## **News Review of Current Events the World Over**

Congress Passes Legislation Asked by President to End the Banking Crisis-Japanese Complete the Conquest of Jehol.

## By EDWARD W. PICKARD

EXPANSION of the currency to the extent of billions of dollars will result from the legislation which President Roosevelt asked of the



was enacted within a few hours after the new congress was convened on Thursday, March 9. The new currency is based not on gold, but on the liquid assets of the banks. The plan was devised after long hours of confer-

extraordinary session

of congress and which

Sec'y Woodin ence by the President, Secretary of the Treasury William H. Woodin and a number of financial advisers of the administration, and it was the main feature of their solution of the banking crisis that was paralyzing the nation.

The other chief points in the legislation which the President called for in his brief but spirited message were: Continued suspension of gold payments and embargo on exports of gold.

Clothing of the President with the powers of a financial dictator.

Continuation of the national banking holiday, wholly or in part, pending complete reopening of the banks.

Legalization of the bank holiday proclamation of March 5 and all measures adopted by the treasury to carry it into effect.

Because the new currency is not backed by gold it is called federal reserve bank notes to distinguish it from federal reserve notes which are backed by gold

To what extent if any, inflation of the currency will be produced by this increase in the volume of money was cne of the big questions involved in the Roosevelt plan.

That inflation will be the consequence was a conclusion widely reached in financial and commercial circles, with the result that a leap upward of commodity and security prices was looked for the moment the exchanges reopen.

The act creating the new currency liberalizes the provisions of the Glass-Steagall act by allowing banks to issue notes with no gold reserve behind them. The notes thus issued are backed only by United States bonds in the same manner as national bank notes issued by national banks. It fur-

venience, the American public remained fairly calm and appeared to have confidence in President Roose velt and his advisers. The general feeling was that the vigorous new Chief Executive would be able to devise competent measures for temporary relief of the situation and to force their adoption by congress.

Following the enactment of the legislation for the reopening of the banks the President asked congress for authority to cut an estimated \$500,000,-000 out of government expenditures by cutting government salaries up to 15 per cent, and by drastic reductions in payments to veterans. It is expected that another \$200,000,000 will be saved by the reorganization and combining of many government de partments, authorization for which was passed in the closing days of the last congress.

DEMOCRATIC membership of 313 in the house of representatives gives them an unwieldy majority, and the certain consequence is intra-party wrangling. At present

> the control seems to be in the hands of Speaker Henry Rainey and two allies, Floor Leader Byrns and Representative Cullen, leader of the Tam-

Speaker

Rainey speaked. It was said several of the Alabaman's most active supporters were quietly informed that they would be punished by being shifted from important committees to minor assignments.

Senator James Hamilton Lewis of Illinois was elected whip of the Democratic majority in the senate, and Senator Joe Robinson of Arkansas was chosen to be senate leader. Also party authority was made stronger than it has been for many years. The caucus agreed that the vote of any future caucus upon any measure recommended by the President should be binding upon all except those who excused themselves from voting for cause. It was further agreed that a simple majority, instead of the more customary two-thirds majority, should make the action of the caucus binding and that two-thirds of the whole number of Democratic senators should constitute a caucus. The caucus further chose Senator Kendrick of Wyoming as assistant leader, Senator Key Pittman as Democratic candidate for president pro tempore, Edward Halsey as candidate for secretary of the senate, Chesley W. Jurney as candidate for sergeant at arms, and L. L. Biffle as secretary to the majority.

THE CENTRE REPORTER, CENTRE HALL, PA.

THE Los Angeles section of South-ern California, covering an area from Ventura on the north to San Diego on the south and extending inland for some 30 miles, suffered severe earthquake shocks on Friday evening, March 10, causing 123 deaths, injury to more than 4,500 and property loss running into the millions.

Between 5:53 and 10:59 14 distinctly violent shocks had occurred, the first one of which did the greater part of the damage and caused all the loss of life.

Long Beach suffered the greatest loss of life and proportionately the greatest property damage. At that point 65 people were killed and 1,000 injured. At Los Angeles 12 people were killed and some 3,000 were injured. Other towns suffering severely and at which deaths occurred were Watts, 4 dead; Campton, 13 dead; Santa Ana, 3 dead; Huntington Park, 12 dead; San Pedro, 2 dead; Wilmington, 1 dead; Bellflower, 3 dead; Artesla, 4 dead; Hermosa Beach, 1 dead; Garden Grove, 1 dead; Walnut Park, 1 dead; Norwalk, 1 dead.

