

War Aims

WASHINGTON, Jan. 2.—A move to obtain a positive and official definition of the war aims of both sides in the European conflict has been started here and will be given impetus when Congress convenes.



It may even win Administration backing. For the support of certain powerful figures on Capitol Hill depends, in large measure, on an authoritative statement of what Britain and Germany are fighting for.

Among those who insist upon such a statement are some of the most sincere members of Congress. They are not merely quibbling or trying to hamstring the President. To them the slogan "dictatorship versus democracy" seems too vague to die for. They point out that the United States is now playing "good neighbor" to several dictatorships in the Western Hemisphere and has been doing so for more than a hundred years.

Russia, which has executed, imprisoned, starved or exiled millions of its people whose only crime was to disagree with the regime in power, claims to be the only real democracy while making itself an accomplice of Nazi Germany, whose avowed aim is the destruction of the democracies.

The Vandenberg Attitude

What is wanted is a clear-cut statement of war aims from both belligerents—a design outlining the kind of peace they claim to be fighting for.

From Britain, at least, this might be forthcoming. That it would be given if the President asked for it can hardly be doubted. And he might find it to his advantage to do so. To make this "the great arsenal for democracy" which he wants it to be, he must have a Congressional majority on his side.

Among those who wish more light on the subject is Senator Arthur Vandenberg (R. Mich.). Admittedly a lifetime isolationist, he came forward today with a surprise statement in "Foreign Correspondence."

By Wm. Philip Simms

saying that under certain circumstances he would back President Roosevelt's policy even though it meant war.

"Foreign Correspondence" is a weekly "review of external events and their impact on the United States," gotten out by Sir Willmot Lewis, Washington correspondent of the London Times, and Edward Weintal, well-known Polish journalist.

People have to be convinced, Senator Vandenberg was quoted as saying, that a negotiated peace between Germany and Britain is impossible. His belief that such a conviction must be established, if enthusiasm for aid to Britain is to be genuine, prompted his proposal that the United States ask the belligerents to state their war objectives.

What About Socialism?

If it should be shown, the Senator went on, that Hitler's objectives "cannot be reconciled with the American way of life," then, and only then, would it be clear that this war must be fought to the end and that Britain must be given all possible aid, "up to the limits of which we are capable. Then—but not until then—I should agree with President Roosevelt's policy even though I know it is bound to lead us into war."

The Senator added that he would "also want to know Britain's terms in advance."

"It was the greatest show of my life," he explained, "to find, 12 years after the last war, that while we were bidden to fight to save democracy, our Allies were making secret agreements to share the spoils among themselves."

Robert Bevin, the British Labor leader who is Minister of National Service, seems also to have puzzled the Senator. Bevin, he said, seems to have "as much to say in Britain as anyone else." Yet he has several times declared that after the war "socialism" will be introduced. "Are we to fight for that, too?" asked Senator Vandenberg.

The Senator was asked whether, if Hitler submitted terms acceptable to American opinion, and if Britain agreed to their adoption, he would be ready to advocate an American guarantee of these terms. He replied, "I won't say that I would not."

Happy New Year, Judge!

IF IT HADN'T BEEN FOR HIS landlady, one 34-year-old Indianapolis man would have started off 1941 in a jail cell. His divorced wife filed a complaint charging that he was \$100 behind in his support payments. In court, the judge told him he'd have to go to jail. When the landlady heard this, she left the courtroom, rode a bus out to City Hospital, where her husband is employed, got \$15 and brought it back to the judge. He released the man on this evidence of good faith. That made it a really Happy New Year.

Good Samaritans

THREE NORTH SIDE BOWLERS were walking down E. Washington St. the other night about 11 p. m., joshing each other about their ten-pin scores. One of them saw what appeared to be a crumpled sheepskin coat on some steps near the sidewalk. He snatched it up, intending to toss it over the head of a friend.

As he grabbed it, a tattered little girl of about 5 rolled out and lay still on the sidewalk, sobbing hysterically. They bundled her up, quieted her fears and then listened to her story. Her parents had left about three hours earlier, she said, and she was afraid to stay in the house alone.

They took her home and there found a few-months old baby, naked and cold. They wrapped up the infant, got it to sleep, reassured the 5-year-old and then left. They didn't trust themselves to wait until the parents returned.

