

## NATIONAL AFFAIRS

Reviewed by  
**CARTER FIELD**

*Present sliding scale on corporation income taxes to be abandoned in favor of a fixed rate . . . No big boost in spending to come from national defense . . . Two-price system blows up with a bang . . . Dumping policy causes irritation.*

WASHINGTON.—Despite all the propaganda for "incentive tax reduction"—both for expansions which would make work and for profit sharing with employees—no action of the sort will be taken. Instead, corporation income taxes will be fixed at 18 per cent instead of the present range from 16½ to 19 per cent. Congress leaders would like to wipe out the last trace of the punitive tax on undistributed earnings, but any such move may not succeed because of stalwart White House opposition to elimination of President Roosevelt's pet tax theory. But another step in that direction seems inevitable.

Congress is set on substituting a straight 18 per cent for the present sliding scale because the national legislators are convinced that the present system bears more heavily on small business men and manufacturers—that the big corporations are taking advantage of the lowest rate by paying out their earnings, having adequate surpluses to make this possible, whereas little fellows are forced to insure their future by building up surpluses, which makes them pay 19 per cent as against 16½ per cent for the big ones.

The treasury department is not adverse to the straight 18 per cent—if it could go for it without irritating the White House. It believes the straight 18 per cent would bring in more money—always Secretary Morgenthau's chief interest.

Roosevelt will fight again for more drastic capital gains taxes, but will be defeated. Incidentally the tax bill will be slow in passage as no subcommittees were left on the job and a start will have to be made from scratch.

### Army and Navy Are Now Spending a Billion a Year

No big boost in spending will come from national defense, however much the White House may approve that picture for public consumption. Actually the army and navy are now spending at the rate of a billion a year. A boost of about \$300,000,000 between them, plus their existing balances, is all they can spend, experts say, no matter how much more may be authorized or appropriated.

The real fear of the deficit worriers centers on the agriculture, flood control and health programs. No one can foretell just how wild congress will go on these three.

Secretary of Agriculture Henry A. Wallace wants processing taxes to take care of the increased agricultural benefits but congress will dispose otherwise. The money must come from taxes—or increased debt.

Flood control threatens to take the place of the old rivers and harbors pork barrel bills of unsavory memory. Every creek in the country has become a flood menace. "Why should Tennessee get all the bacon?" is a popular question.

Federal aid for health services is nebulous but very menacing to the treasury's red ink supply.

### Two-Price System' Blows Up With Resounding Bang

The subsidized export plan for relief of the farm problem, better known as the "two-price system," has blown up with a resounding bang. One shipment of wheat to England, and it passes into history as another flop on the well littered road to agricultural prosperity by governmental control.

What happened was precisely what was predicted would happen. It is also what was predicted would happen when the solution of the farm problem—back in the days of Calvin Coolidge—was the McNary-Haugen plan.

In those days the McNary-Haugen plan was regarded by most conservatives as crackpot. But it had a good many features which now commend it to folks who were called conservative 10 years ago. For instance, the much talked about equalization fee. That was the ingredient in the plan which would have prevented the farmers from going hog-wild on overproduction. Or at least it was so argued.

It was the two-price system of its day, but it had brakes. The equalization fee was the brake. Theoretically it would not cost the government anything. The loss on wheat exported at a lower price than was charged inside the United States, for example, would be assessed against the wheat farmers, pro rata. So the more produced, and hence the more the loss on exports, the smaller the actual price the farmers would get for their wheat.

But it was predicted then, and apparently with good reason in view of recent developments, that the other nations of the world would not stand for this subsidizing of ex-

ports. It would be called "dumping," it was predicted, and other nations would not permit their importers to buy any product so subsidized.

### 'Dumping' Policy Causes Irritation in Foreign Lands

Critics of the present department of agriculture insisted there would be loud protests this year if the two-price system were put into effect. They were right. Along comes Britain highly indignant about one shipment of wheat. What did we mean, just after she had gone the limit in straining her empire trade concession plan in order to agree to a reciprocal trade treaty with the United States, by dumping wheat at a subsidized price, thus irritating Canada and Australia?

French Guiana made a surprise move—threatened to bar any grain imports from the United States if this "dumping" policy were to be continued.

So there won't be any more. Again Secretary of State Cordell Hull and Secretary of Agriculture Henry A. Wallace have clashed, and again Hull has won. In fact, Hull has not lost a battle since March 4, 1933, when Roosevelt became President.

Of course, anything calculated to help American export of our farm surpluses must be fitted in with the Hull doctrine of trade agreements, or else the trade agreement policy will be wrecked.

