

News Review of Current Events the World Over

Plan to Rehabilitate Industry Under Government Control; President Asks Congress to Pass Railway Co-ordinator Measure; Farmers Vote National Strike.

By EDWARD W. PICKARD

OUR anti-trust laws, that have been held responsible for many of industry's woes in recent times, would be relaxed and ruinous competition and reckless price slashing eliminated under the provisions of a new bill that was laid before President Roosevelt for his approval. This measure, entitled the "National Recovery Act," was drawn up by a committee of congressional and industrial leaders headed by Senator Wagner



Sen. Wagner

of New York. Some members of the so-called "brain trust" also had a part in its formulation. The bill provides for full government control of industries through a federal board that would closely resemble the war industries board of 1918. As summarized by one Washington correspondent, it proposes to set aside the anti-trust laws, the federal trade commission act, and the Clayton act; empowers the national board to designate any industry as one affected with a public interest; permits price fixing directly and wage regulation indirectly under government supervision, and provides for the self-organization of industry through trade associations.

The major features of this bill have been approved by the National Association of Manufacturers and by President H. L. Harriman and other officers of the Chamber of Commerce of the United States. It was said that if Mr. Roosevelt liked it, the measure might be offered to congress as a substitute for Secretary of Labor Perkins' bill establishing the 30-hour week and bureaucratic control over production and wage scales of industry. Or it might be combined with the Perkins bill, which was meeting with such decided opposition in the house of representatives that the administration leaders seemed ready to abandon hope of its passage during this session. This industry bill sets up a board consisting of seven members headed by the secretaries of commerce and labor. The others are to be spokesmen for commerce, finance, labor, agriculture, and the public.

The plan sanctions the formation of industrial and trade associations which shall work with the national board to correlate production with demand, establish prices of commodities at fair levels, and stabilize markets.

WHILE the National Recovery act was still under consideration in the White House, the President in a brief message to congress asked immediate passage of a bill which he hopes will rescue the railroads from their desperate situation. It provides for a federal dictatorship under a "co-ordinator of transportation" whose function it would be to eliminate duplication of services and wasteful methods of operation and to bring about financial reorganizations. This authority is asked for one year, though provision is made for extension of the period by the President.

The President also recommended placing railway holding companies under the jurisdiction of the interstate commerce commission, repeal of the recapture clause of the transportation act whereby half of excess earnings go to the government, liberalizing the basis of rate making and modifying valuation requirements. During the period of emergency control the railroads would be immune from prosecution for violation of the anti-trust laws.

Plans were laid to hurry the measure through congress, and there seemed to be little opposition among either Republicans or Democrats.

MR. ROOSEVELT, addressing the Chamber of Commerce of the United States at its annual dinner, sought to dissipate the fears of business men that he was trying to bring about a bureaucratic control of industry, intimating that this would not come about if industry granted three requests which he set forth. These were that wages should go no lower and should rise just as fast as industry improves; that business should help the government to end cut-throat competition and unfair practices, and that leaders should work for national recovery, not for the selfish gain of a single industry or trade.

THOUGH the house accepted the inflation rider to the farm bill, it did not agree to the senate's amendment authorizing the secretary of agriculture to set arbitrary prices for basic agricultural commodities and penalize sales below such prices, and final enactment of the measure was thus delayed. This difference of opinion also led the farmers' convention in Des Moines to order a farm holiday beginning May 13, the producers being instructed to keep their products off the market during the period of the strike in order to starve the nation into complying with their demands. Eggs, vegetables and milk are included

with the other farm products. This action was taken by some 1,500 delegates from twenty-one states. Observers said they represented only about 1 per cent of the farmer strength in their respective states and predicted the strike would be ineffective. The convention adopted resolutions of sympathy with the farmers of two counties in Iowa which are under martial law because of the disgraceful mobbing of Judge C. C. Bradley at Le Mars. Many of the mob leaders were under arrest and the state troops were used to gather evidence, although the cases were to be tried in civil court.

WHILE continuing his economic conversations with representatives of other nations, the President found time to consider the selection of American delegates to the world conference that opens June 12 in London. He consulted with Assistant Secretary of State Raymond Moley, who will be one of the delegates, and also was visited by Henry Morgenthau, Sr., former ambassador to Turkey, and James M. Cox of Ohio, Democratic Presidential candidate in 1920. Both those gentlemen, it was understood, were to go to London; and Mr. Morgenthau also was chosen to represent the United States at the international wheat conference in Geneva.



Henry Morgenthau, Sr.

To the organization committee for the London conference Norman H. Davis, special American envoy, proposed that the nations should enter into an agreement for a world-wide tariff truce pending the outcome of the parley. Putting this on the agenda was left up to Prime Minister MacDonald, who returned home to confront a difficult situation. While he was talking international trade agreements with Mr. Roosevelt, the British board of trade under President Walter Runciman was promoting bilateral trade understandings with many governments.

MR. ROOSEVELT had a round of conversations with Latin-American diplomats, starting with Thomas Le Breton of Argentina who was accompanied to the White House by Ambassador Espil. Doctor Le Breton and his corps of experts also met with Secretary of Agriculture Wallace and other government officials to discuss monetary and trade problems and especially methods of controlling world surpluses of wheat.

Guido Jung, Italy's finance minister, arrived in Washington and at once began talks with President Roosevelt and his advisers concerning the purely economic and monetary phases of the current questions; and Augusto Rosso, Italian ambassador, handled for his government the discussion of disarmament and political matters.

MOVING along somewhat similar lines to those of the Roosevelt administration, Chancellor Adolf Hitler was going a swifter pace than any of his fellow dictators ever held. Immediately after a May 4 announcement that he would draft the youth of Germany into a labor army, regardless of wealth and position, he proceeded to destroy the free trade unions of the nation. The Nazi storm troops were sent into every city and town to seize the union premises and the labor banks. All the important union leaders were put under arrest.

