

News Review of Current Events the World Over

Treasury Issues \$800,000,000 Long Term Bonds Because of Big Deficit—Teague Retires From Federal Farm Board.

By EDWARD W. PICKARD



Andrew Mellon

THOUGH the United States is popularly supposed to be the richest nation on earth, the government is "up against it"—the "it" meaning a billion dollar deficit, with the prospect of another billion deficit during the next fiscal year. The treasury, therefore, is about to issue long term bonds for \$800,000,000, bearing 3 1/2 per cent interest. This is in lieu of an increase in taxes, which probably will not be asked until after next year's Presidential election if at all. The reason for this course is obvious. It is expected that there will be further bond issues, as well as borrowings on short term certificates of indebtedness. The public debt, which had been steadily reduced since 1923, now begins to climb upward again.

This bond issue announced by Secretary of the Treasury Andrew Mellon is the largest peace time offering of long term government obligations in the country's history with the exception of the \$1,000,000,000 bond issue of 1924, which was put out to refinance World War indebtedness. The interest rate of 3 1/2 per cent on this issue is the lowest of any long term government financing since 1916-17. That the \$800,000,000 issue will be oversubscribed to the extent of hundreds of millions of dollars even at 3 1/2 per cent interest is not doubted, partly because of the prevailing cheapness of money and partly because of the fact that while the treasury may have a deficit the credit of the government is A-1.

The bonds will be dated and will bear interest from June 15, 1931, and will mature on June 15, 1949, being redeemable at the option of the treasury on and after June 15, 1946. They will be issued in both bearer and registered form in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. In addition there will be registered bonds in the \$50,000 denomination. The federal reserve banks will be the official agencies for the flotation of the issue, but all banks will receive subscriptions from investors.

The bonds will be exempt from federal, state, and local taxes, except inheritance taxes and surtaxes.

GERMANY'S huge flying boat, DO-X, after long delays and various accidents, finally crossed the Atlantic ocean successfully. It made the flight from Cape Verde islands to Fernando Noronha off the coast of Brazil in 12 hours and 15 minutes. Defying superstition, 13 persons were aboard the DO-X.

It was announced by the State department in Washington that Colonel and Mrs. Lindbergh will start before long on a pleasure cruise of the Orient in their Lockheed plane, flying to Japan and China via the North Pacific and Russia. They probably will follow the route taken by the army flyers in 1924, going to Siberia by way of the Aleutian Islands.

GOVERNORS of about half the states took part in the annual conferences at French Lick, Ind., and several of them disrupted the program of harmless topics by injecting their own vigorous opinions into their addresses. Pinchot of Pennsylvania, for instance, insisted on making a hot attack on the public utility corporations instead of talking about timber; and in the closing session Ritchie of Maryland, criticizing the conference for trying to avoid controversial subjects, urged the return of liquor control to the states as a solution of taxation problems.

C. C. TEAGUE, one of the original members of the federal farm board and its vice chairman, has resigned, having served one more year than he at first intended. In his letter to President Hoover tendering his resignation Mr. Teague declared the board had fully justified itself and its cost to the taxpayers. He said that without its advice and revolving fund many farmers' co-operatives would have gone under; and he warmly defended the emergency operations of the board in stabilizing wheat and cotton.

"There are two distinct methods of stabilizing markets," he pointed out. "Probably the one that has been emphasized most in publicity has been the stabilization operations on wheat and cotton, which were entirely emergency operations undertaken to meet emergency conditions and which I believe are entirely justified and which will have resulted in benefits to agriculture and business generally far outweighing any cost to the treasury."

"However, in my judgment the greatest benefit will come through an-

other type of stabilization of markets which will come through the long time project of developing a system of cooperative control of agricultural products, which will effect a better control of production and a better control of distribution and thus have an important influence in the stabilization of markets."