Fire in many of the towns, and es pecially Long Beach and Los Angeles, added to the terror, but fortunately the water mains were not seriously damaged and the firemen were able to cope with the flames.

Regular army troops at Fort Mc-Arthur were ordered to co-operate with the police in preserving order, and ships of the navy from San Diego were dispatched to points along the coast to render aid, naval surgeons providing aid and medicines for the injured. The governor of California ordered National Guard troops to the scene to assist in the work of rescue, and to maintain order.

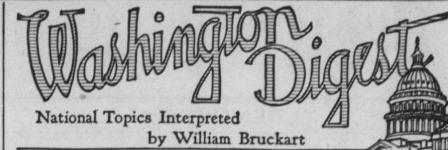
HOJUH it was generally admitted that the world disarmament conference in Geneva was in a bad way, the British started to make a last ef-

fort to revive it or at least to salvage something from its work. With this in mind. Prime Minister Mac-Donald and Sir John Simon, foreign secretary, went to the Swiss city to see what could be done. They denied they had any definite plan of ac-

tion, but they hoped Premier to get Premier Dala-MacDonald dier of France and

Germany to-Chancellor Hitler of gether on some arrangement that would prevent the utter breakdown of the conference.

Sir John Simon said before leaving London that one of the first issues he and Mr. MacDonald would take up in Geneva would be the fact that no other nations had followed Great Britain's lead in imposing an arms embargo against China and Japan, which, as he remarked, "leaves Britain in a situation which cannot be al-



Washington .- The extra session of I those factions will stick with the Pres congress is starting off with many ident for awhile.

millions of people What Can figuratively pound-Congress Do? ing on its doors and demanding that it

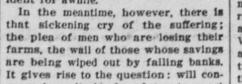
do something or other about the banking situation and the economic panic. Demands are being made that it "fix things up."

The demands and appeals, the arguments and the advice that is being laid on the threshold of every office door in the Capitol carry every known scheme, tried and untried, for dealing with the disturbance in the delicate balance of our economic and financial machinery. Freak legislation panaceas, curealls and patent remedies that would put a quack doctor to shame are offered. Few of them appear to have been thought through as to the ultimate result, and I gather from the private conversations of senators and representatives that they are becoming just a little bit hardened and calloused about them.

That people everywhere are suffering is known. That the people have a right to demand that their government do what it can is not to be denied But, seeing the problem from the viewpoint of Washington, your observer is inclined to pause and ask what can congress do? How can congress "fix things up"? What sort of magic can President Roosevelt employ that will start the country back to conditions that will provide employment for the unemployed, food for the hungry, markets for the products of the factory and farm and stability for banks? The last congress and the last ad

ministration tried to solve the problem, and accomplished nothing. No sooner had the Seventy-second congress expired than we heard assertions from those who saw their pet legislation die that things would have been better if only their particular bills had been enacted. But the saner heads among them know and admit that enactment of all of the freak bills in the world would not change human nature nor amend the age-old law of supply and demand.

Whether President Roosevelt is developing an economic program that will restore the confidence of the country in its established institutions and traditions, time alone will tell. It will be a slow process. A sifting down of views of many of those upon whom responsibility rests seems to indicate that it may have strength because it is slow in the making. The effects of nything sensational are g



gress keep its head and try to enact sound legislation? Or will it yield to the clamor to "fix things up" and attempt to do so by undermining the currency, by voting out additional billions in loans to corporations with incurable diseases and to states to spend every which way, and cause additional burdens of taxes to be saddled on those who carry the load?

There appears to be a very real danger of this situation. Further, there appears to be a very real danger that congress will go too far in harassing big business. I believe it is generally conceded that some big business ought to be harassed, but there must be legitimate business somewhere. I know that many of the Democratic wheelhorses are a little bit alarmed. They think the confidence upon which the President is depending can be undermined in this direction.

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As Republican office holders file out from their jobs throughout the country and the Demo-New Things crats march up to the ple counter un-Transpiring

der the mandate of the November election, things are transpiring here in Washington that appear to the observers to be something new even in this hub of the political universe. The "regulars" in both major parties are becoming concerned about it.

Ordinarily, when a change in administration has taken place such as we have just experienced, the "ins" stick together and seize all of the spoils and the "outs" sit back awhile and suffer. It takes a few months for those who were licked to establish their poise as the minority.

