WEEKLY NEWS ANALYSIS.

Rip Franco Rule; U.S. Stiffens Foreign Policy; Readjust Crop Goals to Meet Emergency Needs

(EDITOR'S NOTE: When opinions are expressed in these columns, they are those of Western Newspaper Union's news analysis and not necessarily of this newspaper.)



SPAIN:

Kanagawa-Ken.

Hot Spot

With leftist elements in France pressing the issue, a new government loomed in Franco Spain, long under fire for Fascist connections but reportedly countenanced by Britain because of its neutrality during World War II, which diverted direct attack on Gibraltar.

The Allies' first major step in seeking to supplant Franco came with France's closure of its border against Spain. Prodded by French proposals to take up the matter with the United Nations organization, the U. S. and Britain then reportedly agreed to form a common front to apply pressure for Franco's re-

While renouncing intentions to meddle with Spain's internal affairs, the U. S. and Britain moved to denounce the continued existence of Franco's regime and proclaim their willingness to recognize an interim representative government if he were ousted. Awaiting resolution of the situation, the U.S. and Britain would not break off economic ties or diplomatic relations, leaving the road open for negotiations for creation of a democratic govern-

FOREIGN POLICY: U. S. Stiffens

Answering demands of Sen. Arthur Vandenberg (Rep., Mich.) for

a firmer foreign policy in reaching an understanding with Russia, Secretary of State Byrnes declared the U. S. would go to war to curb future aggressors and peace and reparations settlements must be reached speedily and equitably to permit the

the world.



economic revival of Vandenberg

Byrnes' enunciation of the administration's foreign policy followed Vandenberg's charge upon returning from the United Nations Organization sessions in London that the American representatives sat back with compromising attitudes while Russia and Britain pressed their political ambitions. Unless the U.S. pushes its ideals, Vandenberg said, Russia will continue to press ahead in the Far East, eastern Europe, North Africa and Asia Minor where continued aggressiveness may set off a powder keg.

In reaffirming U.S. determination to check future aggression, Byrnes declared that the present arrangement of the three great powers precluded world domination by any one of them, but that efforts to upset the balance would imperil peace. In calling for early peace treaties, he asked for an ending of the draining of occupied countries. Demanding equitable reparations agreements, Byrnes said the U. S. would not tolerate any power deciding for itself what to take.

STRIKES: Costly Walkout

The General Motors and CIO-United Automobile Workers pitched battle over wages ranks as one of the costliest industrial disputes in U. S. history, with financial losses of over 800 million dollars to company, union, dealers and other producers dependent on G. M. for

With its plants closed as tight as a drum throughout the country, flow of cattle to market, ship hogs G. M. was estimated to have lost 500 million dollars in unfilled orders try flocks.

NATIONAL INCOME:

With the national income in each month of 1945 running below the 1944 level, the year's total dropped to 145,594 million dollars in 1945 from the record high of 160,695 million dollars in 1944. National income, however, was practically as large as in 1943 when it was the second largest on record. Furthermore, the fact should not be over- January 1, 1945. The exportable looked that the 1945 figure is pre- surplus of 475 to 500 million bushels liminary and actually may be larger. is below world needs.

while 175,000 production employees missed 113 million dollars in wages. Dealers and salesmen were said to have lost another 100 million dol-

lars in commissions. Because of G. M.'s production of parts, other manufacturers have been forced to curtail assemblies, increasing profit and wage losses. At the Packard Motor Car company, 8,000 production workers have been off more than a month because of the shortage of G. M. supplies.

Of 50,000 G. M. employees in Flint, Mich., over 2,000 strike-bound workers are receiving welfare relief at a rate of \$38.06 weekly.

GERMANY:

Ration Cut

Reduction of the food ration to 1,000 calories daily in the British occupation zone in Germany, and need for substantial imports into the American-held sector if the present level of 1,500 calories is to be maintained, pointed up the critical situation in the fallen Reich.

Seeking to alleviate the new hardship imposed by the ration slash and head off possible rioting, Field Marshal Montgomery flew to London to discuss ways of providing additional food for the 20 million German residents in the highly industrialized northwestern region held by the British. Because a division of British food supplies would not furnish substantial relief, however, authorities appealed to the U. S. and Russia for food shipments.

While Germans in the U.S. occupation zone are receiving a subsistence ration of 1,500 calories daily. two-thirds of the food eaten is coming from local stocks. If the present allotment is to be maintained, imports soon will have to be upped and a total of 700,000 tons shipped in during the first nine months of 1946. Because of scarcities of fertilizer, seeds, tools and farm machinery, fall crops may be appreciably curtailed.

FOOD: Crop Readjustments

In readjusting 1946 crop goals, the department of agriculture sought to assure a greater supply of edible grain, nutritious relief fare, fats and oils and animal feed to meet not only U. S. needs but growing European emergency requirements.

Because winter wheat already has been planted, the additional 1,000,-000 acres asked will have to be seeded in the spring wheat area, the department declared. While North and South Dakota, Montana and Minnesota are expected to plant the bulk of the extra acreage, other spring wheat areas were called upon to increase their crop.

