News Review of Current Events the World Over

Secretary Roper Offers Plan for Big Cut in Commerce Department Expenses; Congress Tackles Legislation for Relief of Small Home Owners.

has laid before President Roosevelt a plan to make drastic reductions in the expense of his department

which has long been pointed to as an outstanding example of the extravagant bureaucracy of Wash-Mr. Roper proposes

to slash the expenditures of the Commerce department from \$45,-000,000 in the current year to \$26,000,000 in the next fiscal year, a reduction of \$19,000,-000, or 42 per cent.

If the report is approved, and Secretary Roper is successful in operating his department at such a saving. it is believed he will proportionately far outdistance in economy promotion any of the other departments.

Secretary

Roper

The secretary plans to consolidate many activities of the department and to abandon others. The figure of \$26,000,000, which he proposes spending in the 1934 fiscal year, beginning next July 1, is not only 42 per cent under the 1933 figure, but it is nearly \$11,000,000 under the actual appropriations made for 1934 by the last congress. The appropriation bills carry an expenditure of \$36,605,465 for the Commerce department in 1934.

This is the first time in the history of the government, according to Secretary Roper, that an administration has suggested it is not wise or safe to use money which congress itself has appropriated, but he declared that the administration in tended to carry out faithfully its campaign pledges of economy.

Mr. Roper plans to establish six bureaus to take over the work heretofore done by ten. The six bureaus will be the transportation, patents, census, standards, fisheries and foreign and domestic commerce.

The bureau of transportation will embody a supervision of the government over all forms of transportation, land, air and water. The Roper plan contemplates merging under one subordinate to become the new assistant secretary of commerce for transportation, supervision over the Interstate Commerce commission, and the activitles of the United States shipp board; the Agriculture department's bureau of weather and public roads; the federal radio commission, the Commerce department's bureau of aeronautics, geodetic survey, lighthouses and navigation, steamboat inspection; the War department's inland waterways corporation; the naval observatory, and the national advisory committee for aeronautics.

THE ambitious scheme, conceived by President, Roosevelt, to make the Tennessee river valley the scene of an industrial, economical and social experiment, has been

in a brief message. Mr. Roosevelt's hope is to demonstrate in the Tennessee valley that great economic changes for the better can be made by conserving and developing natural resources. "Such use, if envisioned in its en-

laid before congress

Sen. Norris

tirety," said the President in his message, "transcends mere power development; it enters the wide field of flood control, soil erosion, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of indus-

"In short, this power development of war days leads logically to national planning for a complete river watershed involving many states and the future lives and welfare of millions. It touches and gives life to all forms of human concerns.

"I, therefore, suggest to the congress legislation to create a Tennessee valley authority—a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise.

"It should be charged with the broadest duty of planning for the proper use, conservation and development of the natural resources of the Tennessee river drainage basin and its adjoining territory for the general social and economic welfare of the nation. This authority should also be clothed with the necessary power to

carry these plans into effect." The President's plan includes the running of electric power into every farm, to control crop productions, to build dams and promote forestation projects in the interest of relieving unemployment. It is a far-reaching plan which will take years to work out, but if a plan is agreed upon and it appears successful even before it. is fully tried out, the President expects to apply similar projects to oth-

er river valleys of the nation. To carry out the President's scheme Senator Norris of Nebraska introduced in the senate a bill for government operation of the huge war-time power and nitrate plant at Muscle

SECRETARY of Commerce Roper | Shoals, which to date has cost the American taxpayers some \$150,000,000. In the house a bill similar to the Norris bill was introduced by Representative McSwain, Democrat, of South

> RELIEF for small home owners who are staggering under \$20,000,000,-000 of mortgage debts is asked by President Roosevelt in a special message to congress. Bills with that end in

view were introduced in both houses. In his message the President laid down a new national policy to protect owners of homes valued at not more than \$10,000 from foreclosure and excessive interest rates as the next step in his program for economic recovery.

The proposed legislation would set up the Home Owners' Loan corporation, to be organized and operated by the federal home loan bank board, for the direct and immediate relief of small owners and holders of small mortgages. The corporation would have a capital of \$200,000,000 subscribed by the treasury and would be authorized to issue 4 per cent bonds up to \$200,000,000. These bonds would be exchanged for mortgages on homes not exceeding \$10,000 in value, up to 80 per cent of the property value.

