

A.A.A.

The United States Supreme Court certainly is keeping the New Deal on tenterhooks. The jolt administered by the nine justices today was a blow right in the bread basket. For, it affects the innards of the measure that has made the Administration most popular among the farmers -- those checks the farmers have been getting from the A.A.A. So we may well imagine the grief around the Department of Agriculture Building in Washington today when the Supreme Court granted that injunction against the processing taxes.

To be sure, it is only a temporary injunction. But it looks like an ominous foreshadowing of what may happen next. Moreover, it applies only to the processing taxes levied on the Louisians rice millers. But manifestly the news of today's injunction has already caused manufacturers all over the country to instruct their lawyers to get busy and draw up papers asking for similar relief.

The iron hand of that injunction now restrains the Government until the Supreme Justices have decided whether that processing tax is against the Constitution. <sup>ff</sup> Even though it is

temporary, it throws the Government into a real jam. The revenue from the processing taxes has already dwindled sadly. Today's sensational decision threatens to reduce those shrinking figures to nothing. The consequence is grief not only for the Triple A Administration, but for the Treasury officials. It's the latter who will have the tough job of finding funds to finance those exceedingly popular checks that the farmers receive from Washington. If those checks fail to arrive, political observers agree, it will be too bad for some candidates.

PENNSYLVANIA

Pennsylvania taxpayers are having a good chuckle today. And that certainly is news. When taxpayers have anything to chuckle about something astounding has happened. The decision of the State Supreme Court that Pennsylvania's Income Tax Laws are unconstitutional will save Pennsylvanians some eighteen million dollars next year. <sup>π</sup> But, what makes the taxpayers grin makes the legislators grey. Because it is up to them to find that eighteen million dollars by some other means. It was to have been used to pay teachers salaries and to reduce the state school taxes. So now they've got to cook up another device for ringing out the ~~dough~~ *silvery bells*.

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It's all because of three little words. ~~They're~~ Precious words. That eighteen million dollar decision makes them worth about six million apiece. It so happens that the Constitution of the good old Keystone State reads that property taxes "must be uniform." The Income Tax Law which was put through last session of the legislature provided for a graduated tax ranging from two percent on incomes below five thousand to eight percent on the one-hundred-thousand-a-year boys. That ~~is~~ of course takes it out of the class of

uniform taxation.

*Today's*  
~~The~~ first reports of this *fiasco* ~~taxation~~ raised the hopes of taxpayers in other states, New York, for instance. It's too bad to have to discourage people, but the constitutionality of New York's Income Tax Law was tested long ago. So ~~that~~ <sup>when</sup> it comes to knocking that one out, I'm afraid it's no dice.

## CLIPPER

The flight of the first airmail transport to the Philippines is going off as smoothly, surely and swiftly as the flight of the earth around the sun. Captain Ed Musick and the crew of the China CLIPPER are proving a paradox that G. K. Chesterton uttered some years ago. The inimitable G.K.C. was inveighing against, bemoaning the emphasis that news gatherers and news commentators lay upon disaster. And he said: "The safe arrival of a train or a ship is infinitely more dramatic than any number of wrecks."

Well, he's right, when it's a China Clipper on its first trip. There certainly is something dramatic about the admirable precision with which Ed Musick does what he has to do.

The China Clipper took off on the last leg of her trip to the Philippines early this afternoon; the last Twelve hundred miles.

ELLSWORTH

Once again the world sits taut with suspense, waiting for news from the frozen polar zone. Still no word from Lincoln Ellsworth! So explorers are asking the question: "Will this be another tragedy like that of Sir John Franklin or of the luckless Captain Scott? Or will it afford the sensational spectacle of such an eleventh hour rescue as saved Adolphus Washington Greely?" Being lost in the ice is no new experience for Lincoln Ellsworth. Ten years ago he was lost twenty-four days within a hundred and thirty-six miles of the North Pole.

Naturally, everybody wonders: "Where are Ellsworth and his pilot at this moment? Are they alive? What are they up against?" I know of few people who could answer that question as well as the man sitting right beside me, Russell Owen, the famous correspondent of the NEW YORK TIMES, author of that thrilling book "South of the Sun," the man who accompanied Admiral Byrd on that first historic expedition to the South Pole. Russ, will you tell us what you think of the Ellsworth story tonight?