Since smooth dry edible peas constitute a good protein relief food and ship well, the department planned for a 100,000-acre boost in plantings. principally in Colorado, Idaho, Montana, North Dakota, Oregon and Washington.

With small world supplies of fats and oils in the face of the slow movement of shipments from the Pacific and heavy overseas relief needs, soybean goals were boosted by 1,100,000 acres. Iowa, Ohio, Illinois, Indiana, Minnesota and Missouri were asked for the greatest

Faced with the need for high meat and dairy output with feed stocks dwindling, farmers were asked to increase corn production over 1,000, 000 acres and also step up roughage cultivation. At the same time, producers were told to maintain the at lighter weights and cull poul-

World Supplies
Supplies of all grains in the principal exporting countries in January were about 15 per cent smaller than at the beginning of 1945, with wheat stocks about 25 per cent less, according to the department of agri-

Total wheat supplies in U. S., Canada, Argentina and Australia were placed at 1,392 million bushels compared with 1,868 million bushels on

STATE BANKS: Ship-Shape

With government bond holdings, loans and discounts and other assets showing substantial increases, the nation's 9,538 state banks boosted their total resources to almost 871/2 billion dollars in 1945.

A breakdown of assets showed government bonds, totaling 50 billion dollars, made up 57.4 per cent of resources at the year end, with 16½ billion dollars, next at 18.8 per cent. Cash and balances with other banks amounted to over 15 billion dollars to constitute 19.6 per cent of assets while state, municipal and private securities and other resources approximating 5 billion dollars rounded out the holdings.

The 9,538 state banks had capital stock totaling 11/2 billion dollars, surplus of 3 billion dollars, undivided profits of 1 billion dollars and reserves of 365 million dollars.

Ready Credit

Alive to the growing volume of installment financing, over 12,000 has done a lot for broadcasting. It state and national banks will extend consumer credit in the postwar years, greatly expanding their pre- program over a whole network, a war operations when they supplied local concern in each town "hires" 46 per cent of such loans in the us. That is why I say the name of

While not all of the banks intend to extend all types of consumer credit, 10,500 plan to make personal loans. By buying dealer paper or advancing money directly to consumers, 9,400 banks will finance sales of automobiles and 8,000 will back purchases of such goods as home appliances, farm equipment and airplanes.

Over 5,000 banks will make FHA loans covering home repairs while 7,900 will extend credit for modernization plans of small businesses or residential owners.

Fritz Finds Heavy Going



Deported in September of 1945 as dangerous alien after he had been deprived of U. S. citizenship, former Bund Chieftain Fritz Kuhn is now baggage smasher in Hohenasberg castle in Stuttgart, Germany.

BIG MAN:

Grows Bigger

entrepreneurs, Henry J. Kaiser con- years, feel, I am sure, that they tinued his postwar growth with the know me better because they know aluminum mills at Spokane, Wash., with options to buy.

In granting Kaiser companies use of the plants, the government announced that it sought to increase competition in the industry presently dominated by two companies. Because Kaiser plans to extensively employ the metal in his automobiles, the government also said, he might open a new field for use of the material and thus open a market for other U. S.-owned aluminum

In leasing the \$47,630,000 Trentwood aluminum rolling mill, Kaiser-Frazier agreed to pay a yearly rental amounting to 5 per cent of gross sales or fixed sums, running up to \$2,667,000 in 1951. In obtaining the \$22,270,000 Mead aluminum reduction plant, Kaiser Cargo, Inc., will pay annual charges up to \$1,248,000 in the fifth year.

MEAT:

Consumer Costs

Though consumers will have to pay the full cost of the packing companies' 16 cent an hour wage boost to employees, the actual outlay will approximate only 81 cents a year per person on the basis of record consumption, the department of agriculture reported.

In arriving at the figure, department economists divided the 11/2 per cent price increase allowed pack-1946 at an average of 35 cents a pound. However, the actual cost consumption of 155 pounds per person reflects a peak and is far above the average prewar level.

Despite the 11/2 per cent price wage increase, the American Meat institute termed OPA's relief entirely inadequate if livestock is to flow to legitimate channels. Even with the new price increase, the institute said, legal operators would be pressed to compete with black marketeers in bidding for cattle.

TIRE OUTPUT:

The tire manufacturing industry produced approximately one tire for every automobile on the road in 1945, casings totalling 28,147,538 units. While this exceeded the warrestricted quotas established early in 1945, output fell far short of meeting long pent-up civilian demand.

Rapidly accelerating production in the closing months of 1945 and steadily increasing production since the first of the year had carried current weekly output to an all-time record high by mid-February.

Washington Digest

Rediscovers America **Under New Sponsors**

loans and discounts, approximating Co-Operative Backing of Programs Affords Wider National Contacts; Brings Radio Close to Local Communities.

> By BAUKHAGE News Analyst and Commentator.

WNU Service, 1616 Eye Street, N. W. Washington, D. .C.

In these days when there is so much talk about co-operatives, I would like to take this opportunity to say something about co-operative sponsorship of radio. It is a different kind of co-op, of course, but it simply means that instead of having one big company sponsor a my boss is legion.

