform.

It is in line with the idea of curtailing expenditures, however, that Senators Taft and Adams spoke. They mentioned profligate and unwise spending. The old leaf raking jobs that former Relief Administrator Hopkins sponsored, I believe, can be cited as an example.

The blasts by Senators Taft and Adams, along with the constant criticism of waste by Senator Harry Byrd, the Virginia Democrat, must be accepted as portending a change. It seems to me to be a very important sign, and a healthy one. When members of congress get up in arms sufficiently, they naturally take quite a following of public support with them. My own hunch is that in the observations of Senators Taft and Adams there lies the germ of a great governmental reform. It may not come in the next session of congress, nor even in that which convenes in 1940, but I am quite convinced that a tighter hand on government spending is going to be laid down by congress.

Describes How Government

Appropriations Are Made

To make the circumstance clear, it probably is well to describe how appropriations are made. The national budget, of course, is framed by the budget director under the direct supervision of the President. The budget director gives each agency a chance to submit estimates on the amount of money its officials think it needs. They are given the opportunity in hearings to justify their figures. The budget director considers their arguments and adjusts the amounts on the basis that he believes is proper and for the good of the nation.

The budget eventually is submitted to congress. There, the appropriations committees go to work. They examine all of the estimates for expenditures and eventually call in officials of every agency seeking an appropriation and listen to the story about the programs and the funds needed. The committee then makes up its own mind, and its figures are laid before the house and the senate.

That seems a very fair way. Experience, however, indicates there are better methods. The reason the system fails is because of bureaucracy. Every government official and every agency wants to expand operations, power and influence. Thus, when Senators Taft and Adams propose policing federal expenditures, they have started something that may eventually result in development of a new arm of the congress.

Adroit in Building Up

Sentiment With Money

Most observers here have long known that the new crop of spenders that now occupies the key positions have taught the old timers something fresh in the way of gaining congressional approval of appropriations. They are adroit in building up sentiment back home when it comes to teasing people into line. But they are adroit only when they can use money. It has been plain that ordinary political methods can not be used successfully by the so-called inner circle of the government. And for the reason that they can not use time tried methods—not being politicians who have hustled for votes—they are doomed to failure.

The surprising thing about the whole situation is that President Roosevelt has been convinced so many times. The President is a right clever politician. He has flopped several times very badly, but he will get along in most any political company, especially if he has the aid of Jim Farley. The fly in his ointment is that he has turned all too frequently to the inner circle of advisors and has ignored Farley and the others, such as Farley's former trust advisor, Emil Hurja. The inner circle does not like Mr. Hurja, and it is their loss.

Now, that the flurry about the United States getting into Europe's war has blown over, I believe it is the consensus that the inner circle group have turned again to a variation of pump priming and "spending our way out of the depression"—to the cultural field.

Cap, Scarf, Mittens To Keep Tot Warm



Any little girl will be overjoyed to find this woolly set in her Christmas stocking. It's done in simple crochet. Pattern 6504 contains directions for making cap, scarf and mittens in a 4, 6 and 8 year size; materials needed; illustrations of them and stitches; color schemes.

To obtain this pattern send 15 cents in coins to The Sewing Circle, Household Arts Dept., 259 W. 14th St., New York, N. Y.



Smiles

Free Giver

"I have nothing but praise for our new minister."

"So I noticed when the collection was taken."

Said the rejected suitor: "No, Joan, don't give me back my ring. What's five dollars to a man with a broken heart?"

A Good Point

"Look here, the very first time I buttoned up this coat the seams burst down the back!"

"That just shows you, sir, how well the buttons were sewn on."

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DON'T GIVE YOUR CHILD A "Bargain" Remedy You Don't Know All About



A child's life is beyond the price of pennies

Ask your Doctor before giving your child doubtful "bargain" remedies. No family need take this chance today.

Wait. Think first. Are you absolutely sure you should give a single dose of that drug to your child? Internally? It was sold, you recall, as "something just as good" for a few pennies less.

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