

The Birmingham Eccentric

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NOTE: The Eccentric is pleased to publish stories of events which have news value and which are written by persons not connected with the editorial staff of the paper.

THURSDAY, JULY 13, 1939

Equity Financing By H. L. PHILLIPS (Reprinted from The N. Y. Sun) "Henry Ford started the Ford Motor Co. 26 years ago with \$2,300."—News item.

Today A man demonstrates a horseless carriage and asks financial backing. He says his name is Ford.

He goes to a banker. The banker says a horseless carriage might go all right, but the bank is putting all its money into government bonds.

He goes to a close friend, who expresses the belief a horseless carriage might have a future, but that on account of the economic setup, the unbalanced budget, the inflation scare, etc., it is no time to launch a new project.

He goes to another close friend, who is quite delighted with the horseless buggy, but who "isn't putting any money into anything now on account of the European situation."

He goes to a politician. The politician says a horseless carriage looks okay on paper and might be profitable enough to replace the horse and buggy; but that to replace the horse and buggy would be to throw blacksmiths, hack drivers, feed store workers, harnessmakers, etc., out of work.

He finally locates a couple of capitalists who have imagination enough to see a future for the automobile, but he drives them away by predicting that "they will make millions." The thought of what they will pay in taxes sears them so much they order Mr. Ford to forget all about it.

The SEC demands a demonstration. The car works perfectly, but the commission cautions Mr. Ford against optimism, overstatement or the use of superlatives. It holds up everything while it makes a six-month inquiry to see if his right name is Henry Ford.

A broker agrees to float stock. The flotation is rendered a little difficult by SEC rules that lines in the advertisements such as "may ultimately become as popular as the horse and surrey" and "likely to replace its place as a pleasure vehicle" be deleted in the interests of honesty.

In an open letter to the board of supervisors, a Citizens League in Oakland County mines no words in calling attention to an "alarms-Plays Watchdog-ing condition" in which the county board is spending far in excess of its current revenues.

The League raises the "bankruptcy signal" ahead, and warns that the reserve of delinquent taxes, in which Oakland county was one of the most delinquent in the state, is about "washed up" as a source of anticipated revenue for excess spending.

It is true that delinquent taxes, piled up since 1929, have become dead assets in almost every county. The two tax sales conducted since they were resumed in 1933, after a suspension of six years, were colossal "flops" as revenue producers.

One of the state's supervisors said in what he said with all of the delinquent tax lands that have reverted to state ownership, or will when legal details of the last two sales are completed, and some ingenious schemes are being offered, some of them bordering on outright tax cancellations, to prevent the state itself from becoming Michigan's largest land lord.

The Citizens League in Oakland may, however, be shouting up a hollow tree. What government unit, from Washington down, is not spending in excess of income? Michigan is doing it, as the recent conservative budget-balancing at Lansing proved. Every state is doing it. Nearly every county is doing it.

To find governmental units that are not spending in excess of income one must come down to those municipalities, townships and school districts where management has remained in capable, frugal hands. Even they are becoming fewer as the spending mania spreads.

Uncle Sam "Gyping" Many old-age security are found that their Uncle Sam's pocketbook, supposedly to have kept safe their payroll contributions, is empty. They are going to find out that Uncle Sam, while represented by the New Deal, has been spending every penny they sacrificed for the rainy day.

When the tax comes, it will be a tough time for those in control in Washington, whether they be Democrats or Republicans; for while the Democrats chiefly are responsible for the present trend of extravagant spending, the public will only accuse those in office when a wrong is done, or becomes evident.

Ever since the Old Deal came into power in 1933, Congress has been spending billions of dollars that it does not possess; billions of dollars of "credit money" that must be paid by taxing all the people. There is no escaping this eventual higher taxation.

The average workman, perhaps unthinking, believing that only "the rich pay taxes," somehow overlooks the increasing expenditures of the New Deal as well, in taxes, like the weather, or war. The average man, of course, is not supposed to know about the "complexities of government." Because of this ignorance of facts, the political demagogue can tell the average man almost anything of a rosy nature, and get away with it for a time. That is what the New Deal is doing; that is what a portion of the Old Deal did, and finally reckoned for in 1932.

Trade unions, themselves, are not above fooling the average man. In our estimation Unionism could perform a real patriotic service by telling the worker that he is being "gyped" by demagogues; but Unionism probably won't, because it is wrapped up too much, in high places, with the ruling politician.

A few weeks ago a jury convicted a Federal judge in New York on charges of selling justice. He has been sentenced to the penitentiary and denounced by another Federal judge.