REPORTING on the general agricultural situation, the bureau of agriculture economics of the Department of Agriculture shows that American farmers are selling their produce at less than prewar prices, but are paying about one-third more than before the war for the things they buy. The bureau estimates that farmers now receive 86 per cent of prewar prices and pay 136 per cent for goods bought.

In other respects the outlook is not bad. "Farm crops," says the report, "are recovering from the effects of the continued cool weather. Winter wheat prospects have been improved. Fruit prospects are generally reported fair to good. Live stock growers appear to be keeping up herds and flocks despite somewhat adverse conditions in feed prospects in several sections."

VIRGIN ISLANDS now have only one governor, and that is Dr. Paul Pearson; for Herbert D. Brown, chief of the federal bureau of efficiency, has had a spat with the doctor and retired from the governorship which he has exercised for nearly two years. In 1929 congressional committees asked Mr. Brown to investigate the islands with a view to reducing administration costs. He made three long visits there and his recommendations were displeasing to Capt. Waldo Evans, then naval governor. Also, he obtained \$141,000 to be expended under his sole direction. Last winter he recommended transfer of the islands to the interior department and when this was done he returned to help the new governor, Doctor Pearson, whom he had selected for the job.

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FOUR eastern and western air lines, whose planes fly about 12,000,000 miles annually, have consolidated their management, operation, traffic and sales and now become divisions of the United Air Lines, with general offices in Chicago. The lines involved in this big merger are: The National Air Transport, operating from New York to Chicago and Chicago to Dallas; the Boeing Air Transport, operating from Chicago to San Francisco; the Pacific Air Transport, operating from Seattle to San Diego, and the Varney Air Lines, operating from Salt Lake City to Seattle and the Pacific Northwest.

P. G. Johnson, president of the Boeing companies, who was recently made president of the National Air Transport and the Varney Air Lines, is to be president of the new company.

TENNESSEE'S political-financial troubles were approaching a climax during the week with the state legislature preparing to vote on the question of impeaching the governor, Henry H. Horton. The situation in Nashville was tense. Though the foes of the executive were apparently in the majority, Horton seemed undaunted.

Most of the eight articles of impeachment reported to the legislature by a committee relate to a main charge of conspiracy, alleging plots between the governor and Col. Luke Lea and Rogers Caldwell, two bankers who are now under indictment as a result of the bank failures of last November. Congressman Ed Crump, the Memphis political boss, was conducting the fight against the governor, though he kept himself in the background. The resignation of Senator Scott Fitzhugh, one of the Crump faction, from the speakership, and the election of Senator A. B. Broadbent of Clarksville to fill his place took much of the thunder away from the defense, for Senator Broadbent is an independent, an anti-Crump man, and he will be the next governor if Mr. Horton is forced out.

CANADIAN tax payers are hard hit by the first budget presented to parliament by Premier R. B. Bennett. He announced a deficit of \$80,000,000 and said new taxes would be required to meet it. Consequently he proposed imports as follows: Increase in the sales tax from 1 per cent to 4 per cent; reintroduction of 3-cent postage; increase of the income tax on corporations and stock companies from 8 to 10 per cent and a new special excess tax of 1 per cent on all imports.

Manufacturers of the United States came off more easily than had been expected. Only about 200 items in the tariff against them were altered by the premier. Customs duties were raised on anthracite coal, furniture, oranges and the higher priced automobiles. There was bad news, however, for Americans who have investments in Canadian companies, for Mr. Bennett ordained that beginning next July an income tax of 2 per cent must be paid by all foreign investors receiving dividends from Canadian concerns.

The only bright spot in Canada's financial picture, Mr. Bennett stated, was the fact that the dominion's conversion loan of \$250,000,000 had been subscribed up to \$639,816,500. He emphasized that during his regime no fewer than 75 American manufacturers had established plants in Canada and made it clear he was sticking close to his "Canada First" attitude. His conclusion brought a great ovation from his followers.



