

America-Recluse or Trader?

By
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To preserve our economic health from the ravages of political strife and sectional bickerings, Mr. Wallace bares his breast to the storm and here suggests the creation of a staff of four economic councilors "as revered and trusted as the Supreme Court . . . a rotating, permanent body, continuing across the Administrations"



Processing taxes are an interior tariff, needed to preserve the production balance in the face of our present trade barriers

WE HAVE some terribly significant decisions to make in this country. We must make them soon, within the next few years. The people should be let in on the choice.

The questions that press hardest for decision cannot be solved by appeal to worn-out party symbols, by intersectional bargaining or by remembrance of our past. The United States badly needs another way of voting and a new way of making key decisions of an understanding people effective in a coordinated, continuing policy for the long pull.

We who are in the present government are perhaps in a position to realize more keenly the need of greater coordination and the need of establishing objectives that will serve as a guide for the long future than are our angriest critics from without. Much of their criticism is justified. In this Administration we have had to start a good many different things at once. It is all too easy under pressure to get things started in opposing ways.

A minor example of this came to my attention recently. Some cotton farms in a southwestern region which had required a lot of relief money were refusing to sign up for another year of acreage adjustment. Relief money had put them beyond reach of rain, cold and hunger; so now they reasserted their

traditional rugged independence, and declared that they "wouldn't have the government telling them how much cotton to plant." More seriously, the CWA emergency employment drive, which was plainly necessary to get millions of unemployed persons through last winter, led to grave upsets in the farm and industrial labor situation, especially throughout the South. Our difficulties in trying to keep the AAA and NRA pulling evenly, as a team, toward agricultural and industrial recovery, are well known. Confusion has marked our federal land policy. Control is scattered all over the place, with no satisfactory central point of check-up and counsel. The problem of spurring housing construction as a reemployment measure in the face of heightened building costs, under the codes, is still another instance of the way in which loosely coordinated efforts tend to check one another and cancel out.

Infinitely more serious than present shortcomings in the linking of emergency programs is the lack of a long-time goal for all our efforts, considered as one. All of us should be deeply concerned in this. In the New Deal drive for national recovery, the responsibility for restoring purchasing power to agriculture has been thrown upon the Department of Agriculture. Our first concern was with enormous carry-overs of agricultural goods from the previous

Administration. But as we came to grips with the problem in more fundamental ways, we soon found that there was much more to it than taking care of the accumulated surpluses of the Farm Board. We had to ask the question: How far do we want to go with restriction of production, and how long do we want to keep on with it? In what part, for the long pull, should we plan to farm and live for ourselves alone, and in what part for the whole world?

A Real Decision Needed

How much of our land should be shifted to forests, or to recreational use, or to decentralized industrial use? If we move to restore international trade, it may be that the decentralized semi-urban communities now contemplated should not be too far from the seaports. If we are to continue toward a strict self-containment, it might be better to concentrate such a resettlement toward the middle of the country. Strict nationalism would perhaps make it less needful to locate factories near deep water.

This shows how a real decision as to tariffs would carry over into decisions affecting the entire future pattern of our national life. The amount of goods we consent to accept from abroad and the extent of the market we thus reopen beyond our own borders have, for in-

stance, an obvious bearing on the question of reemployment, our most critical internal problem now. The extent to which the government will have to push public works and other means of socialized employment, because private enterprise cannot absorb the employable unemployed, may be very largely determined in the end by the amount of world trade that we manage to restore.

When a man sets up shop in a village the first thing he has to decide is whether to stock up heavily, take on extra clerks, and try to get business over a wide territory, or whether to run a small local business, with less help and small stocks. He may plan to follow a midway course, with some village and some outside custom, but before he stocks up and hires people he generally has a plan and a definite sales territory in mind. And ordinarily he makes this decision without regard to the side his grandfather fought on in 1865.

