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And Evening Chronicle

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Strange Plea

Millions of Americans Actually Want Higher Taxes

However remiss the House Ways and Means Committee may have been in dealing with the Administration's tax bill, the people of the country are not bawling along. Everywhere, there is expressed resentment that taxes are not made higher. Soon, we will reach the millenium. Already, there has come to pass a time we never hoped to see. A petition, embracing several organizations and many million members, has been presented to Congress. It asks for higher taxes. These are the supplicants:

CIO.
National Farmers Union.
Brotherhood of Railway Trainmen.
National Assn. for Advancement of Colored People.
Women' Trade Union League.
League of Women Shoppers.
National Lawyers Guild.
Consumers Union.

You'd never suspect it, from reading about Bob Doughton and the Ways & Means Committee, but the little people want to be taxed. To be sure, when the pinch comes, they refuse to buy the bonds they should, and cash them in after they've bought them. But, insofar as the expression of patriotic sentiments goes, the people are all there. Right now, they think higher taxes can help win the war. This time, they are undoubtedly right. Just as the House Committee has been over-timid and prone to underestimate the people, so the people now over-estimate themselves.

The organizations are surely sincere; and there should certainly be higher taxes now, while little Americans are able to pay. But, when the time for payment comes, expect plenty of yells, from members of the petitioning organizations. That has happened before. We note, however, that their pleas are heard, for the great surplus of buying power in the country today is still a danger to us all.

Let it be remembered that the danger of inflation in America is not for the present. For while the war is in progress, we are comparatively safe. It is in the post-war period that inflation may well come upon us. We may trim our sails now, looking forward to that day, by piling on as big a tax load as the people can bear. Or, at least as big as they want to bear.

Organized laundry workers in the east are refused a court injunction. But what's another lost union suit, among so many?

Correspondents

They Misbehave, And Also Sometimes Disappear

War correspondents are up for discussion this week; pro and con. For one, Charles F. Kettering of General Motors wants to rake them over the coals. They have blundered fearfully, he says, in criticism of U. S. industry. He refers to printed comment that war plants have been unable to keep up with the changing needs at battlefronts. And he fears that American industry has ever kept up the pace, that changing models in the midst of manufacture is the greatest industrial job yet accomplished. Perhaps. But it does not follow, as Mr. Kettering reasons, that war correspondents should be prevented from writing about such matters.

We do not doubt that U. S. industry has done a history-making job, surprising even to insiders. But the correspondents, surely speaking from expert observation (their own or someone else's), must be correct in stating that battle needs cannot be met. There has never been a war in which they could be met, on the instant, that is. It seems likely that we are nearer that goal now than ever. But we have not yet reached perfection. And we do not claim censorship over the correspondents who say so. We do not put them in jail, because they arouse the ire of a great industrial researcher.

But it is not only the behavior of correspondents that is of interest this week. It is their whereabouts as well. From the London cable messages, many of their names have disappeared. The by-lines, a shrewd observer notes, are strange these days. The familiar ones are not to be seen. Once before, when such a change took place, the North Africa drive resulted. Is there something on in the making now, that has kept our boys from sending home news?

Not For Us

If Carolinas Get More Gas Because of Rurality . . . Where

Not only do we believe that Coleman Roberts is doomed to failure in his plan to have the Carolinas removed from District 1 under gasoline rationing; we believe he should be denied. For, if the Carolinas be rural states which should be classed in the same group with the Western states, then church is out. Every other Southern state can prove with equal ease that it is predominantly rural, and hence needs more gasoline.

No, this plea is not one which takes any cognizance of the difficulties of transportation. And, we hasten to add, it will not add to the prestige of the Carolinas to have this plea bruited about at the time when the pinch is really on gasoline, because of new military requirements. To a point, Harold Ickes was correct when he chided us for our former blasts against gasoline rationing.

It is all very well to do the best possible by Carolina motorists, but we cannot see them as one whit more important than motorists in other Eastern states. And we do not see them as of any importance at all, when stacked up against military requirements. We believe Mr. Roberts is able to present a set of facts; he can be depended upon for that. But we do not believe the facts can possibly set up the Carolinas as an area of the East deserving special attention, merely because we happen to be states of large rural populations.