Teachers and the War Boom

SCHOOL OFFICIALS are beginning to worry that some of the 1849 teachers in the city may be tempted to forsake their white collar positions for jobs in industry that pay more. They are particularly worried about the industrial instructors, now among the most important in the school system.

A strong reason for the official worrying is revealed in a book just published by the Board. It shows that

only 178 teachers receive the top annual salary of \$2725, while a good half of them collect \$2000 or less. They recall that one teacher earned \$400 a month in industry during the summer vacation.

Experience With Russia

7. Do you believe it would make any difference in our economy if we had no trade with Russia? Would our experience with Russia be duplicated? Would our experience be different about respecting American rights and about refraining from propaganda and internal troublemaking here?

8. The British Empire has held enormous world power. Would you trust the power in British hands or more in the hands of the Axis? Which would we be able to get along with more easily?

9. Do you think the chances of working out some world collaboration for peace and order would be better with the British surviving or with the Axis group in command?

10. If Hitler cannot literally attack our shores, do you think there are no other ways in which he could make trouble for us? Do you think the whole security of the United States rests upon whether a hostile fleet could reach our shores, and that if nobody could approach our coasts we need not be concerned with anything beyond that?

These questions go to the heart of the controversy, and those who challenge the policy should answer them in order to justify their position.

By Eleanor Roosevelt

We deem necessary to bring us back to a more peaceful and better world. But to a God of war and vengeance, there seems little one could say that would help suffering peoples.

The two little girls who are visiting us have had a pleasant time. Children certainly are happier when they have other children with whom to play. I think Diana is enjoying showing the sights to a new friend.

The children's party on Tuesday covered a wide range of ages, but by dint of putting the younger girls together, I think they all had a good time.

We are gradually accumulating girls of every age in the house. Yesterday, my niece, Amy Roosevelt, arrived, but since she is 15, she went off on a real sight-seeing tour yesterday morning, which the little girls would hardly have been able to enjoy. The only visiting gentleman in the younger group with us, being two years old, receives a great deal of attention, but I am not always sure that he appreciates it.

We had a most delightful hour last night with the Detroit WPA Spiritual Singers as our entertainers. The President and all of our guests enjoyed them as much as I hoped they would. Their leader, Lehman Harrison, and the whole chorus sang with spirit and feeling.

New Year's Day is being spent very quietly. This day of all of us look with a good deal of solemnity on the coming of 1941. We can but hope that a better world will rise from the ashes of the present one, and that all the destruction of the beauty built by the past may be followed by a real renaissance of the arts and life and the spirit of mankind.

FROM GRIDIRON TO OPERA

TAMPA, Fla., Jan. 1 (U. P.).—From gridiron to grand opera some day may be the success story of Charles P. Johnson. He is a former Plant High School football player who couldn't read a note of music until he left high school, and now he is singing with the San Francisco Opera Association.

John T. Flynn's 1940 Business Review and 1941 Forecast—

Low Interest Rates Bar Investments

War Helps Many Firms Show Profit

(Second of Two Articles)

By JOHN T. FLYNN

NBA Service Financial Writer

FROM the standpoint of the investor, the year ended and the year ahead are somewhat irregular. It has been a profitable year for many corporations and it has been an unprofitable year for others.

These two groups would cover those corporations affected by the war business and those not affected, save indirectly.

Some 284 corporations getting war business have enjoyed a profit record far above last year. This is after taxes are deducted. For instance, they show a gain of 49 per cent in the third quarter over the same period in 1939. They show a gain of 79 per cent over 1939, in the nine months up to Sept. 30.

On the other hand in the second group—some 256 corporations—while a few show large profits, like the petroleum industry, a number, like baking, food products, beverages, drugs, wholesale and retail trade show actual losses both for the third quarter and the year as a whole up to Oct. 1.

This, however, is because the benefits of the war business went first into the direct war industries have not yet percolated into the others. But there is a reasonable expectation that if the business does keep up this percolation will take place.

The plight of the investor is far from happy one stated in terms of the return he can get on his money.

The average yield on the very highest grade corporate bonds is only 2.6 per cent. On long-term Treasury bonds it is about 1.9 per cent and on short-term Treasury notes about .25 per cent.