We don't know yet that Ellsworth is lost <sup>Antarctic.</sup> in the ~~air~~  
~~ice~~. But, if he is, there's no isolation quite so great as  
his. Imagine yourself in the interior of a continent bigger  
than the United States and Mexico, and about four hundred miles  
from the coast. All ice and snow! Dead, dismal, white, with cold  
clouds overhead and temperatures well below zero. All you can do is  
to walk, with your tiny food supply, your tiny tent, your gasoline  
stove and fuel. Probably you can walk one hundred miles with this  
load, perhaps a hundred and fifty miles, but the coast is far away.

And when you get to that coast it's really a coast that  
isn't a coast, because of the ice barrier. And you know that your  
ship can't get there. So, there is nothing for you to do but go  
on as long as your courage takes you, and then lie down and sleep --  
and never wake. That is what Scott did. They found him the next  
year; but they may never find Ellsworth if his plane <sup>is</sup> ~~is~~ down.

The irony of this situation may be just this:- he may  
not be in trouble at all. He may be at his destination, the Bay of  
Whales, with his radio out of commission. And can't tell his ship.  
And they may hunt for him elsewhere so long that they will not get  
to the Bay in time to pick him up. Fortunately Sir Hubert Wilkins

is on the ship, and Wilkins will use his head and do what it is possible to do. So Ellsworth may not yet be lost, and if he is, he will have added another star to the galaxy of Antarctic names.



BRAZIL

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Drama with a vengeance in Brazil! The affairs which seemed to begin as a local uprising today took on proportions of a first class rebellion. That became evident when President Vargas asked his Congress to declare a state of siege for two months. As in Spain, a state of siege is next ~~door~~ to ~~declaring~~ martial law. We don't know yet whether the Legislature at Rio de Janeiro has agreed. When, as and if they do, the entire vast Republic will be under a modified form of military rule.

It is just five years almost to a day, since the military revolt by which ~~Get~~ Getulio Vargas became President. <sup>π</sup> Generally speaking, the fate of governments in Rio depends upon one thing, the price of coffee. Brazil is in the somewhat unfortunate position of being almost a "one-cash-crop-state." If coffee prices are up, the goose <sup>hanks</sup> ~~hangs~~ high down <sup>along</sup> ~~below~~ the equator. <sup>π</sup> The army leaders who ~~started to~~ put over that successful rebellion in Nineteen Thirty, based their discontent on charges of corruption in the general elections. But the real nigger in the woodpile was, that coffee was dirt cheap and consequently times were hard in Brazil.

The present rebellion follows remarkably the pattern of

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five years ago, Though described as of Communist origin, it begins once more with the army. Curiously enough, it was organized right here in little old New York. About twenty months ago I happened to be doing a little investigating into the numerous groups of foreign plotters, who hatch their conspiracies under the sheltering wing of Father Knickerbocker. And at that time I was informed that this Communist uprising was being planned. Indeed, it was supposed to be due last March. So actually the rising of the curtain is behind schedule. President Vargas declared today that the plot was hatched in Moscow.

Events moved rapidly below the Amazon River today. Early reports gave no indication of the seriousness of the brawl, but the information that the City of Macahyba, as well as the important seaport of Natal, were in possession of the rebel soldiers, puts an entirely different complexion on the affair.

There's one complication in the present situation that may have grave consequences. The giant airship, the Graf Zeppelin, is on its way across the Atlantic to Brazil. In fact, the Graf is expected to land at any time, near Pernambuco. And that's where the fiercest part of the fighting is going on. On both sides of the ocean there were fears for the safety of the passengers aboard the German airliner caught in the swirling gunfire of battle.

The suspicion that the present rebellion has anything to do with coffee has been denied in several quarters. Both political observers and coffee experts say the uprising is entirely a Communist affair. At the same time, we cannot help observing that Communist rebellions do not have much chance when times are good. Also, that the price of coffee today is considerably lower than what it was a year ago. It so happens that a particularly interesting book called "Coffee", by H.E.Jacobs, has just reached my desk.

*In it we are reminded*

~~From it one learns~~ that not merely the economic system, but the Government finances, and indeed the national currency of Brazil, are all founded upon coffee.