In the face of narrowing trade concepts and an increasing tendency throughout the world to plant, fabricate and buy at home, it is only fair to state that we might adopt the second course, or some fixed degree of export-seeking, and still be thrown back into an even more intense degree of nationalistic self-sufficiency than is plaguing us now. The impediments to international trade are multiplying as we hesitate.

America must choose, and be given the means of choice. With our party set-up as it is, our elections do not settle key policies. They never have, in any clear-cut way. The generally triumphant exponents of Big Business bought into both great parties to play safe. In the Middle West, agrarian wild men have at times taken over the Republican and presumably more conservative party. Always there has been an overlap, and this increased and took on bewildering patterns as time went on. Again and again party lines have been slashed and snarled by sectional, racial and religious differences; by the historic differences between town and country; above all, by a tragic wreckage smoldering in many minds, North and South, ever since the Civil War.

When it comes to deciding present key issues, such as the forgiveness of debts, the gold standard, and the wisdom of somewhat socialistic internal measures of sweeping reemployment—all of which issues are intensified by our tariffs—the old party lines are so tangled as to be almost useless to us now. With Secretary Hull and Ogden Mills pretty much on the same side of the tariff question, along with Ex-Secretary Stimson and myself; with James M. Beck calling for sweeping constitutional changes; and with the amazingly mixed results of the last general election before us, we can see a more realistic political lineup at hand.

It was a triumphant feat of political propaganda which held the West in the

Republicans' high tariff set-up from the time of Lincoln until the time of Franklin Roosevelt. It took slogans like "Rum, Romanism and Rebellion" to do that, and a constant appeal to a general and stupid suspicion of all foreigners. Inflammatory shibboleths were so well established that when Cleveland tried a rational tariff policy he broke his party. Until 1932, the Democrats were inclined to soft-pedal or duck the issue. But Franklin Roosevelt spoke out, campaigning in favor of relaxing tariffs and renewing world trade as widely and rapidly as possible, with an emergency proviso:

He said that until such time as trade barriers could be lowered, our farmers should be induced to adjust supplies to going demand, by means of a processing tax (essentially an interior tariff, collected at mill or plant, instead of at port of entry).

More and Bigger Processing Taxes?

It was originally proposed by the backers of this Domestic Allotment plan that the processing taxes be precisely tariff equivalent. The adjustment payment on wheat, for instance, was to be forty-two cents a bushel, the tariff on wheat, then and now. The thing could not be worked out just that way. With our tariffs as they are, a strictly tariff-equivalent measure for agriculture would have cost too much money. But the processing taxes now being collected under the Agricultural Adjustment Act

of May, 1933, are in effect a farmers' tariff. The consumer is protected, however, as he is not protected in the face of the other set of tariffs. Whenever the purchasing power of all "basic" farm commodities reaches the level of the so-called "parity" pre-war years, 1909-1914, the Agricultural Adjustment Act is so drawn to make processing taxes no longer collectible.

Certain especially realistic observers from the industrial or academic viewpoint are beginning to raise the question whether this limiting proviso can be made to stick. Now that farmers have had a little taste of the same sort of thing our gigantic infant industries have fattened on, will they not press on for new and constantly greater processing taxes, group by group? If processing taxes are abandoned, will farmers not be moved to launch a drive against the general Treasury, as tariff-seeking industries do? Very likely.

Our noses are being rubbed into hard facts. People cry out that processing taxes are a sales tax on food. So is the sugar tariff; and has been, for years. Our present restrictions and loans on cotton, the cry goes, are losing us the custom of foreign mills. In some measure that may be true; and if we continue to hold down our imports because of high tariff walls, it will probably become more and more true. But the insane Fordney-McCumber tariff of 1922 was the initial and forcing move in the loss of foreign custom, not the Agricultural Adjustment Act.

The World War hurried a reversal of our pioneer, debtor, situation. We came out of it with other nations owing us 500 million dollars annually in interest. Today they owe us a billion dollars a year. They owe us that much more than they did in 1919 because of a post-war tariff policy which made it impossible for these debtor nations to pay us in goods. We either had to take a great deal more of their goods or a great deal more of their paper.