Investors open their eyes and gasp a little when they see a railroad equipment bond (Alchison) at \$100.00 selling at 90 for from 2 per cent to 1.5 per cent. This is actually lower than government bonds.

THE whole subject of taxes and the uncertainty of war hangs a good deal over this security investment. Taxes on corporations have become pretty serious. For instance a large group of corporations studied by the National City Bank shows an average of all sorts of taxes—income, property, etc.—of 53.3 per cent of net income. This means that more than half of every dollar of net income goes for taxes of the kind or another.

Financial authorities seem to feel that the low interest rates are a serious hindrance to business and that nothing should be done to depress them further.

The question arises, then, will interest rates, as war orders, multiply and business moves up, tend to increase?

This is a question being asked by innumerable persons other than businessmen, particularly in the real estate field.

EXPECT 150,000 AT CONVENTIONS

Local Bureau Foresees New Records; Shrine Meeting Set in June.

A city the size of Ft. Wayne and its environs will descend upon Indianapolis this year.

It won't be an invasion and it won't come all at once. That just represents about how many people—150,000—the Indianapolis Convention Bureau expects conventions to bring to Indianapolis in 1941.

The Bureau expects these persons to spend more than \$6,000,000 here during the year while attending almost 300 conventions, according to Howard S. Morse, president, and Henry T. Davis, manager.

New Records Seen

The year 1941 is expected to establish new records, from the standpoint of the number of national, regional and state conventions, the number of delegates, and the amount of money spent.

The peak year since the bureau was founded in 1924 is 1937, when 255 conventions attracted 116,887 visitors who spent about \$4,700,000.

The largest convention meeting here in 1941 will be that of the Ancient Arabic Order of the Nobles of the Mystic Shrine, coming here in June with an attendance of 20,000. It was here last in 1919.

Moose to Meet

Other large meetings are those of the International Supreme Council of the Loyal Order of Moose, with 5000; the American Bar Association, with 3000; the Modern Language Association of America, with 2500 and the Knights of Columbus bowling tournament, with 3000.

Others are the American Veterinary Medical Association, with 2500; the National Postal Supervisors, with 2500; the National Language Association of Social Studies, with 1000; and the National Street Cleaning Association, with 1000 visitors.

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TAMPA, Fla., Jan. 1 (U. P.).—From gridiron to grand opera some day may be the success story of Charles P. Johnson. He is a former Plant High School football player who couldn't read a note of music until he left high school, and now he is singing with the San Francisco Opera Association.



Despite great spending for defense and booming business activity, the plight of the investor is far from a happy one.

Of course an increased demand for money should send rates up. But the pools of unused money are so immense and the rates so low that there does not seem to be very much prospect for rates to rise to a point where the rise would become serious or where it would affect real estate rates.

FOREMOST among the prospects for the coming year for businessmen are those questions which affect the relation of business and the Government.

On one hand business is looking forward to a relaxation of Government hostility in various fields. For instance, reports appear of changes in the Securities and Exchange Commission which will bring into control commissioners who favor friendly action with Wall Street.

Also, the movement to modify the policies of various commissions, such as the National Labor Relations Board, keeps going at a strong pace. Business sees in the war situation an opportunity to mitigate the severity of its relations with the Government.

On the other hand there is a growing uneasiness about the rising movement to invoke dictatorial powers in Washington in the interest of the maximum production for war.

The argument is made in high places that it is difficult to get large producers to shut down on their regular peacetime schedules when there is a growing demand for their product—even though that demand arises as an indirect result of defense spending.

It is essential, according to this

argument, that the Government have the power to say to a manufacturer that his tools or equipment or plant—or perhaps his materials—are essential to defense and that therefore he must shift his production to defense purposes.

Manufacturers, of course, are opposed to this. They will probably make profits out of the war business, but they fear two things: First, they fear the disruption of their regular business. Second, they are afraid of the establishment of dictatorial controls that may never be wholly withdrawn.

Thus there is the pull of two contradictory forces—the tendency to relax certain types of controls in the interest of production and to intensify others for the same reason. Generally the attitude of business opposes the central government wartime controls unless war is declared.

AGAINST this is the hope of employers that labor will come in for some disciplining. Any number of strikes—and they are beginning to appear—may well set off a very vocal and powerful demand for control of unions.