Chancellor Brüning

GERMANY is expecting great benefits to result from the remarkable meeting at Chequers, England, of Chancellor Heinrich Brüning and Foreign Minister Jullius Curtius with Prime Minister Ramsay MacDonald and Foreign Minister Arthur Henderson. The German statesmen went there Thursday on invitation from the Englishmen, and the four men discussed thoroughly the bearing of reparations on the world economic crisis. It was the hope of the Germans that this conference would find a way out of the present financial wilderness.

The Chequers meeting aroused the French and led them to reaffirm their contention that German reparations and the Allied debts to America were inseparably connected by the Young plan. As it is put by A. L. Jeune in Le Midi of Paris: "On the battlefield of international debts, where we held the front line so long until the Young plan brought us back to the reserve trenches, it would be a great imprudence to give them up."

THE general assembly of the Presbyterian church, in session at Pittsburgh, rebuked the Federal Council of Churches of Christ in America for report of its committee approving of birth control, and adopted a motion instructing the council to "hold its peace on all questions relating to morality and delicacy" until they have been discussed with its constituents.

LAST June Congressman Tinkham of Massachusetts issued a statement about the political activities of Bishop James Cannon, Jr., which the bishop dared him to repeat without benefit of his official immunity. Tinkham accepted the dare, and now the bishop has sued the congressman for \$500,000 for alleged libel.

IN a decision that seems to give assurance that the press of America is and shall continue to be free, the Supreme court of the United States held unconstitutional the Minnesota statute authorizing the suppression of newspapers and other periodicals publishing matter which the authorities deem to be defamatory of public officials or other persons or institutions. In the opinion of five members of the court—Chief Justice Hughes and Associate Justices Holmes, Brandeis, Stone and Roberts—the Minnesota law, in so far as it authorizes such suppression, is "an infringement of the liberty of the press guaranteed by the Fourteenth amendment."

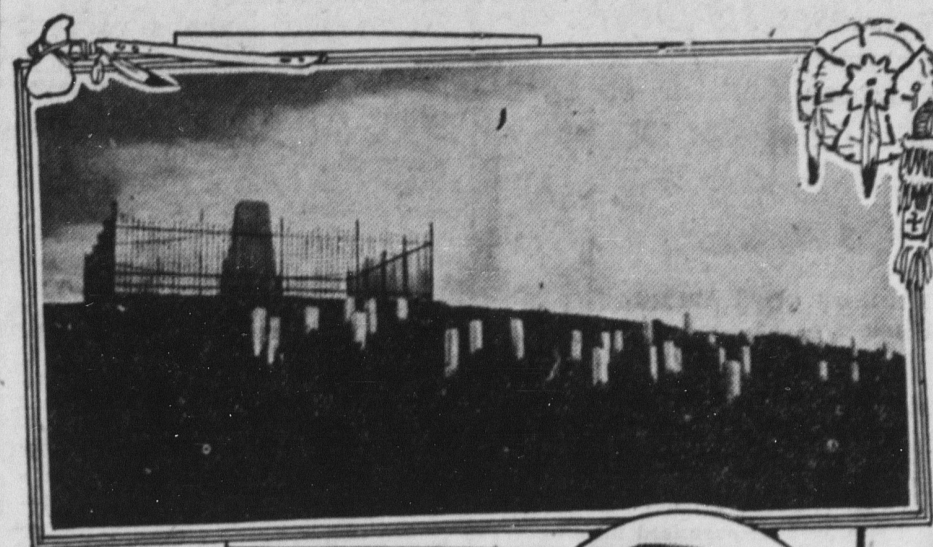
Associate Justice Pierce Butler, himself a Minnesotan, read a dissenting opinion concurred in by Justices Van Devanter, McReynolds, and Sutherland asserting that the majority opinion gives to freedom of the press a broader interpretation than any that had ever before been recognized.