This is a new wrinkle in the campaign to keep thousands of motorists going, but it is not automatically a sound one. If we argue, here at home, that all states which are predominantly rural should have more gasoline; then there would be too little for shipment abroad. Planes and ships and military vehicles, it seems to us, are vital above all this academic argument at home.

Latest pose of the dark thinker is the predicting of famine in '44. And, of course, the true prophet would rather be right than eat.

Climax Comes

Russian Armies, Please Note, Are On Point of Freeing Russia

By the end of this week, the Red Armies may be no more than 100 miles from the Polish and Rumanian borders. They plunge forward several miles each day, wreaking new vengeance, inflicting terrible wounds. The homeland is being rescued at a rapid rate. We now face the time that Russia will repossess all of her original territory. We approach the crisis which isolation champions and Red-baiters have feared. What will happen when the Red Army reaches the border? Either way, there is a fear, a school for alarm.

If Russia halts suddenly at the borders, there will be hundreds to jump up, shouting warnings that we are to be left holding the bag, that we should never have trusted these Communists. On the other hand, if the Russian armies plunge ahead, deeply into the Balkans and Poland, there will be screams that the Reds are now gobbling up small sovereign states. It will be said that this Russia, this scourge of Communism, will soon overrun Europe.

There will be no satisfying these thick-headed critics; they will be with us forever. They look at history dully, but they do not see it. They do not understand that this war is being won, now, and that Russia has done her heroic part—and is even now delivering what might become the final fatal blows. It remains, to be sure, for a Western drive to finish off the victim, but he is being bled white in these days. The day is rapidly approaching when he must fall back toward his own borders, across the buffer states.

And, as the Germans make further retreats, their losses will mount correspondingly. Russian arms may become exhausted, at the end of a year-and-a-half sustained offensive, and there may be a pause—but now there will not be a German resurgence. Lines of defense have piled up dreadfully, and now there is only the great battle of distances to be fought. In waning strength, the Nazis must continue to retreat. Within a matter of weeks, they may leave Russian soil forever. That will bring the end much nearer.

"A comet," says a science filler, "may consist of a mass of gas enclosing a lot of stones." Evidently a political campaign that wanders off into space.

The Merry-Go-Round

By Drew Pearson

WASHINGTON

THOUGH the President was highly pleased at the results of the Moscow meeting, there was one point which surprised him. In fact he expressed surprise and slight displeasure at a recent cabinet meeting. This was the fact that Secretary Hull agreed to hold the meetings of the Big Four in London rather than in Washington. This council will become the most important international body in the world. It will mould vital decisions affecting the Allies and future peace. Therefore, it had been originally understood, before Mr. Hull left for Moscow, that this council would function in Washington, not London.

In London, it was figured, the Council would be too much under the thumb of old world diplomacy, would be dominated by the British and Russians. FDR has always remembered the way in which his old chief, Woodrow Wilson, had trouble when he went to Europe. So he wanted these initial maneuvers kept in a fresher New World atmosphere.

Little Nations Out

Nothing was said about it at the White House, but another original U. S. proposal, planned for the Moscow meeting, was altered by Secretary Hull after he got over there. This was the plan to have smaller nations sit in with the Big Four on the newly created Diplomatic Council. Behind this were two ideas: (1) It is only fair to permit co-operation by smaller nations; (2) Smaller nations, especially Latin Americans, are usually to be found on the more idealistic side and backing up the U. S. A. In order to mould public opinion and permanent peace machinery we may need a lot of small nation support.

Inside fact is that U. S. plans for Moscow were taken up in detail by Churchill and Roosevelt at the Quebec Conference and okayed. Several months previously, Sumner Welles, then Undersecretary of State, had drafted the plan later adopted at Moscow for an organization for world peace. He had also drafted the pledge adopted at Moscow that no nation shall use its army in the territories of other nations without joint consultation. When Welles showed these to Secretary Hull several weeks before Quebec, Hull didn't like them. But at Quebec both Churchill and Roosevelt gave them their blessings and they have now been officially adopted by the Moscow Conference.