The difficulty would be great enough if it were just a question of tariffs. But that is only part of it. There are quotas to be considered also. Obviously no foreign government is going to permit this country to dump a surplus of wheat at a subsidized price AFTER it has reached an agreement with this country as to just what would and what would not be done in accepting American exports—driven a bargain, so to speak, that they would take so much of our products if we would take so much of theirs.

### Morgan Sorrows That Better Job Is Not Done at TVA

It's a pity that the government is not doing a better job at TVA, former chairman Arthur E. Morgan remarked to a group right after his last appearance before the congressional committee which is supposed to be investigating the Tennessee Valley Authority.

"The point is," he said, "the trend all over the world, in virtually every country, is toward government operation of the electric industry. That being obviously so, it makes no difference whether one likes the idea of government ownership or not. It makes no difference whether private ownership is actually better for the interests of all the people or not. Regardless of the answers to any of these questions, this government should prepare for the possibility that it will have to operate the electric business of the entire country."

"It is like fire insurance. A man who insures his house against fire does not necessarily hope that it will burn. In fact, most of the time he may still be anxious that it should not burn. But he sees the obvious danger, and takes precautions accordingly."

"Thus I think that even people who think that government ownership of the electric industry is intrinsically bad should be anxious that the government make this TVA experiment, against the possibility that, having some day to run all the electric business of the country, the government will have learned how to do it, and thus not make a fiasco if it should have to take over the big job."

"No manufacturer of motor cars, for instance, would start turning out a car of a new design by the thousand until there had first been experimentation, to get out the bugs, to make sure that it would work smoothly. Similarly, if the government will only do the sort of job for which I had hoped at TVA, it will not be so likely to have a ghastly economic tragedy if some day in the near future it finds itself operating the entire electric industry of the country."

### Fears Sacrifice of Flood Control to Power Creation

Dr. Morgan is obviously proud of the engineering of TVA. But he is very much afraid that tragic consequences may follow yielding to the temptation to sacrifice flood control safety to the production of power. He still believes that he did absolutely the right thing in the Miami conservancy district in Ohio when he put engraved plaques on certain dams stating that the reservoirs they were holding back must never be used for the generation of electric current. To do so, he caused to be engraved on the plaques, might endanger the people the dams were supposed to protect from floods.

Dr. Morgan has been accused many times of being too friendly to the utilities, but actually he believes in government ownership and operation of the electric business if the people in any given community favor it. Moreover, he believes that, even with the utmost fairness to utilities, multiple purpose dams—those designed for example for flood control, navigation and power—can afford cheaper electricity than can a privately owned competing utility.

Also, he believes strongly in navigation on the Tennessee river, a point which has been of little interest to the TVA investigating committee. A great many who believe strongly in flood control and even in public power do not.

Some of the British residents rise at sunup while the air is cool to walk the circle of that vast space of meadow, Queen's Park Savannah. It is a long walk. But mornings in the tropics are a compensation for the day: the English in white linen, the East Indians in

white linen, the East Indians in white linen, the East Indians in white linen.

## Trinidad Isle Lies Quietly In Caribbean

Discovered by Columbus, Land Now Belongs to Great Britain

Prepared by National Geographic Society, Washington, D. C.—WNU Service.

Columbus discovered Trinidad in 1498, on his third voyage to the New World. In a letter to Ferdinand and Isabella, he explains why it was named "Trinity": "A sailor went up to the main-top to look out and to the westward saw three mountains near one another." These peaks, locally known as the Three Sisters, officially are Trinity hills.

Sailing along the island's southern coast, the explorer saw lands "as lovely and as green as the orchards of Valencia in March." After crossing the Gulf of Paria, he turned westward along the coast of what is now Venezuela. This shore he termed "the most lovely in the world."

Convinced that the "earthly paradise" of the ancient philosophers lay somewhere in these newly discovered regions, the admiral later petitioned his sovereigns for authority to explore further, but his proposed expedition was never carried out. Across the gulf, dimly, Columbus saw the hills of the South American continent rolling away in recurrent waves. Dismissing them as another island, he set around for home.

### Raleigh Burned City.

In 1595 Sir Walter Raleigh came to Trinidad, on his way to El Dorado, which had been located beyond question in the upper regions of the Orinoco. Being of a military mind, and knowing the danger of a hostile city at his rear, he burned the Spanish capital. He



East Indian employees at work on a sugar plantation, cutting up stalks which will be replanted and produce new cane. This, like almost everything else, is an immensely humorous business to the natives.

tarried in the Gulf of Paria to calk his ships with pitch from the famous Pitch lake.