RELATIONS between Premier Mussolini and the Vatican were strained almost to the breaking point and outwardly it appeared there could be no peaceful settlement of the quarrel. But efforts at conciliation were being carried on quietly by Foreign Minister Dino Grandi on the one hand and Cardinal Gasparri on the other. The trouble centers in the Catholic Action clubs, Mussolini decreed the disbanding of all youth organizations connected with Catholic Action because of alleged political propaganda and closed the clubs and playgrounds. The pope protested against this, both as head of the Vatican City and as head of the church. He made effective his disapproval by withdrawing his personal representative from the Padua celebrations, canceling the diocesan eucharistic congress in Rome, prohibiting church processions and placing the Catholic Action societies under charge of the bishops. Mussolini gave out a statement saying there was nothing temporary about his acts and that the clubs were permanently closed.

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"In the Desolate Land and Lone—"



SUNRISE ON THE CUSTER BATTLEFIELD Photo by Groves Kilburn

By ELMO SCOTT WATSON

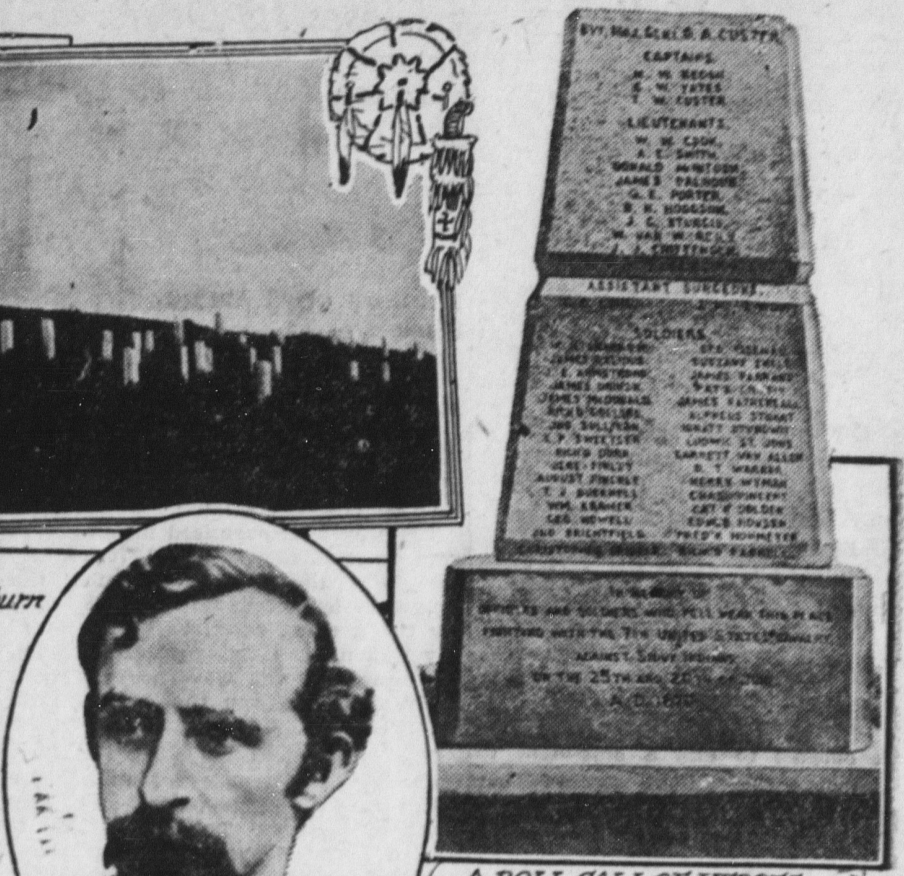


FIFTY-FIVE years ago this month occurred a tragedy which shocked the whole country as had, perhaps, no other one since the assassination of Abraham Lincoln. On June 25, 1876, Gen. George Armstrong Custer, a dashing cavalry leader during the Civil war, attacked a big village of Sioux, Cheyenne and Arapahoe Indians, strung along the banks of the Little Big Horn river in Montana. When the battle was over Custer lay dead and around him lay the bodies of 212 men and officers, the entire personnel of five companies of his regiment, the Sixth cavalry. Several miles away six other companies were besieged by the Indians on the bluffs overlooking the river and it is possible that only the timely arrival of the forces of Generals Terry and Gibbon two days later saved them from the fate which had overtaken their commander and their fellow troopers.