Producers point out that nothing will touch off a rising of production costs quicker than labor costs getting out of hand.

Therefore there is a growing and tightening demand for some action to put a ceiling over labor costs.

So here again is another contradiction—an eagerness for curbing labor without curbing employers. The whole subject is full of tingers.

Generally this may be said

about this phase of the outlook: That it ought to come to a head and be settled in the first coming months of the year.

With all the factors of expansion now in full swing, disturbed by some of those uncertainties already referred to, the problem which confronts the businessman and the investor for the coming year becomes a delicate one. And yet it is by no means impossible of solution.

First of all the retailer can look for a steadily growing market. It will continue to grow as long as the war lasts. With the Government and the great heavy machinery industries pumping billions into the pockets of wage earners the retailer may count very definitely on having this flood of funds make their way promptly to his cash registers.

WHEN spending by the early CWA and the AAA began, a lot of businessmen sat around muttering denunciations of the spending. But the great mail order houses wisely decided the Government was paying out this money in order to enable workers and farmers to spend it. They therefore organized their sales policies to keep in the path of those great streams of spending. And their balance sheets show the results.

The retailer who sits around mumbling about Government policies instead of putting his store or his business in the pathway of those great streams of spending is a very foolish merchant. The object of pouring out these billions is to enable the workers who get wages to spend. They are going

to spend them. And they are going to spend them with the more alert merchants.

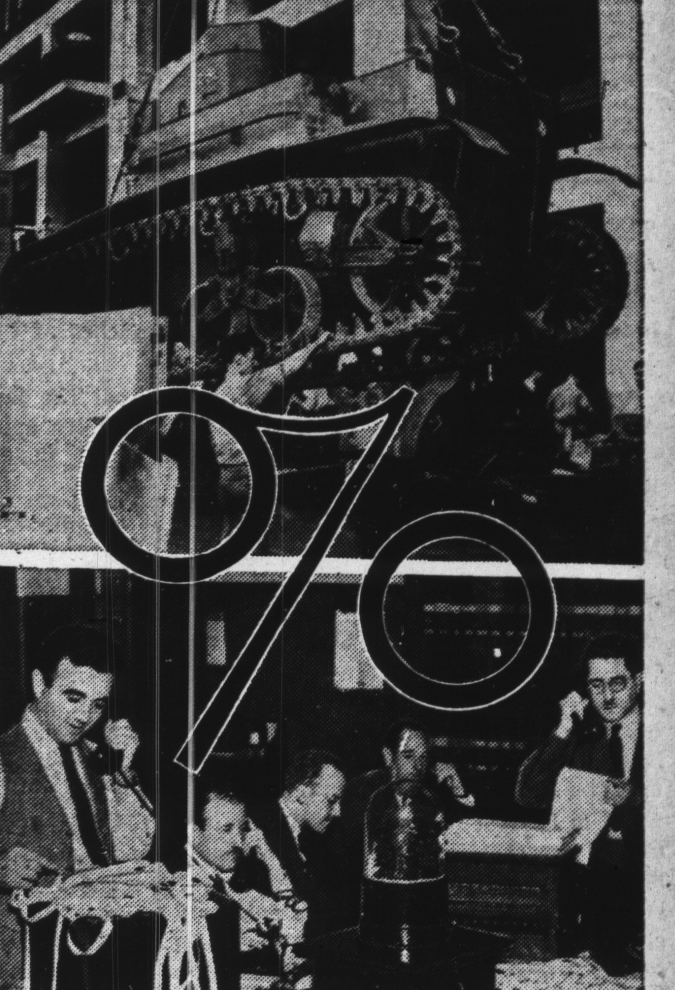
The retailer, like the producer for that matter, has to guard himself by not permitting inventories to mount in order to beat rising prices. He may make a lot of money by speculating on inventories, but he might also go broke that way by a sudden termination of the spending orgy.

FOR the investor, this situation, as it develops, will move more and more into the domain of speculation. What about buying securities? The answer is simple. To buy them on speculation pre-supposes that you know how to speculate. The chances are that you do not know—mightily few do, especially in the presence of these unfamiliar and unpredictable conditions.

Always sound equities are the kind of things into which to put money. Good real estate investments—if they can be found (and they can)—become increasingly attractive as do good corporate investments, where the companies have long records of sound management and conservative policies and have surplus funds available for expansion.