To the extent that the "ins" are seizing the spoils, the recent change in control of the government has presented nothing new. But the "outs" are not sitting silently awaiting better luck. They have begun to build battle lines

In the meantime, within each of the two major partles other movements are taking place. Within the ranks of the Republicans, that is, the old line party men and women, there is a concerted effort to rid the party of the individuals who failed to stand hitched to the Republican platform and candidates. Within the ranks of the Democrats, there is a very definite effort, just as concerted as exists among the Republicans, whereby the conservative wing of the party in power will have its feathers clipped. In other words, the regular Republicans are fighting to retain control of their party and the liberal and radical Democrats are struggling with a mighty effort to capture control of

## **Howe About:**

## A Proud Human Being Russia's Plight Something Wrong By ED HOWE

THE proudest human being I have L ever encountered turned up today as an elevator operator in a department store; a girl of nineteen and rather good looking. The floor manager told me she received \$8 a week. What is the base of her pride? Probably the talk of love in moving picture plays and in magazine stories; the exaggerated compliments the man pays the woman when trying to entrap her. I find no fault with the girl; she is the product of an age in which everyone pursues wrong policies: probably her father is as proud because he is a voter as his daughter is because she is a girl. I am not proud about anything, but there are so many mistakes I am accommodated.

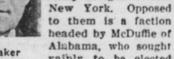
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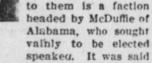
A common and mistaken notion is that the people, after living many thousands of years, have failed to find the easiest and best way, and still stubbornly and meanly persist in traveling the wrong road. I have scarcely known a man who did not make this charge, or offer a remedy. One Dr. W. J. Robinson, of New York city, had the idea very strongly, and wrote to broadcast it. Speaking of Russia some months ago, he said : "It is the only country which holds aloft a bea con of light and hope; the only coun try which is taking mankind out of its rut, and putting it on another track from the one it has been following blindly and stupidly for these thousands of years since it emerged from the jungle."

During the past summer Doctor Robinson went to Russia, and on his return tells an entirely different story. He saw crowds of workmen in Leningrad returning from their summer vacations, and wrote of them: "Our poorest steerage immigrant arriving at Ellis' Island looks like a prosperous man in comparison. The impression was very depressing, and it was intensified wherever I went." He found the bread uneatable; the hotels and railroad trains like pig pens, because of the general inefficiency. In the railroad stations there was always a suffocating, overpowering stench; mobs of ragged, barefoot people lying on the floor. He visited the largest and best hospital in Leningrad and said an American dog would not eat the food offered patients.

At Moscow he visited the dining room where workers in a textile factory ate their meals, and says the prisoners in Sing Sing have better and more abundant food. The average pay of the workers in the factory was 70 rubles a month; the purchasing







ther liberalizes section 10a of the federal reserve act as amended by the Glass-Steagall act so as to enable banks to obtain currency on "liquid assets" of a character not previously eligible.

One of the effects of the legislation will be to produce a unified banking system. Only member banks of the federal reserve system are able to avail themselves of the privileges afforded by this legislation to convert assets previously ineligible into currency. State banks are compelled to join the federal system in order to obtain the funds that will enable them to reopen.

Another foreseen effect is the weeding out of weak banks. Institutions unable to furnish liquid assets for currency will be unable to reopen. Others will be able to remain open to the extent of their liquidity pending at least a recovery of general public confidence in banks.

Legislation to stop hoarding also was considered by congress and measures for reaching and punishing the hoarders of currency whose withdrawal of deposits brought on the panic and caused the closing of the banks were discussed by the administration and leaders of the senate and house. As a preliminary move in this direction the federal reserve board at the instance of Mr. Roosevelt, sent telegraphic orders to all federal reserve banks to furnish by March 13, lists of persons who have withdrawn gold since February 1, and had not by that time redeposited their gold withdrawals.

FOR days there was considerable confusion concerning the banking situation mainly because of differences between the President's proclamation and the orders issued by governors of various states. This was especially true in New York and Illinois. Day by day Secretary Woodin issued orders modifying those in the government's proclamation closing down all banks, but there was much misunderstanding of his regulations regarding limiting opening of the institutions. Clearing houses were busy holding meetings but failed to live up to their name by clearing up the situation and the banks were uncertain of both their powers and their responsibilities.

In many cities and towns banks were open to carry on limited activities that were required to provide food, foodstuffs and medicines and for the meeting of pay rolls. Throughout the country preparations were made for the issuance of scrip, pending the receipt of the necessary authority from Washington. Secretary Woodin, however, ruled against scrip, though he sanctioned the issuance in various localities of clearing house certificates against sound assets of banks for use as an emergency circulating medium.