We Made It Look Good

Buoyantly, we took the paper. We kept our war-time bloat of fifty million extra acres in production; we kept relatively inefficient industrial plants wildly spinning; and we kept loaning Europe money with which to pay us for the excess output. We made the game look businesslike. It was like children playing store.

Now, by adjustment payments we have induced our farmers to take out of cultivation most of the fifty million acres we used to farm for export. Ships lie idle. Terminal warehouses crumble in disuse. A savage drought has hastened by about two years our planned program to get rid of the surpluses which paralyzed an internal market far greater even than our lost markets overseas. Most of our carry-over crop surpluses will be out of the way by spring. Business is better. Farmers have some money now. But still farmers look out with a deep dislike upon those idle acres—one in every ten of all our acres of average-good farming land in 1934. There is something in a good farmer which does not like to withhold. He likes to provide. That, very deeply, is his idea of the divine nature of his business.

Many other Americans who see their food processing, or transportation, or terminal warehousing, or shipping, or even international banking businesses, cramped and held down by artificial restraints, are not yet in their hearts and minds so far away from this enormously generous soil of ours as to lack the same deep generous impulse.

We all want to help, feed, clothe and provide for the multitudinous peoples of this earth. But we are still all mixed up in the infantile, immediate greeds of our pioneer past, and by hot-headed escapist ways of thinking. It will not do now with warm hearts and hot heads to tear away interior production controls and to let those trade walls at our borders stand. Yet there will be an enormous push exerted to that end in Congress this winter.

Riding for a New Fall

For my part I dislike as deeply as anyone the policy of withholding or denying. But you cannot in a capitalistic system smash your way into a Society of Abundance by demanding that the farmer, and the farmer only, ignore the relationship between a relative scarcity and profit, and alone step out beyond the profit motive, and take the rap. That idea has been tried before. We all suffer the consequences in the end. With present acreage controls removed, a resumption of normal growing weather, which we probably will get, would soon again pile great surpluses against tariff barriers. Within those barriers, we would have another business smash-up and an awful one. Our emergency maneuvers have measurably lessened tension; but it is important to remember that we have made no really fundamental decisions; and we ought to make such decisions very carefully, for we are still in a jam.

The hardest fact of all, perhaps, is that we probably cannot lower tariffs
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We must decide whether, as a nation, we want to limit our sales territory to our own borders

Meet an Actor

By Quentin Reynolds

"Highbrow nonsense," says Charles Laughton, dismissing esthetic criticism of motion pictures with a wave of the hand. Live your rôle? Hardly! You simply use your bean. And Mr. Laughton does

THE young man from Stonyhurst College should be perfectly satisfied by now. Stonyhurst College is an English public school in Lancashire and, like all such institutions, it has a dramatic club which presents annual productions. Just seventeen years ago the students of the school produced a play called *The Private Secretary*. In it there was a part portraying a lodging-house keeper. A chubby sixteen-year-old lad was given that part chiefly because his father owned a country hotel and it was thought that he could lend verisimilitude to the part.

The school magazine ran a review of the performance and the young man



A scene, with ZaSu Pitts, in *Ruggles of Red Gap*, the latest of the pictures in which Laughton stars



Charles Laughton, as Edward Moulton-Barrett, with Norma Shearer in *The Barretts of Wimpole Street*

who wrote the review ended it with this unconsciously prophetic line, "We should have liked to have seen more of Mr. Laughton."

Charles Laughton was the chubby sixteen-year-old lad who played the lodging-house keeper. Well, the young man from Stonyhurst College has, I am sure, seen more of Mr. Laughton. And in the future he will see more and more of him, for today Charles Laughton is regarded enthusiastically and without jealousy by his fellow actors as First Man of Hollywood. Last year official moviedom showed its concurrence by giving to Laughton the highest honor it has in its power to bestow, The Motion Picture Academy Award of Merit. It was of course for his performance in *Henry the Eighth*.