Hull Says No

A revealing insight as to how far Mr. Hull and the State Department have moved toward world co-operation in recent weeks is in the files of Senator Wiley of Wisconsin who one year ago wrote Hull urging that steps be taken now to prevent a deadlock between the Senate and the Executive over permanent peace. Wiley asked Hull for his views on world co-operation.

Hull replied, Oct. 21, 1942, that the Founding Fathers had arranged a balance among the three branches of Government and the Executive was charged with the sole conduct of foreign affairs. "It seems better to follow that practice," Hull concluded. He declined to give Wiley his views on future world co-operation. Senator Wiley persisted, wrote another letter pointing out the disaster to the world after the last war when the State Department presented a finished treaty to the Senate which the Senate would not ratify. He urged that the Senate get Hull's views and co-operation in advance.

But the Secretary of State, according to Wiley, refused to budge an inch. One year later, in September, 1943, Hull was still pretty much of the same opinion and discussed members of the Senate Foreign Relations Committee from passing the "world co-operation" resolution. Almost overnight, however, Mr. Hull changed his mind. The Moscow agreements are now approved, and the Senate has passed a resolution going a long way toward post-war world cooperation.

Capital Chaff

The question of whether or not he should have a naval-aide is bothering platinum-haired Ed Stettinius, newly appointed Undersecretary of State. New York Times' Arthur Krock thinks it is all right for him to have one. That should settle it. . . . It Stettinius wants further precedent, Henry L. Stimson had a military aide, dashing Col. Eugene Regnier, when Stimson was Secretary of State. . . . At that time Fiorello La Guardia, then a Congressman, inserted a clause in the Army appropriation bill barring a military-aide for Stimson. It nearly caused the old gentleman to have a fit.

Today, Stimson as Secretary of War is greeted every morning outside the Pentagon Building by a sergeant attired in dress blue uniform who leaps to the car and carefully carries Stimson's brief case (weight two pounds). Three sergeants rotate this duty, one from the infantry, one from the cavalry, one from the artillery. The Air Corps is not represented. . . . It makes a pretty picture, but doesn't help manpower. . . . New York Lawyer Morris Ernst, White House adviser on many things, has left on another confidential trip to England. . . . The Navy is buying two million acres in California and Oregon for an aerial gunnery range. It will be the largest land purchase in naval history.

Gravy-Grabbing

Not often do members of Congress—one of the most exclusive clubs in the U. S. A.—lambast a fellow member. But hefty, GOP Representative Frank Keefe of Oshkosh, Wis., let loose the other day with an attack on Democratic Representative Sol Bloom of New York, chairman of the Foreign Affairs Committee, for making private use of a Government automobile and chauffeur.

In blistering tones, Keefe charged that Bloom had purchased the car—a 1936 Ford—with funds of the United States Constitution Sesquicentennial Commission, of which Bloom was "director general." Though the General Accounting Office refused to approve the purchase, and though the commission has expired, Keefe declared that the New York Congressman was still being chauffeured around in the car by an employee of the Foreign Affairs Committee.

Bloom was forced to admit that this was the case, though he replied that he had used up a personally-owned Lincoln on behalf of the Government. In his comeback, however, the New York Congressman overlooked a good bet. It so happens that his Wisconsin colleague is skating on thin ice when he accuses others of being careless with public funds. He, himself, has an interesting record in the gravy-grabbing department.

Congressman Keefe has a daughter on his office pay roll, Mrs. Virginia Nolan, who is paid $2,900 a year for NOT working in the office. Mrs. Nolan shows up only occasionally to relieve two regular employees on Keefe's staff, one of whom is paid $2,000 a year and the other, $1,700.

Now Comes The "Coup De Grace"

—By Dorman Smith.

Despite Signs

Reality Frightens Us

By Samuel Grafton

NEW YORK

WE are all so clear now on foreign policy that we positively shine. We vote for the brave new world, 85 to 5. Almost nobody is wrong, nobody. This is the greatest epidemic of clarity that has ever struck us. We have never been all so well straightened out simultaneously. But on the home front, unfortunately, we are not only being unclear at the moment; we are being deliberately unclear, resolutely unclear. We are being muggy on purpose.