Home owners would pay 5 per cent interest to the corporation, with fifteen years to pay off the loan. A special provision is made for a moratorium, not exceeding three years, on interest and principal payments.

Direct loans, up to 80 per cent of the assessed value of the property, may be made by the corporation to home owners, if the property is not otherwise encumbered.

SECRETARY of the Treasury Woodin has laid down the law to the New York clearing house, composed of twenty of the biggest banks

in the city. He has told the clearing house banks, in diplomatic language, that they must keep their word and make good the deposits of the Harriman National Bank and Trust company, now in the hands of a federal conservator. The pressure brought by Woodin, it is expected, will cost the clearing house banks

in the vicinity of \$6,000,000. The firm stand of the secretary was made known simultaneously with the arraignment in court of Joseph W. Harriman, former chairman and president of the bank bearing his name. Mr. Harriman, ill since his arrest, was brought into court in a wheel chair. The indictment charges that he caused false entries to be made in the bank's books, covering the use of \$1,713,225 of the depositors' money for speculation in the bank's stock.

Secretary Woodin's action is based on a pledge given to the controller of the treasury at a time when the bank was in financial difficulties, that the clearing house would support the bank.

PETITIONS have been filed with the United States senate from citizens of Louisiana demanding the removal of Huey P. Long as senator from that state. The petitions accuse the senator of personal dishonesty and cor-

ruptness. The petitioners asserted they could furnish witnesses to establish that Long "was personally dishonest, corrupt and Immoral," and added Long's continuance in office "is repulsive to the respectable and law-abiding citizens of Louisiana and to the nation," They contended, among other things, that Long had "created and main-

tained in Louisiana a system of corruption and debauchery unparalleled in the history of the state."

FEDERAL legislation for a 30-hour working week in industry was assured when the administration placed itself squarely behind the measure. The bill has already passed the senate, and it is expected to be quickly approved by the house and signed by

the President. The bill, regarded as one of the most radical labor measures to win the administration support, provides in its present form that for an emergency period of two years no articles may be received in interstate shipment which have been manufactured or produced by labor working more than six hours in any day, or more than five days in any week.

BY A vote of 99 to 1 Michigan's constitutional convention went on record as favoring the abolition of the Eighteenth amendment, and so Michigan has the distinction of being the first state to ratify the Twenty-first, or repealer, amendment submitted by con-

There were great cheers and hand clapping when the roll was called on the ratification of the Twenty-first amendment. The lone dry vote was cast by Eugene Davenport of Hastings, Barry county, former dean of the college of agriculture of the University

A CTION on the farm relief bill was delayed by a controversy aroused over the Simpson price-fixing plan which has been written into the administration bill. This developed at a time when the Roosevelt program for increasing the farmers' income and lifting the burden of mortgages was bumping along on a rough road sprinkled with demands for currency expansion as a means of restoring agri-

The mortgage section of the administration bill is almost certain to have the approval of the house.

In anticipation of the passage of the bill, Henry Morgenthau, chairman of the federal farm board, is getting his department fully prepared to speed the actual application of the relief.

Some delays in putting into effect all the credit relief facilities planned by President Roosevelt and Mr. Mor-, genthau will be occasioned by reason of the fact that the consolidation order under which the President joined all farm credit activities doesn't become effective for a period of about

But Mr. Morgenthau has reached out into the other agencies which soon will come under his head, and as soon as the credit bill becomes law he expects to bring about a prompt organization of the work of issuing 41/2 per cent bonds to be exchanged for the present farm mortgages averaging higher than 61/2 per cent.

President Roosevelt is reported to be firmly of the opinion that the biggest help that can be given to the farmers at this time is a loosening of their credit. Once the farmers' debts are erased, debts contracted when land values were high and crop prices up, it may not be necessary, in the opinion of many of the administration advisers outside the group controlled by Secretary of Agriculture Wallace, to resort to price fixing and allotment schemes, to help the farmer.

A 2-CENT postal rate within cities, retaining the 3-cent rate for interdistrict postage, is recommended in a plan for balancing the post office budget submitted to President Roosevelt by Postmaster General Farley. It is Mr. Farley's hope that by increased postal revenues and a program of economy, to balance the budget, which at the present rate is running into an annual deficit of \$132,000,000.