There are many advantages in this plan from a purely material standpoint. But to me, the greatest, from the broadcaster's point of view is the fact that co-op sponsorship provides a tremendous psychological tonic. It gives me what I call an e-pluribus-unum boost, because I have a feeling that a lot of people have elected me to my job instead of one man hiring me. I feel that I have become a citizen in a sort of new-found economic democracy.

Now from the listener's stand-

We are all proud of the fact that radio has brought the world right into the listener's home. We can be equally proud of the fact that the co-operative sponsorship system has brought thousands of American communities into the broadcaster's heart and mind. The co-operative sponsorship system exemplifies the good, democratic principles of decentralization.

I think it's a great invention.

. . . Chosen by Station WNAX, Yankton, S. D., as "typical mid-west farmers," Mr. and Mrs. John Oeser won a trip to Washington, a new tractor and money for a new wardrobe. Immediately after being received by the President, they were interviewed on our program.

They were chosen by WNAX because, while running up a remarkable production record on their farm in Westside, Iowa, they also played a leading part in the war activities of the community.

Mr. Oeser is 58 years old and is still cultivating the land his father point: When a program is sponsored | pioneered. He and Mrs. Oeser have locally, the townsfolk are bound to eight children-the one of military look on it with a lot more intimacy. | age is a marine-two daughters are



Baukhage (center) interviews the Oesers in Washington, D. C.

personally, a lot more because they have almost daily personal contact with the clerks in his big department store. And that goes for the flour mill, the bank, the bakery, the dairy, the hotel, the electric power company, the finance company, the flour and feed store, and what have you (and what haven't you in the

co-op dish?). Like writing for a weekly newspaper, there is a hometown intimacy about this arrangement. This intimacy, vicarious though it may be, goes a long way toward breaking down the barrier of invisibility between the unseen broadcaster and his audience.

Highly important too, is the total goodwill engendered by the co-operative sponsorship system. It means a lot to the sponsor to have the listener realize that a hometown supported institution is paying for the program he listens to.

Before I accept a sponsor I have to know something about him. When we get together I have a chance to learn a lot more about him and he about me. Thus, my 130 bosses have helped me, in a sense, to re-discover America, and it doesn't do a bit of harm to those of us who spend so much time on Pennsylvania avenue to have a daily reminder of Main street which is the real America.

So much for direct benefits to station - sponsor - listener - broadcaster. ers into anticipated consumption of But there is something which is 155 pounds of meat per person in even more important to radio as a whole. I believe the co-op system will go a long way toward dissolvmight be less since the estimated ing an unfounded suspicion held by some of the general public: namely that a commentator reflects his sponsor's opinions. Personally, I have never known such a case, but boost granted packers to offset the the myth is widespread. Well, it is obvious that even 30 sponsors couldn't agree to disagree with their commentator on any one thing and when the number passes the hundred mark, a neutralizing effect results which produces a cross-secaverage of American tolerances.

The people of X-ville, listening to | graduate nurses. Since the eldest One of the biggest of the wartime | me as they have for the last three | boy joined the marines, Mr. Oeser has been doing all the work on his 160-acre farm with the help of his leasing of two huge government my sponsor, Joe Doe-a lot of them wife and the 10 and 14-year-olds. They have a lot of livestock and raise enough grain on their farm to feed the cattle.

Mr. and Mrs. Oeser were widely entertained while in Washington and enjoyed every minute of it. However, Mrs. Oeser was shocked at the prices of food and didn't "see how a family the size of hers could possibly afford to live in a city."

While congress recently rewrote the tax law to fit peacetime government expenditures-and the people's earnings-they had in their possession the suggestion for a new type of tax program. I say "new type" because it is sponsored by small businesses employing approximately 6,500,000 workers.

The sponsors are convinced that their comprehensive program will do a number of worthy things in addition to speeding reconversion and giving tax relief to individuals and business. They say it will also provide a favorable tax climate for small business, encourage venture capital, provide high employment at well-paid jobs, stimulate consumption, increase the national income, balance the budget at high employment levels, reduce federal expenditures and retire the national debt.

Aside from immediate reductions for individuals and corporations, the long-range program calls for the following: For the individual, an initial tax of 16 per cent and reduction of surtaxes, the rates on long-term capital gains, estate and gift taxes. Existing exemptions and credits would be retained, deductions of capital losses would be allowed on the same basis as capital gains are taxed, double taxation of dividends would be alleviated. The state chambers of commerce would continue the principle of the withholding tax while at the same time trying to improve it.

In the long term picture for business, the group would have corporation taxes reduced and the continution view that could reflect only an ation of a favorable tax climate for small business.

BARBS . . . by Baukhage

Before the war, says the 20th Century Fund, around four million Americans paid an income tax. Sorry, cynics, it's (1) to get home After the war began, the number rose to above 40 million, or over 10 times as many headaches on March

The clerks and salespeople are there's a peace on?"

What does the American soldier in Europe (and officer) want most? and if not (2) the wife and kiddies over there.

Rubble plus rabble makes a revolution-but a bowl of American soup goes a long way to convince even now demanding "Doncher know a hungry communist democracy isn't so bad.



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