Congress refuses to consider an appeal for subsidies to keep food prices down. Having voted for a brave new world, it now intends to let food prices skyrocket, as its peculiar and special contribution to same. Simultaneously, Congress runs like a mad thing from a proposal to increase taxes by $10,000,000,000. On the question of subsidies, Congress is being nice to the farmer, who wants his price increases. On the question of taxes, Congress is being nice to the taxpayer, who wants no higher taxes. But the combination of the two niceneeses is a nastiness. For the taxpayer will pay out just as much in increased food prices as he would have paid in not taxes, except that neither he nor the Treasury will have anything to show for it.

If $10,000,000,000 more is to be taken from the American pocket, it should obviously go toward paying the cost of the war. One-tenth of that sum would pay for food subsidies; the remaining $9,000,000,000 would then represent a clear improvement in our national cash position. As the plan now stands, the $10,000,000,000 will be burnt up in price increases, it will be shrivled in the heat of inflation. The average American citizen, wrecked as a consumer, will then be comforted with the assurance that he has been saved as a taxpayer. A gentle Congress will not have taken away from him the money he will no longer have anyway.

The whole thing is a panic flight from reality. We are straightening out our relations with the rest of the world, but not our relations with ourselves. Our foreign affairs are falling into order. But if we do not watch out, this nation is going to become a pocket of nonsense in a world of sense.

It will be a case of undisciplined we in a disciplined world. The results are already showing, in a flood of demands for wage increases. The better the labor leader, the sharper his sense of community, the more unbearable will his position become with his own union. The reasonable men will lose their power and the unspeakables will thrive. A Congress which has let the war solve its economic problems for the last four years obviously intends to let inflation solve them for the next four. It has lived in the frying pan, now it proposes to make itself cozy in the fire.

The mood is a chipper, heedless mood, a willingness to go to hell in a wheelbarrow so long as there are good chances for re-election along the way. It is the mood of evasion. Everybody is going to have his own way; the farmer will have his higher prices, the worker will have his higher wages, the taxpayer will avoid rate increases, the Congressmen will be re-elected, and only the Treasury will capsize.

We feel we must make sense in the world, but that we are not under the same compulsion at home. Our first act in the almost perfect world will be to raise the price of butter ten cents. No aggressor is going to be allowed to interfere with us while we blow up our own house.

Our world plan calls for a century of peace; our domestic plan does not go beyond one roaring week end. We seem blind in one eye, short in one leg; poor equipment for managing the straight, hard road to the future.

"The doctor was here this morning—he took my temperature and some books, flowers and magazines for his office!"

From Congress

Inflation Comes

By Raymond Clapper

WASHINGTON

THE danger of wild inflation is increased by the action of a coalition of Democrats and Republicans in Congress to stop payment of food subsidies. These subsidies are one of the means by which the Administration is trying to check the rising cost of living. Sums are paid to producers in certain lines of foodstuffs to encourage larger production without higher prices to the consumer.

It is a subject over which barbershop argument can continue indefinitely. The question is whether to yield to more rapid inflation of prices, or whether to continue the rearguard action against it. Subsidies, the Little Steel Formula, price control, rationing are all brakes against the tremendous momentum of inflation that comes from the war. When 11,000,000 men are put into uniform, and more than half of our production facilities are given over to war, shortages of goods and manpower, and abundance of spending power create a relentless force for inflation.

About all we can hope to do is to throw obstacles in the way, slow it down, fight for time, give no ground without a struggle. That is what the Administration is trying to do now on food subsidies. The trouble is that large groups such as cattle growers, and dairy interests, want to get rid of all Government controls. They want the lid off prices. They are fighting to end the subsidies now. They have lined up the big farm organizations, the Farm Federation and the National Grange. Retail grocers are joining in.