The postmaster general said he had received opinions that if the postal rate is cut the volume of business will be so restored as to yield greatly increased revenues, and he added that some advisers felt that a flat 2-cent letter postal rate over the country would bring in enough revenue to balance the postal budget.

The postmaster general also disclosed a study is being made on whether the department shall continue the heretofore somewhat farcical practice of giving examinations to first and second-class postmasters.

DUCATION, literature and religion leaders in the death of Dr. Henry Van Dyke, war-time ambassador to the Netherlands and Luxemburg. He died in his sleep at Avalon, his home in Princeton, N. J. He was eighty years of age.

Dr. Van Dyke had succeeded, as one of his friends said as "peet-critic-essayist-novelist, educator-lecturer-fisherman-pulpiteer." Dr. Van Dyke resigned his diplomatic post in 1917 so that he might say what he thought about the World war.

Holding degrees from several Amercan universities, he also had been honored by Oxford and the University of Geneva. He was commander of the Legion of Honor, had been president of the National Institute of Arts and Letters, was moderator of the general assembly of the Presbyterian church in America in 1902 and 1903, and from 1900 to 1923 held the chair of English literature at Princeton university.

THE immense importance attached to the Washington conference by the British is indicated in the personnel of the party accompanying Premier MacDonald. No more

important group of

British officials has

ever gone abroad, and

it is evident that much

is expected from the

meeting between the

British prime minister

and President Roose-

The chief delegate

after MacDonald him-

self is Sir Robert



Vansittart, permanent MacDonald undersecretary of the foreign office. Sir Robert is the permanent chief of the foreign office, no matter what foreign secretaries come and go, and all the threads of British diplomacy are in his hands, He knows America well, his first wife having been an American.

velt.

The next member of the party is Sir Frederick Leith-Ross, treasury expert, who has represented Great Britain at all financial meetings for some years. The third member is A. E. Overton, assistant secretary of the board of trade, whose specialty is tariffs and international trade relations.

DRESIDENT ROOSEVELT'S invitation to Japan to join the trade and political conferences in Washington as caused a complete change in the attitude of Japan toward America practically overnight. Friends of Amerca express jubilation, seeing the first ray of hope for the return of relations between the two nations to the friendy state existing before the Mukden

incident on September 18, 1931. Japan not only is gladly accepting the invitation but the question is being made of the greatest importance. 6, 1933, Western Newspaper Union.



Washington.-The arrival of the ! first of the foreign missions here for conferences with President Roosevelt provides some ink-Conference ling of how he is

going about the job of seeking an answer to the world economic problems. Of course, the Washington conferences are said to be preliminary only to the world economic conference, but the methods which the President has adopted make it appear that he is about to capitalize the very thing about which foreignersand many Americans, too-complained, namely economic and political isolation of America.

Authorities here characterize his move as a bold stroke. They see almost a transplanting of the main conference to the United States. But they see also many possible pitfalls in the President's plan. In calling the heads of the governments of Great Britain, France, Italy, Germany, Japan, China, Argentina, Brazil and Chile to the American capital, the President may be said to have caught opposition plans off first base, if one may refer to baseball for a parallel play. Information available in high quarters here is to the effect that few, if any, of them expected such a move.

Any analysis of the policy on which the President has embarked must needs include reference to the certain benefits that come from knowing all of the facts. The President has set out to learn them. He believes the procedure in the later world conference will be made simple.

But, according to expressions being bandled about, one ought to look behind the scenes. In such conferences as are being held, there must be understanding of tradition, of past links or breaks between peoples. There might be touchy spots, or there might be points susceptible of being put to good use in the relations between nations. It seems that the danger lies, therefore, not so much in what is happening now, but what has happened in years gone by.

European statesmen have played their own games of international politics for years. They know all of the Know All

tricks, and they use the Tricks them. It seems not unreasonable to assume they will use their old methods, those with which they are best acquainted, in their for the big stakes that are dealings L lost one of its most distinguished involved in the economic and debt parleys. It is unfair to say in such an analysis as I have attempted to make that everything put forward by the Europeans will be for ulterior purposes, but the opportunity is there, the diverse interest of the various peoples is there, and therein lies the

threat to the Roosevelt policy. The economic conferences basically involve something of a readjustment of advantages gained, some fairly, others by force, as a result of and since the World war. Every one agrees the conferences concern not only a solution of the problems of the depression but they reach far into the

Apparently everybody needs and wants foreign capital. We all want to borrow from one another, and all want to trade with one another, but each wants a prior advantage in doing it. It constitutes an exaggerated glamor upon which the eyes of all pations are set, and to think each one is going to give up something of importance is to expect an early arrival of a millenium.