But it was not until July 4, 1876, when Americans everywhere were engaged in a joyous celebration of the hundredth anniversary of the founding of the nation, that word of this disaster came like the proverbial bolt from the blue to stun the public with its ill tidings and to cast a pall of sorrow over the centennial festivities. Logically, the news of the tragedy should not have surprised the American public, for by that time it should have become accustomed to the blundering policy of our government in its relations with the Indians—a policy of allowing itself to become involved in unnecessary wars with the red man, of underestimating both the desperation of his resolution not to submit tamely to white domination and the strength which he could assemble to resist that domination, and of sending a totally inadequate force of soldiers to subdue the hostiles after they had gone on the warpath.

Early in the history of the Republic we had learned a bitter lesson of the folly of sending an insufficient force, insufficient in both numbers and experience, against confederated tribes of hostiles, when the expedition against the Indians of the Old Northwest ended in St. Clair's defeat, the worst disaster suffered by a white man's army since the days of the unfortunate Braddock. But that lesson was forgotten until the series of failures experienced during the long-drawn-out wars with the Seminoles in Florida served to recall it. And again our government was short of memory, so when Gen. Henry B. Carrington was sent to garrison and hold a chain of forts along the trail to Montana in the heart of the Sioux country, it turned a deaf ear to his pleas for more men. The result was that Lt. Col. W. J. Fetterman marched out from Fort Phil Kearney one cold day in December, 1876, with 81 men and none of them came back alive. The "Fetterman Massacre" or "Fort Phil Kearney Massacre" so-called—though the student of frontier history, if he recognizes the word "massacre" at all as the correct one for this affair, is less inclined to blame the warriors of the great Sioux chief, Red Cloud, than the government officials who ignored Carrington's requests—horrified the country for a short time, but within ten years it had forgotten this, just as it had other Indian disasters, so the time was ripe for still another tragic chapter. And the hero of it was George Armstrong Custer, the "Boy General" of Civil war days.

Several factors have entered into giving the tragedy of 55 years ago such enduring fame while greater ones have been forgotten. One of them is the striking personality of the leader who died there—Custer, the "Bear Sabreur of the American Army," the "Last of the Cavaliers," as he has been called by a recent biographer, a man of vivid personality, the hero of a "success story" of the kind dearly beloved by Americans. Not only had he been an unusually successful cavalry leader in the Civil war, but his Indian campaigns in Kansas and Oklahoma in 1867-68 had added to his reputation and perpetuated the tradition of "Custer luck." So when this outstanding Indian fighter fell a victim to the Indians at last and did it in such dramatic fashion, it was only



A ROLL CALL OF HEROES



GEN. GEORGE A. CUSTER

natural, perhaps, that it should make an impression upon the public mind which more than half a century has not erased. Of the irony of fate which overtook this dashing cavalryman, Frazier Hunt, the biographer previously referred to, has said: "To the millions of plain Americans he is remembered not as a commander of a dashing and victorious division of cavalry that captured 10,000 prisoners and 65 battle flags from a gallant and stubborn foe (during the Civil war), but as an Indian fighter, who with a handful of troopers eleven years later galloped to a tragic death. He had fought Lee and Stonewall Jackson, Jeb Stuart and the gallant Pelham—great and remembered soldiers—but it was the naked Sioux warriors of the plains who sent him to deathless fame. The gods of battle have their own inscrutable way of making heroes."