Thus powerful political pressure has been created on Congress. Republicans have joined in. Several Republicans on the Banking Committee were understood to have favored continuing subsidies, but after having lunch with Representative Joe Martin, the Republican Leader of the House, they went unanimously against the Administration. Off with price control. Let everybody collect all the traffic will bear. That's the game that is about to be put over in Washington.

The Democratic chairman of the House Banking Committee, Henry B. Steagall, was buttered by the opponents of subsidies. They permitted a provision to go into the repeal legislation continuing subsidies on vegetable oils and fats. That takes care of the peanut growers in Steagall's district. Having been assured subsidies for his growers, he had no further interest in other subsidies and turned against the Administration. That's the kind of a fight it is.

A minority group on the House Banking Committee is offering Congress an alternative. This group includes Wright of Pennsylvania, Monroney of Oklahoma, Ford of California, Patman of Texas, Folger of North Carolina, Sullivan of Nevada, Spence of Kentucky and Barry of New York. It suggests continuing subsidies for another year, unless the Little Steel Wage Formula is abandoned earlier. That would give an incentive to the Administration to fight all the harder to hold the line on wages—and the Administration needs every incentive that can be offered because its grip is slipping dangerously.

This minority says that the only protection against increased wages is maintenance of the present price structure. The Administration says without subsidies it cannot hold the Steel Wage Formula. One simple consideration seems persuasive. What happens if we knock out subsidies now after they have been in operation for more than a year?

Take that safety valve out of the price structure and the ceiling blows off. Wage demands become irresistable. The vicious cycle would spin this country into an uncontrolled tide of reckless profiteering and hoarding of goods. Such frantic scrambling would soon rend the home front into chaos.

As President Roosevelt pointed out in his message, the subsidy for the current year is equal to the cost of the war for three days. A dollar put into subsidies, when it holds the price levels and the wage levels in check, pays enormous dividends in saving the Government and individuals from inflation prices.

Tax Jump

How Much?

THE House Ways and Means Committee is expected to report out this week, possibly today, a revenue bill calling for about 2 1-4 billion dollars more in taxation, instead of for the 10 1-2 billion dollars more for which the Treasury has asked.

In asking for 10 1-2 billion dollars more in taxation, the Administration aimed at the goal of paying for one-half of the war by taxation, one-half by borrowing. In World War I Secretary of the Treasury McAdoo at first set a similar objective, but later lowered his sights to one-third by taxation, two-thirds by borrowing. If we disregard the war loans to the nations associated with the United States in the war, this latter objective was approximately met. If we include in the war costs the war loans, the United States actually met about one-fourth of the costs of World War I, currently, by taxation, three-fourths by borrowing.

However, when the United States entered World War I the public debt was around the one billion dollar level. As a result of that war, the debt reached a peak of 26 1-2 billion dollars. By June 30, 1930, the debt had been reduced to 16 billion dollars. As a result of New Deal policies, the debt was back to 28 1-2 billion dollars on June 30, 1943. At the outbreak of World War II, the figure had risen to 40 billion dollars. At the time of Pearl Harbor, it was 56 1-4 billion dollars. Today it is around 168 1-4 billion dollars.

In calling for enough additional taxation to meet one-half of the current war costs as we go, the Administration has explained that in the fiscal year 1944 Great Britain is due to meet 52 per cent of its war costs by taxes, Canada 47 per cent, and the United States only 36 per cent. However, the figures on receipts and expenditures for the first four months of the year indicate that the United States is already meeting more than 60 per cent of its war costs by taxes, and that this percentage may well rise to 80 per cent by the end of the year with the addition of the 2 1-4 billion dollars contemplated by the Ways and Means Committee's tax bill in its present form.

For one thing, war expenditures, instead of increasing, have been leveling off, with the figures for last June higher than those for any following month. For another thing, regular income tax receipts are due to increase next year, even without new legislation—the corporation rates for 1943, due in 1944, are higher, and only the Victory tax comes tax from wages and salaries is being collected at the source. Finally, next March the Treasury is due to receive 12 1-2 per cent of the tax for the year for which 75 per cent of the tax was forgiven, with an additional 12 1-2 per cent in March 1945.