Nevertheless, in the opinion of students of international affairs, the move by President Roosevelt to capitalize our hitherto economic and political isolation has some chance for success in that its very boldness may partially disarm the statesmen who have been used to playing another sort of a game. The President thinks pretty fast and it has been suggested here that he may foresee any traps and allow those who laid them to fall into their pits.

A backwash has set up from enactment of the emergency banking law. That statute broad-Backwash From ened the powers of Banking Law the Federal Reserve

banks and allowed them to discount certain types of commercial paper not heretofore eligible to be received for discounting.

Since that was done, Washington is hearing from all parts of the country to the effect that, if the Federal Reserve banks are to be allowed to discount practically all kinds of commercial paper, incorporated cities and towns ought to be allowed to discount tax warrants and other obligations of the municipalities. Nearly every day resolutions to that effect are received

in congress from some municipality. From a local standpoint, the propo sition is one that is difficult to deny. The answer is simple, however, from the standpoint of national policy.

Two reasons stand out why this sort of discounting should not be done: 1. If unlimited powers were accorded the Federal Reserve banks in this direction, soon the Federal Reserve banks would be carrying the entire burden of municipal indebtedness. There would be no attempt to market

their securities elsewhere. 2. If the Federal Reserve banks were authorized to take such paper, many municipalities would be under no check or inhibition against spending; they could run high, wide and handsome, in carrying out local improvements or local schemes without having to reckon their payment-at this time. So it becomes obvious that to permit such discounts, sooner or later those towns and cities which failed to live within their income would be compelled to burden their people with taxes far beyond the present burden. Or the Federal Reserve banks would have to lose and the currency issued against those warrants and other obligations would be worthless.

The condition growing out of the emergency banking act insofar as it has developed the Short-Sighted backwash of de-

mands for additional discounting privilege demonstrates probably better than any other circumstance now at hand as to the short-sighted policy so many alleged leaders have adopted. Here in congress, and elsewhere throughout the country there has been a continual outcropping of movements which seek to promote action by the Federal government without consideration for the future. The bulk of them seem not to take into thought that ultimately the obligations thus created have to be paid at some time in the future.

Of course, there always has been merit in the argument that the present conditions will eventually end and that what we know as prosperity will again prevail. In that event, it is explained, some of the burden ought to be shared. The same argument was presented many times in congress respecting the reduction of the war debt. It was held during the treasury administration of Secretary Mellon that he was paying off the debt too fast; that some of the burden ought to be passed on to future generations because they share the benefits of World war victory, and that is quite correct in the view of all observers here. Yet, po country and no people who have persisted in remaining everlastingly in debt have survived when the crisis came anew unless they had

paid off their debts. Right now the wisdom of the Mellon debt-paying policy is evident. Had not the national debt, which amounted roughly to \$24,000,000,000 when Secretary Mellon took charge, been rapidly reduced, the federal government never could have met the drain of deficits like it has in the last three years. The tax burden, aside from running expenses for the government, would have been beyond comprehension of the American people. So apparently without attempting to analyze their programs from the perspective of the future, many of these breeders of ideas are willing to establish themselves as community benefactors or national statesmen by postponing the evil days of payment.

I have discussed these plans and the philosophy they involve with a good many senators and representatives in congress. Privately, except in a few instances, they admit the fallacy of spending now and paying in the future if there is any other way to occomplish necessary ends. Publicly, however, they may make much noise in support of such things as the discounting of municipal tax warrants or bonds or other obligations, because they think their people want them to support such things.

The corps of Washington newspaper correspondents is sorely puzzled over the problem of the newest addition to

their ranks. George About Moses H. Moses, former Republican senator from New Hampshire, has turned reporter after many years in the senate.