Despite all the confusion and incon-

DURING its brief special session that convened on inaugural day the senate confirmed these appointments by the President: Prof. Raymond Moley of Columbia

as an assistant secretary of state. William Phillips of Massachusetts,

as undersecretary of state, who will be directly in charge and accountable to Secretary Hull.

Wilbur J. Carr of New York, reappointed as assistant secretary of state. Henry Morgenthau, Jr., of New York, member of the federal farm board. William 'F. Stevenson of South Carolina, member of the federal home loan bank board.

T. Dwight Webb of Tennessee, member of the home loan board.

FOLLOWING out the campaign plan devised by Lieut. Gen. Kuniaki Koiso, the Japanese armies virtually completed the conquest of the province

of Jehol. The Chinese governor fled and all the Chinese troops were forced out after a last defensive struggle at Koupeikow, a pass in the Great Wall. Japanese planes first bombed the Chinese positions there, and then General Kawahara's brigade took the place. The

sea

.6 Gen. Kuniaki

Japanese thus com-Kolso pleted the seizure of 250 miles of the Great Wall, extending from the inner Mongolia to the Yellow

The Chinese fled toward Pelping and the confusion and fright in that city led the authorities to establish martial law. The Japanese said they would not push on to Pelping unless forced to by reprisals against their countrymen in that city. Marshal Chang Hsueh-llang was severely criticized for the loss of Jehol and resigned as milltary overlord of North China, accepting the blame and asking that the nationni government relieve him of all posts.

Maxim Litvinov, foreign commissar of Russia, bluntly informed the League of Nations that the Soviet government would not participate in the doings of the league committee set up to handle the Sino-Japanese quarrel.

The British recognized that the

financial situation in the United States might well delay any disarmament action and certainly would cause postponement of the war debts conferences. In the latter matter, however, Sir Ronald Lindsay, British ambassador, did find opportunity to talk with President Roosevelt's advisers,

FIRMLY seated in power by victory in the reichstag elections, Chancellor Adolf Hitler now plans to rule Germany without parliamentary aid for about two years. His National Socialists hold about 44 per cent of the votes in the new reichstag and the Nationalists, his present allies, have 8 per cent. The election passed off quietly instead of being the bloody affair the foes of the azis had predicted. The chancellor believes that democracy is a failure in Germany and now has the legal tools to annihilate it. There were many indications that the country is on the way to restoration of the monarchy. One superficial sign of this was the rapid disappearance of the flags of the republic, the flags of the Nazis and of the old empire being substituted. Hitler, however, feels that the restoration must be postponed until conditions are improved, and in this the monarchists agree with him. An evidence of the trend toward conservatism was the order of Hermann Goering, Nazi minister without portfolio, suppressing the nudist movement.

WHEN congress appropriated \$8,440,000 for the annual expenses of the bureau of prohibition enforcement it stipulated that none of the money was to be spent on wire tapping or the purchase of liquor as evidence. These provisions do not become effective until July 1, but Amos W. W. Woodcock has ordered them into effect now, pointing out that "cases made contrary to them now probably will be tried after these provisions become law."

The result of the order, Mr. Woodcock said, will mean a complete change in enforcement methods and "will cause this bureau to operate almost exclusively against the manufacturers and transporters" of liquor. This, naturally, is good news to the operators of night clubs and speakeasies.

THREE days after completing his I ninth consecutive term in the house of representatives, Will R. Wood of Indiana died quite unexpectedly in New York. He was about to sall on a two months' cruise of the Mediterranean for a complete rest after his long and arduous labors in Washington. Mr. Wood was one of the most active and influential of the Republicans in the house and in the last congress was a cabinet, therefore, must be dechairman of the appropriations committee. He was seventy-two years old. same basis it is to be assumed all of 6. 1932. Western Newspaper Union.

to

lasting, it is agreed.

. . . From what many Republicans as well as Democrats have told me, there is some ground for Starts With belief that the mere Wide Support change of control of

the government may result in some revival of confidence. Look at the thing this way; Mr. Roosevelt convinced a good many hundred thousand persons throughout the country in his campaign that he could do a better job of running the govern-

ment than Mr. Hoover had done. In convincing them, he developed their confidence in him. It is considered, therefore, that Mr. Roosevelt is starting out with wide support. It is claimed that the people will believe in

him and in his policies at least until the error of his way is shown. In other words, according to the argument as it is advanced from this standpoint, the bulk of the people will be trying to help themselves when they respond to the appeal of their President.