"That was a sporting gesture, wasn't it?" Laughton says. "To present the award to an English actor in an English film."

It was indeed, but it was an honor that was richly deserved. The story behind the making of *Henry the Eighth* is an interesting one. Laughton met his friend Alexander Korda in Paris one day and they sat them down to dine. Korda is an English producer and director. From the skeleton of their dinner there emerged an audacious plan—that of producing a costume picture based on the life of Henry the Eighth, the picture to be made on a coöperative basis with no salaries to be paid and everyone to share in the profits or losses.

They returned to London and assembled a cast. The actors, at first dubi-

ous, finally said, "If Korda and Laughton are crazy we might as well be too."

They began the picture on a shoestring—but soon had to use that to keep the flimsy scenery together. The settings, which proved so amazingly effective in the finished picture, were largely constructed of canvas and pasteboard decorated by young, impecunious artists of Laughton's acquaintance.

"We were often apprehensive," Laughton says, "that while we were saying our lines the sets would collapse and smother us."

The picture, finished in five weeks, was one of the least expensive big productions ever made.

"We were fairly satisfied with it,"

Laughton tells it, "but never for a moment did we think it would be the great financial success that it was. We would have sold it to the first bidder."

But there were no bidders. So it was hesitatingly released to an unsuspecting world by Korda. The day after its première Laughton awoke to find himself engulfed in a deluge of sincere and wildly enthusiastic praise. He and Korda must have felt very satisfied with themselves. They had had a dream over a Paris dinner table. The dream had come true and the reality surpassed even the golden-tinted vision they had created in their minds.

The picture established Laughton as the first man of the films. He had of course been doing magnificent work for years and his ability was a byword with moving-picture reviewers and with intelligent film goers—but to the fans—and, like it or not, they are the final judges—Laughton had always been a "character actor." Now even they saluted and worshiped at the shrine of a new idol. Laughton was then thirty-two.

Ever since the Messrs. Connolly and Kaufmann turned the searchlight of their agile minds upon the Hollywood scene and reflected its observations in the gusty and hilarious *Once in a Lifetime* it has been the fashion among the nimble-witted boys and girls to talk and think of Hollywood as a cross between a buttonhole factory manned by illit-



As *Henry VIII*, Laughton established himself as the first man of the films. Here he appears with Binney Barnes

erates and a wax-figure museum run by inarticulates. The fact that Messrs. Connolly and Kaufmann were using satire and not a camera as a reflector did not occur to them. Even Hollywood was quick to grasp and accept the Messrs. Connolly and Kaufmann's estimate of itself, which of course almost proved their point. There are, however, a few brave souls who think there is nothing incongruous about art and motion pictures dancing hand in hand, even though the music is furnished by the golden clink of enormous profits. There are those who think that films can be and often are decidedly worth while and that they need make no obsequious apology to their sire—the stage. Such a one is Charles Laughton.

Laughton was in the midst of making *Ruggles of Red Gap* with Mary Boland and Charles Ruggles when I interrupted him. We sat in his dressing-room and his feeling of indignation against those who generalize so loosely about Hollywood was apparent even through the dress, the face and the make-up of Ruggles, who, you'll remember, was the perfect English valet.

It's Not All Make-Believe

"It seems the custom," he said, in his soft yet full voice, "for stage people who come to pictures to decry Hollywood. It is all tinsel and make-believe, they say. There is no art but the theater—and then they complacently draw large checks. Such people," Mr. Laughton added, "give me a very large pain."

"I worked on the stage for a long time and before that I studied and was trained for the stage by competent teachers. I have worked hard in pictures, too, so I think that I can say without conceit that I am qualified to talk of both. Will you have a drink, by the way?" he asked suddenly.

"Certainly."

"I'll tell you this: For every bit of fine direction you see on the stage you see twenty bits of fine direction in Hollywood. Did you see a picture called *The Shanghai Express*? Josef von Sternberg directed it with Dietrich.

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