It is not that the regular correspondents fear the competition of Mr. Moses in the regular run of news, but they foresee difficulties from advantages which he holds at the very beginning. As a former senator, Mr. Moses is entitled to enter the senate chamber, a privilege which no other writer has, and that will enable him to sit down and chat with the senators where the other members of the press gallery either must look on proceedings from their seats in the gallery or await the convenience of any senator whose presence is desired. The senators nearly always respond to a request for an interview, sent them by a page, but in the meantime the ordinary reporters "cool their

By a curious quirk, it was Mr. Moses who was largely responsible for the senate rule that prohibits correspondents from entering the senate chamber. He was chairman of the committee on rules at one time and during his chairmanship the committee was called upon to make an investigation of how certain senatorial secrets leaked out of an executive session. One of the results of that investigation was a rule barring the writers but the rule doesn't apply to Mr. Moses since another senate rule gives ex-senators the privilege of sitting in the chamber, though they do not participate in proceedings.

6. 1923, Western Newspaper Union.

Our Government -How It Operates

By William Bruckart

TO CHANGE INAUGURATION DATE

THOSE of us whose span of life A carries us beyond the end of 1935 are almost certain to witness an epochal change in our government. After more than 150 years, our nation is about to alter a basic date in our system of government, namely, the date upon which the terms of our Presidents, Vice Presidents and senators and representatives in congress begin. In all probability the change will have been ordered in advance of 1936, but it will not take effect until early in 1937.

This fundamental revision is to take place through adoption, or ratification, by the several states of the socalled "Lame Duck Amendment" to the federal Constitution. It is the consensus now that its ratification as a part of the organic law is only a

question of time. So, in a few years then we will witness the convening of our congress in January of each year for sessions of no fixed duration or life up to one year, and each four years, we will see a President inducted into office in the same month. Congress now meets in December, of course, but its sessions, started in the odd years, end automatically on March 4 of the succeeding even year; the sessions beginning in December of the even years may run through to the following December, if the legislative body so choose. The new amendment will start the sessions on January 3, of every year and they may continue until that date of the next year if the work has not been done in the meantime.

In the case of the Chief Executive, he will take office on January 20, of the year following his election. The term of office beginning next March 4, therefore, appears certain to be the one break in a steady succession of four-year terms for President since the formation of our government, for it will be reduced by the difference of time from January 20 to March 4, in order that the succeeding Presidential terms may be for four full years.

The purpose of the amendment is, in the words of its author, Senator George W. Norris, of Nebraska, "to bring congress closer to the people." And there is not a great deal of disagreement about that. It will make congress a body more responsive to the people, because senators and representatives who are elected in November will take office in just two months thereafter. Those who are defeated by the electorate will not serve again, unless perchance a session continues past the date of the election At any rate, the will of the people as expressed at the polls in November can be carried into the halls of congress within two months instead of being delayed, as is the case at present, from November of one year to December of the next year.

Considerable research has failed to disclose how the term, "Lame Duck" had its origin. It has long been applied to the unfortunate politician who guessed wrong as to what his constituents wanted, and was defeated. He has served through another session of congress, however, before surrendering

office to a successor. While the new amendment will make congress more responsive, and closer to, the people, there is and probably always will be some lack of unanimity of opinion as to its value. The school of thought in congress that opposed the amendment felt there was danger that congress would be too responsive to public will; that there were such things as whims and public demand based upon misinformation, and that the present period of delay afforded time for the electorate to "cool off."

Those who look at both sides of the question see that danger. They recognize it is possible for a majority of the citizens of the Republic to be swayed by demagoguery from a raucous minority. Some act of a foreign nation might possibly engender such steaming hatred just in advance of an election as to cause the selection of a majority of congress willing to rush into war. Or there may be some domestic issue about which the flames of public sentiment may be fanned, with a subsequent action by congress that would be regretted in later years,

On the other hand, those who fostered the change and who pressed it through congress have contended that this new responsiveness will work both ways. It is their view that senators and representatives will "hear from home" more quickly than ever before if sentiment swings back from the point that it reached at the polls. Plenty of safeguards are said to exist, and this observer is inclined to the opinion that they do exist in force.

After watching the performance of congresses through more than a decade, I hold the conviction that they represent a rather good cross section of the population that elects them, The voters now and then get one who is better than the average and now and then put one in office whe does no credit to the district or state from which he or she comes. But the average of anything is the sum total of all, divided by that number. Representatives and senators, as I have seen them, make up a congress representative of the public which usually, therefore, has had just about what it is

willing and entitled to receive. 6. 1932, Western Newspaper Union,