There has been an all-gone feeling. a feeling of exhaustion, evident in the months since the November election, To put it in another form, many persons showed their lack of backbone by asking: what's the use? It is held among many government officials that this condition was directly responsible for further declines in general conditions

So the hope is, as I see it, not so much in what congress can do but in whether Mr. Roosevelt can conserve or increase the confidence he built among the people. If he succeeds, things will slowly straighten themselves out. If he makes some bad mistakes, or if congress gets out of control, many here believe we may as well permit the depression to wear itself out. Depressions have done that in years gone by. History gives no basis to expect that the present disturbance will be any different in

that respect. The President undoubtedly has started off in the right direction in holding confidence by the selection of his cabinet members. He picked a group which is generally conceded to be well balanced between conservatives and liberals. That fact is made the more apparent from conversations which one hears among the conserva tives and the liberals of the President's party in congress. The conservatives claim there are more conservatives in the cabinet than there are liberals and the liberals claim they hold a majority. Even some of the breast-beating radicals lay claim Roosevelt recognition of their philosophy in the official family. Such

scribed as well balanced, and on the

their party. The new Democrats apparently feel their oats. They want recognition. It is a problem with which the old-timers have not been compelled to deal before. Frankly, they are puzzled.

. . . While this was going on, Senator Norris, of Nebraska, who was elected as Republican, but

Norris Plans who always has New Bloc been the bell sheep of the progressive

flock, was going forward with some ideas of his own about establishing a new bloc. He proposed that those of liberal tendencies band together and organize a group which could maintain a headquarters in Washington, to operate freely and without affiliation with either major party, and to wield the power which he insisted they had available to them.

The Norris proposition seemed to be a direct answer to the blast by Senator Reed, the Pennsylvania Republican who often has been described as probably the most regular of all regular Republicans. Senator Reed makes no bones about the situation. He says the time has come to kick out those who have been wearing a Republican label at election times when they are candidates, and who then jump the reservation.

But when Senator Norris announced his ideas about the progressive bloc, the Reed declaration assumed new significance to the observers. On the surface, it may seem to be just an ordinary party fight, yet the undercurrent of gossip contains suggestions that here actually may be the beginning of a new alignment in politics.

In every campaign, each major party has fired blank shells at the opponents about their reactionary tendencies. Each party has entered the claim to being the better equipped to adapt the federal government to the new conditions. It has happened year after year.

Now, however, as a result of the Reed declaration of principles, the Norris command to the progressives, the movement among the younger members of the house and the generally disturbed conditions, some folks actually are looking for the segregation of censervatives in one party and the radicals in the other.

. 1953, Western Newspaper Union.

nower of a ruble varies from 2 to 10 cents. Everywhere he saw long lines of people waiting to purchase supplies; one man had been waiting six hours.

He found Kiev had had 18 changes of administration in two years, each vieing with the other in the work of destruction. He declares the Soviet government an intolerable tyranny; the people in a terrible plight. "I reluctantly conclude," he writes, "that the whole system is wrong; 90 per cent of the people of Russia are now in a vast prison, a hopeless hell, because of the iron attempt to make the entire country conform to the rules of Marxism, or Communism." He went everywhere, and wrote at great length about his visit, but found nothing to commend.

Before starting on his trip he had declared that Russia was the one country in which the relations between the sexes had been put on a healthy. normal basis; on his return he said he did not see a single happy woman's face; scarcely a decent, comfortable looking or contented man.

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There is something wrong with the story that times are good when farmers receive high prices for their produce. In Russia eggs sell at 10 cents each; beef at \$1.50 a pound; butter at \$2 a pound. Yet times are very hard in Russia; the farm problem there is worse than in the United States, where lately I paid 17 cents for a piece of boiling beef, and it provided excellent soup and meat for lunch three days. (I told the story to a visitor from 100 miles away, and he beat it a cent with a story about a piece of boiling mutton.) With us eggs are 2 cents each; butter 25 cents a pound; wheat and corn so plentiful and cheap that corn is being burned for fuel and wheat fed to cattle and hogs. There is also something wrong with the story of Malthus, an ancient still being admired for great wisdom. He declared it was inevitable that population tended to overtake and outrun the means of subsistence. In the United States there is a surfeit of food : so much clothing that manufacturers are compelled to shut down. The people having produced too much food, the big talkers now say the remedy is to tax the people as a means of making food scarcer and higher priced.

. . .

I am tired hearing old things of no great interest talked about over and over. As a young man reaches adult years, he begins thinking of mating. The same thing has been going on some millions of years, but we talk about it today as though such a thing never happened before, and watch the young man closely, in hope of discovering more about this new development in human nature. 6. 1888. Bell Syndicate -- WNU Service