If Custer needed the aid of others besides the gods of battle to help make him a hero, he found them in the persons of the government officials who had forgotten Fetterman and his 81 men. For in the last analysis, responsibility for what took place on the Little Big Horn goes back to them. Custer himself, during a conversation with General Carrington early in 1876, in regard to the proposed campaign against the hostile Sioux and Cheyennes, remarked that "it will take another Phil Kearney massacre to bring congress up to generous support of the army." Although, from his experience on the plains, he knew full well of the task that lay ahead of the army, he little realized how true his prophecy was nor that he was to make the same sacrifice that Fetterman had made.

The general plan of the campaign was to have three army columns converge from different directions upon the section in Wyoming and Montana where the hostiles had taken refuge after their refusal to stay on the reservations set aside by the government for them. One under General Gibbon was to come eastward from western Montana; another under General Crook was to advance northward from southern Nebraska; and the third under General Terry was to proceed westward from Fort Abraham Lincoln in what is now North Dakota. The principal trouble with this plan was that it didn't work. It didn't work because the combined three forces were not large enough for the task ahead of them, even though the government had thought it might be large enough, especially since the Indians, instead of waiting for the three armies to concentrate upon them, made use of some Napoleonic strategy, unconsciously, perhaps, and by operating "on interior lines" attacked two of the columns in severalty and defeated them in detail. Then, too, it didn't work because in reality one department of the government was allied with the Indians, instead of with the army. For it was the inefficiency—to be extremely charitable—of the Indian department which permitted the Indians to go into the field much better armed than the soldiers of Crook and Gibbon and Terry, and which allowed those three to start upon their

expeditions grossly underestimating the strength of the hostiles. From the beginning the result of the campaign were unsatisfactory. Gen. J. J. Reynolds of Crook's command attacked the village of the Sioux chief, Crazy Horse, on March 17 and fought a sharp engagement in which all the honors rested with the latter. Three months later on June 17, Crazy Horse fought Crook's force to a standstill at the battle of the Rosebud and halted his forward progress indefinitely. A short time before this Terry and Gibbon successfully joined forces on the Powder river and on June 17 Major Reno of Custer's Seventh cavalry, which formed the principal part of Terry's command, went on a scout which took them within 40 miles of where Crook was having his fierce battle with Crazy Horse. Terry and Gibbon were surprised at not finding any Indians. They did not realize that the hostiles were busy elsewhere fighting the battle which paved the way for their victory on the Little Big Horn.

Then on June 22 Custer was sent to scout a trail that Reno had discovered and this led him to the banks of the Little Big Horn and his Waterloo. The story of that battle in its main outlines is a familiar one—how Custer, marching rapidly, reached the Little Big Horn sooner than was expected, how he discovered the great Indian village and, not realizing the numerical strength of his warriors nor the fact that they were flushed with a feeling of victory over having stopped Crook, how he decided to attack at once without waiting for Terry and Gibbon, who were to be on hand for a battle, if Custer found the Indians, by June 26; and finally how adopting the tactics which had brought him victory in other fights with the Indians, he made the fatal division of his command into three parts, one led by Major Reno, one by Major Benteen and the third by himself.

Under the circumstances, the result was almost a foregone conclusion. Reno made his attack, and met with a fierce resistance and, outnumbered, was driven back to the bluffs across the river, suffering heavy losses as he retreated. Benteen, following the route designated for him, got into impossible country and gradually worked back toward the route taken by Reno so that he arrived in time to help that officer hold his own against the whooping savages who were swarming about him. Meanwhile Custer and his five companies, not knowing that his plan of battle had already been broken up, rode on to his death. For the Indians, having put Reno out of the fight, concentrated on Custer and within a short time had done him and his men to death.

That story has been told and retold countless times. Over it has raged many a bitter controversy and around it has sprung up a great mass of tradition, myth, misinformation and just plain "bunk."

Useful Kindling
Potato peeling dried thoroughly will light a fire instead of wood being used.