ITALY

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There's just the least suggestion of the mailed fist in <sup>the</sup> ~~unofficial Italian representations to the United States.~~ ~~Mussolini's protest to Uncle Sam.~~ <sup>^</sup> Of course it's couched in

diplomatic language. Nevertheless, there's a decided suggestion that our Government's efforts to stop the shipment of oil to Italy will be considered "not merely an unfriendly, but a hostile act." Even in diplomatic language, ~~them~~ is harsh words.

The ironic part of it is, as the December issue of FARM JOURNAL points out, it has been known all along in Washington that both President Roosevelt and Secretary Hull dislike the Neutrality Resolution as Congress handed it to them. The FARM JOURNAL declares: "They (the President and the Secretary of State) have gone as far as they can under it, but they want it changed. They want a more flexible act." However, the editors of the FARM JOURNAL are convinced that Congress will pass no resolution that will permit the President to exercise his own discretion. And that's far from pleasing to the White House.

For the rest, the war news is pretty much of a muchness. Both sides claim <sup>more</sup> victories; but there's nothing to indicate that they <sup>^</sup> were of any importance. The most interesting things I have heard

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about the war in a long while came in a letter from Bill Courtney,  
war correspondent for COLLIERS. ~~Bill writes me from Rome:~~ Bill writes me from Rome:  
"There's been a striking change in street appearances in the two  
weeks I have been here. Every day faces grow a little soberer.  
The bitterness against England is the feature of Roman conversations.  
When you meet a Roman stranger and tell him you're an American,  
he tells you, 'All the English here are saying they're Americans.'  
Consequently, your United States passport is like a boy's first  
watch: you have to show it every minute." Bill Courtney adds:  
"In spite of Sanctions, the Italians are neither discouraged nor  
intimidated. I have been profoundly impressed by the courage  
with which they face a future that may bring down overwhelming  
odds. " And Courtney lugubriously adds: "The biggest fight in  
this war so far is me trying to get to Africa."

## CHINA

Well the Japanese are walking over China as Princeton walked over Dartmouth on Saturday. This phase of Japanese conquest is moving without violence; with every observance of legalistic forms. The dismantling of John Chinaman's empire goes forward on greased skids. With no ruffling of drums or fanfare of trumpets, the Separatist Movement under the Chinese General Yin Ju-Keng today sliced off ten million souls from the population formerly under the Nanking government. And General Yin's appeal to the Makado's warlords to back him up against the Communists affords Tokio any excuse it might think it needs for sending in the Nipponese troops.

The Separatist General's first action after declaring the independence of the Eastern part of Hopei province was to declare martial law. There upon he sent out a message to the Governors of the rest of the province: "Come through with what you promised and follow suit." There is martial law today in Shanhaikwan. There is martial law in Tientsin. And General Yin's men have complete command of the railroad between Shanhaikwan and Hsin-ho.

So, it won't be long now. It will be only a matter of days before the provinces of Shantung, Shansi, Chahar and Suiyan climb onto the Japanese bandwagon.

Formally and officially another new country comes into existence.

Actually, Japan cuts herself a new slice of empire.

## FOOTBALL

The choice of Leland-Stanford University to provide one of the teams for the big New Year's Day game at the Pasadena Rose Bowl is just what many expected after that upset on Saturday. Stanford went on the field with a rather shaky record compared to California. The pigskin chasers from Berkeley, not only undefeated but untied, were expected to steam-roller their traditional rivals from Palo Alto, who had taken a licking from the Los Angeles branch of the same said University of California. But, you know how it is with those traditional games. Past performance doesn't decide. That's why the Yale Bowl will be jammed next Saturday when the rampaging Princeton tiger meets a somewhat battered bulldog.

Of course the nomination of Stanford to represent the West at the Rose Bowl gives that team the privilege of selecting its opponent. I understand that the choice may lie between undefeated New York University, tied Holy Cross, and <sup>as</sup>unfeated and tied Notre Dame. Princeton would get the call. But they won't go. And the same is true of Minnesota. And how about Southern Methodist and Texas Christian? Anyhow, as usual the Rose Bowl game won't decide anything except the present state of the climate in Pasadena. And, SO LONG UNTIL TOMORROW.