PEOPLE'S COLUMN

The Eccentric is pleased to receive communications for this column. All communications must be signed, but signatures will be kept confidential upon request. Letters must be limited to 350 words, and must be in the office by Tuesday noon for publication the following Thursday.

427 Waddington Road Birmingham, Mich.

My dear Mr. Averill: Today I received several letters from New York that had been sent these from various members of the West China Union University in Chengtu, China, telling of the air raids that had occurred there on June 11.

I enclose excerpts from one because of what it believes will be America's responsibility for all this tragedy. According to the Gallup poll the people are overwhelmingly in favor of stopping this war. The Senate is overhauling the trade with Japan and yet Congress is passing the act.

Two bills have been introduced in Congress to stop this trade. One, by Senator Pittman, would place restrictions upon countries which violate American rights and interests under the Nine Power Treaty. The other bill, introduced by Senator Schwelb, would without export of all materials, save agricultural product, which also is reason to believe will be used to violate the sovereignty of any nation whose "sovereignty independence, or territorial or administrative integrity" the United States is obliged by treaty to respect.

Even if the present so-called neutrality law is invoked it will not meet the needs of this situation. That law embargoes the shipment of arms and munitions to nations at war. Nothing is said of oil, gas, scrap iron, copper, molybdenum, and other metals. These are the things that Japan needs to carry on her war on China and these are the things that we, the United States are supplying to Japan.

Most every one who speaks on this subject admits that it could stop, if not instantly, if we wish to. Instead we build up Japan's strength and then build up our own defenses against Japan! Can you tell me why? Is there some sinister force back of all this? Or is it just stupidity or too indifferent to make the effort to change the record in which we seem to be going?

Today American materials and Japanese military are destroying each other. In the hands of Japanese military seek to destroy America! Very sincerely yours, Charlotte H. Ormond

Excerpt from letter from Spencer Kennard, member of Faculty of West China Union University, Chengtu, 12 June 1939, received in New York, 23 June.

Yesterday evening about 7:20 we heard a great roar of Chinese pursuit planes in the sky, realizing that something had gone wrong with the warning siren and that they were climbing to meet Japanese bombers. We had just finished supper when there was a terrific series of explosions and a rain of fire was dashed to a previously selected spot in the house and threw myself on the floor as the bombers were no time to get to the dugout.

There was a burst of flames and dust accompanied by a deafening explosion, which sent glass and plaster flying about me. I thought our house had been hit. Pausing a moment to make sure there would be no more bombs till the planes had a chance to turn, I dashed in and found that the siren was still working and other friends made for the dugout. Two of these had gotten out of sick beds. When it was over, I set out to learn what had happened to others on our Baptist roof. Except for my wife who was splintered, my glass narrowly missed one eye and making a minor cut on her forehead, the rest of us were unharmed, but our neighbors who had a more serious wound, the only damage had been to our buildings. All of them had suffered a measure of damage, several including ours with windows and doors wrenched from hinges and all littered with plaster and glass.

At first I could not make out where the bomb which had done all this damage had landed, but presently the spot was located across the tennis courts at a corner of our Baptist middle school dormitory building, which had been largely demolished. It had been intended apparently for the large new building just beyond, but had fallen a bit short. Two women servants had been injured but no one else. The dormitory is used by refugee professors of the National Central Medical College of Nanking.

Part of the University Administration building was turned over for use as an emergency hospital, mangled forms of men, women, and children being brought in and laid on straw throughout the night. During the night six died, and several others are so injured that they probably will die. Physicians and students of the joint universities rendered splendid service in caring for these.



ed we would have made just one far more our neutrality law when we invoke it against one country where they have a civil war and do not invoke it against another country where a greater war exists than in Spain. Our interests in China are as great, if not greater, than they are in Spain. In which case are we neutral? "I simply call this to your attention in order that we may at least observe how our neutrality law has worked so far as it has been applied to two wars going on in the world since we put it on the statute books. My judgment is it has not worked, and it does not establish the United States to be neutral when we invoke the law against one and not the other, be-

cause our very act makes us neutral." "The Pittsburgh zoo is stuck with an elephant it doesn't want. Some farmer with a crop surplus for fuel could get some powerful machinery mighty cheap.

WABEEK STATE BANK OF DETROIT "A friendly bank" Statement of Condition at Close of Business, June 30, 1939. Includes sections for DIRECTORS, RESOURCES, OFFICERS, LIABILITIES, and MAIN BANKING OFFICE.