Another arrival, Sir Ralph Abercromby, sailed to Port-of-Spain in 1797 and demanded that Don Jose Maria Chacon, the Spanish governor, surrender the island. Chacon was a humane man, out of touch with his times. Sensible of the bloodshed which was certain to result from any conflict with Abercromby's superior force he turned Trinidad over to the English. There and then the island settled into its niche, became steadfast, loyal, and serene.

Ranking next to Jamaica in size among the British West Indies, Trinidad has nearly twice the area of the state of Rhode Island. The colony of Trinidad and Tobago has a population estimated (in 1935) at more than 439,000. More than 1,000 miles of good roads and 123 miles of government railways help trade and travel.

### City Not Distinctive.

Perched on the bow of a tender you see the capital from the humble viewpoint of the early visitors. Port-of-Spain today is rather enigmatic. Unlike most cities of the world, it has no established personality, no tangible formula of atmosphere that one can grasp and hold aloft with triumph. It is a tropical metropolis of about 75,000 people, with some of the finest hotels in the West Indies.

### Hot in Mid-Day.

Some of the British residents rise at sunup while the air is cool to walk the circle of that vast space of meadow, Queen's Park Savannah. It is a long walk. But mornings in the tropics are a compensation for the day: the English in white linen, the East Indians in



The island of Trinidad lies within sight of South America's nation of Venezuela, in the southern reaches of the Caribbean sea.

white cotton, young girls and boys playing—all clatter under the trees while the air is cool and the world good. It will not be the same at noon.

Trinidad, superficially, seems the reverse of an ant heap, for its activity shows best at the surface, the venter of the water front. You stand by the cranes where cargo is fed into the maws of omnivorous tenders and come to the conclusion that the island is crudely modern.

The coconut is one of the faces. Out of the palm groves, mile after mile of them, come millions of coconuts a year. Many of them are turned into copra, which is the dried broken meat of the coconut.

In some regions of the island you see East Indians working in the flooded fuzzy-green areas of rice fields, their legs bare, their heads shielded under big hats, their whole aspect suggestive of the Orient. But rice is rare. Mile after mile of sugar cane rolls down from the mountains, pale-green and high. Water buffaloes work in these fields at cutting times. You happen upon a group of women who are chopping stalks into small sections.

"They plant these," says your guide. "After a while another sugar cane grows out of each section. They get about five new sugar canes out of each old stalk."

### Use Weapons Craftily.

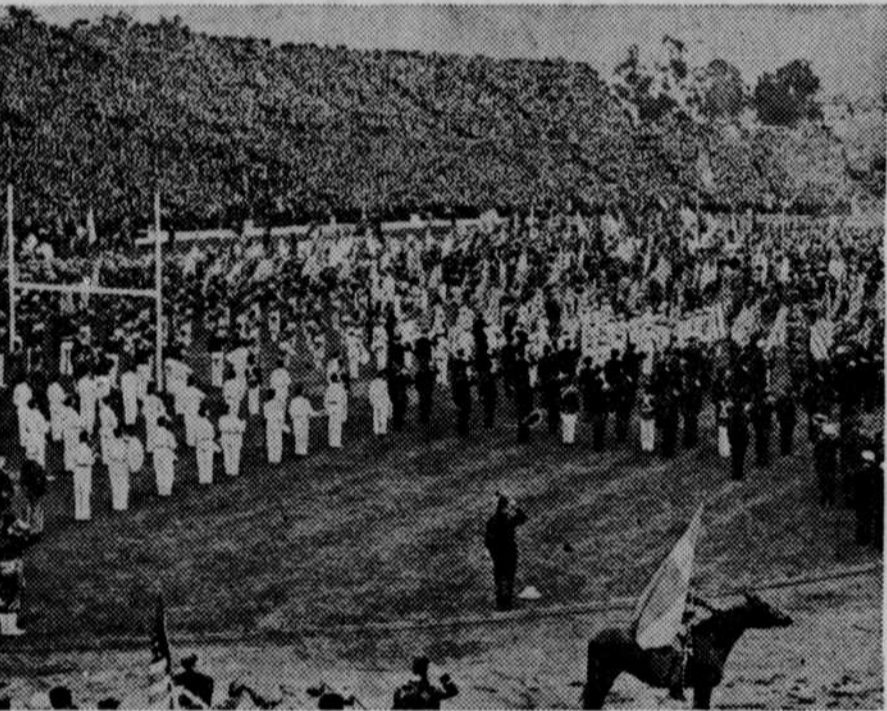
The cane workers wield their machetes with consummate skill. They are predominantly East Indians. Trinidad is crowded with East Indians; about a third of its population belongs to that race. After slavery was abolished in the island, they were brought over from India between 1845 and 1917, under a system of indenture, to work on the

## BOWL BUSINESS . . .

Football's biggest event comes on New Year's Day in this modern world. Bowls of all flavors attract several hundred thousand spectators. Here are last year's bowl games, where huge crowds gather again this New Year's Day.