Investors do not have to worry about their insurance policies or their bank deposits. The Government will have to stand behind both in the event of some sort of strain should the war end suddenly.

Generally the most important thing to do is for businessmen to keep their heads and not to be swept along by the intoxication of swift riches.



Wise merchants chart their business in line with the great streams of spending.

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Washington

WASHINGTON, Jan. 2.—It is time now to hear in detail from the opponents of President Roosevelt's foreign policy.

They say his policy involves the risk of our getting into war. What are the risks of any other policy? What is the risk to the United States of sitting by and not contributing to an Axis victory?

President Roosevelt has explained why he believes a Nazi victory would endanger the United States. To support his case he has cited the words of Hitler himself. He has referred to the agreement by which Japan joined the Axis in a pledge that they would unite in action against any power—the agreement was directed at the United States—that interfered with their program for a new world order.

All the other isolationist Senators say, and all that the America First Committee says, is that Roosevelt will get the United States into war by his policy of aiding Britain. They do not object to aid to Britain, but they do not think it very important. They think that no combination of powers can ever attack the United States and that no one who can do business with them. So why risk offending Hitler and provoking him to fight us? That is the general line taken by those opposing Mr. Roosevelt.

Asking Some Questions

In the interest of clarifying public opinion, these opponents should spell out their position fully. Suggested points:

1. You would consider it a menace to the United States if Japan held Hawaii. Would you feel that the United States had no business for so long as the Axis took over the Azores, which are closer to our mainland than Hawaii? If the Axis defeated England would you favor occupying the Azores before the Axis established itself there?

2. Would you feel there was no cause for anxiety if the Axis occupied Dakar, which is closer to Brazil than the Panama Canal is?

3. Would you feel that we were as secure in raw

materials if Japan took over the East Indies? Singapore?

4. Would our problem in South America be complicated if the Axis won, or more so if England won? Which would make the Monroe Doctrine easier to uphold?

Our feet in the Pacific, and the Atlantic is relatively unguarded. If the Axis won and took over the British fleet, would you feel just as secure as in the past or would you want the fleet switched to the Atlantic at once?

6. If the Axis won do you think it would be easier or more difficult to carry on foreign trade? Do you think the Axis type of Government-controlled barter trading would compel us to conduct our trade on a regimented basis, or do you think foreign trade could still be conducted by private individuals as at present? If England should win and be compelled to control her foreign trade, would you rather have the Government of England as a business competitor or the Government of Germany?

Experience With Russia

7. Do you believe it would make any difference in our economy if we had no trade with Russia? Would our experience with Russia be duplicated? Would our experience be different about respecting American rights and about refraining from propaganda and internal troublemaking here?

8. The British Empire has held enormous world power. Would you trust the power in British hands or more in the hands of the Axis? Which would we be able to get along with more easily?

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These questions go to the heart of the controversy, and those who challenge the policy should answer them in order to justify their position.

My Day

WASHINGTON, Wednesday.—How marvelously arrogant we all are in our use of the name of the Lord. Each one of us, feeling sure that the Lord is with us, proclaims the righteousness of his cause. It is interesting to find this done even by a man who at one time was understood to be a God of war and vengeance, but as we pray that somewhere we may find a God of love and peace. To the God of love and peace, even in these days, we may pray for grace to see clearly, to act justly, and to do that which

German people and the race approved by Hitler, because he also states: "It is no empty phrase but in bloody earnestness we give assurance that for every bomb (dropped on Germany) 10 or, if necessary, one hundred will be dropped in return."

What "happiness" I wonder, does this warfare bring to all people? Hitler must believe in a God of war and vengeance, but as we pray that somewhere we may find a God of love and peace. To the God of love and peace, even in these days, we may pray for grace to see clearly, to act justly, and to do that which

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SHOWS ACTIVITY OF PLANT ROOTS

Scientist Proves They Get For What They Get, Wins \$1000 Prize.

By Science Service

PHILADELPHIA, Jan. 2.—Demonstration that plant roots actively go after mineral elements in the soil, working for what they get rather than just letting these nutrients drift into them, figured decisively in the winning of the annual \$1000 prize of the American Association for the Advancement of Science by a paper read at the meetings here by Dr. D. I. Arnon of the University of California.