Oldest of the New Year games, Pasadena's Rose Bowl dates back to 1916. Last year it attracted 90,000 spectators who watched California defeat Alabama by a score of 13-0. Above is an aerial view of the 1938 crowd. The spectacular tournament of roses always precedes the game.



Shriners sponsor the annual East-West all-star game at San Francisco each New Year's day, an event that drew 65,000 football fans last year at Kezar stadium. The game ended in a scoreless tie. Brilliant pageantry featured the between-halves period.



At Miami, Fla., 18,000 attended last year's annual Orange Bowl game where Auburn defeated Michigan State 6-0. Half-back Sits (No. 11) carried the ball for many of Auburn's gains. The Orange Bowl is fast becoming a major gridiron attraction.



Santa Clara beat Louisiana State 6-0 at the New Orleans Sugar Bowl last year. Two other "bowls" attracted attention. At Dallas' Cotton Bowl Rice beat Colorado 28-14 before 37,000 fans, and at El Paso a crowd of 13,000 watched West Virginia nose out Texas Tech, 7-6. Truly, "bowl business" is becoming "big business."

## CLASSIFIED DEPARTMENT

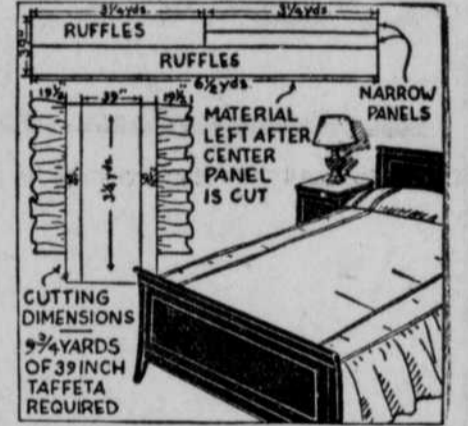
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## Double Bedsread of Luxurious Taffeta

By RUTH WYETH SPEARS  
"DEAR MRS. SPEARS: I have long been wanting a taffeta spread for a double bed. I figure that, if I can make one from 10 yards of 39-inch taffeta, it will cost about half as much as one of the same quality ready made. Will you be good enough to tell me how to cut the material so there will be no waste? This is important as I must economize. M. G."

Here are cutting dimensions for a double bedsread of 39 or 40-inch material. You will need a little less than your 10 yards—



9¾ yards will be enough, and this makes the spread long enough to cover the pillows nicely. Cut the center panel first, then divide the material that is left as shown in the upper diagram. Join the two pieces of ruffle material to make one long piece, then divide it evenly; for the two ruffles. These cutting dimensions allow generous seams. Enough material may be taken from the seam edges to cover cords for welted seams if desired. A very narrow machine stitched hem should be used at the bottom of the ruffles.

Full directions for making welted seams are contained in Book 1, offered herewith. There are also directions in this book for making bedsreads of 36-inch cotton material. Today's lesson is not in either of the books offered here, so be sure to clip and save it for reference.

NOTE: Mrs. Spears' Book 2—Gifts, Novelties and Embroidery, has helped thousands of women to use odds and ends of materials and their spare time to make things to sell and to use. Book 1—SEWING, for the Home Decorator, is full of inspiration for every nomemaker. These books make delightful gifts. Mrs. Spears will autograph them on request. Crazy-patch quilt leaflet is included free with every order for both books. Books are 25 cents each. Address Mrs. Spears, 210 S. Desplaines St., Chicago, Ill.

## Changing Dances

From 1776 to 1911, American social dancing was virtually confined to six dances: the polka, reel, square dance, minuet, waltz and two-step, reports Collier's. From 1911 to 1938, more than 25 new dances have been introduced, among them being the turkey trot, grizzly bear, Texas tommy, bunny hug, hesitation, tango, maxixe, one-step, Castle walk, fox trot, Charleston, black bottom, Lindy hop, rumba and the big apple.

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