"This clears the path for the new National Socialist state in which labor will form a part of society, divided and grouped according to professions," said Dr. Robert Ley, Nazi president of the states' council, who directed the raids. "Guides like those of the Middle Ages will be formed." Hitler's next move, with only a day's interval, was to assume control of the Central Association of German Banks and Banking Industry, reorganize the board of directors, appoint a Nazi liaison official and take steps for a general reduction in interest rates.

There was no let up in the Nazi campaign against the Jews. Bernhard Rust, the Prussian minister of education, dismissed twenty-one professors from Berlin university and nine from Cologne university. Among them were some of the foremost scholars and scientists of the country.

UNCLE SAM is now authorized to go into the power business, for the senate by a vote of 63 to 20 passed the Norris bill for the development and operation of the Muscle Shoals project. The house had passed an almost identical measure so there was little adjusting to be done before the bill was sent to the President for signature.

PRESIDENT ROOSEVELT has selected Sam G. Bratton of New Mexico for a federal judgeship in the Tenth Circuit Court of Appeals, which embraces New Mexico, Colorado, Oklahoma, Kansas, Wyoming and Utah. Bratton accepted but will not resign from the senate until the special session ends.

W. A. Julian of Ohio has accepted the post of treasurer of the United States, and Dean G. Acheson of Connecticut is to be undersecretary of the treasury.

OPENING date for Chicago's Century of Progress exposition was advanced to May 27 to accommodate President Roosevelt, who promised to be on hand to take principal part in the ceremonies. On the same day he will officiate at the formal opening of the Great-Lakes-to-the-Gulf waterway, the ceremony to be held at the mouth of the Chicago river.

OF GREAT import in the Sino-Japanese quarrel is the news that Soviet Russia has resumed full diplomatic relations with the Chinese Nationalist government. Dimitri Rogoloff, the new ambassador from Moscow, presented his credentials at Nanking. Immediately the Chinese press began a vigorous campaign looking toward an alliance with the Soviet government similar to the one that followed the war with Japan in 1905, when China virtually ceded Liaoting peninsula, part of Manchuria, to Russia in return for assistance against Japan.

The Chinese now suggest that China grant the Soviets important trade privileges to provide an outlet for Soviet goods in China and at the same time exclude Japanese products. In exchange it is hoped that Russia would actively help China in connection with the Manchukuo conflict.

GERMANY has proposed to the disarmament conference in Geneva, through her representative, Count Rüdolf Nadjolny, that the arms plan offered by the British be altered to provide a maximum caliber of 105 millimeters for mobile guns and to entirely abolish tanks. Nadjolny contended that if these proposals were rejected, Germany should be allowed to have all land, naval and air armaments that other nations deemed necessary for their adequate defense.



Count Nadjolny.

"The German government has sufficiently proved its good will," he said. "We have accepted in principle the period of transition for the practical realization of full equality rights for Germany. This proves there is absolutely no foundation for the opinion that Germany wishes to avail herself of disarmament to proceed with her own re-armament at the highest possible level. The contrary is the case."

Count Nadjolny won a victory when the committee on armaments voted not to include in the armed strength of Germany the 60,000 Nazi storm troops. The decision was reached by a vote of 7 to 6.

HOARDERS of gold in large numbers have defied the treasury, refused to turn in their stores of the yellow metal in exchange for other currency, and challenged the authority of the government to coerce them or to punish them for their stand. Among those who are holding large supplies of gold in safety deposit boxes are many foreigners, both resident and nonresident. All requests for licenses to export this gold are refused by the treasury, unless it is earmarked for foreign governments, central banks or the Bank of International Settlements. In addition to the foreign gold owners there are many domestic holders of gold with large amounts in safety deposit vaults. Some are known to the treasury and were said to have several million dollars in gold coin. According to the information, they declined to surrender the gold on the advice of attorneys, who planned to test the law in the courts.

Indications pointed to a test case within a short time. The Department of Justice probably will arrange to expedite the case so that a prompt decision may be obtained from the Supreme court.

ONE more head of a Latin-American government has fallen at the hand of an assassin. Luis M. Sanchez Cerro, President of Peru, was shot to death by Abelardo de Mendoza, a member of the Aprista, opposition party, just after reviewing 20,000 conscripts in training for the war with Colombia. Mendoza was slain by the Presidential guards. The Peruvian congress named Gen. Oscar Benavides as temporary president.

ASSUMING the correctness of messenger dispatches from Cuba, a real rebellion against the Machado regime has broken out with the landing of two expeditions near the eastern end of the island. The government claimed to be having an easy time suppressing the outbreak, but the fighting continued. Some of Machado's opponents more than intimated that the revolt was a "set up" engineered by the President himself.

UNITED States District Judge George A. Carpenter of Chicago sent to the President his resignation, effective June 30, saying that he "feels the ravages of time" and at his age, which is sixty-six, is disinclined to carry out the daily routine of judicial work. Judge Carpenter has been on the district bench for 23 years.

Washington Digest

National Topics Interpreted
by William Bruckart

Washington.—In all of the bustle and bustle of getting things done in this crisis, it seems to me that one of the greatest transformations of all time has taken place. I refer to the reversal of powers that are exercised by congress and the Chief Executive. Actually, in the period of a little over two months, or since Franklin D. Roosevelt became President, congress has abdicated much power in favor of the President and the President, in turn, has given to congress a veto power which it never has had before.

It will be recalled that the Constitution prescribes the limits of authority of the legislative, executive and judicial branches of our government. Congress was supposed to be the check on the executive powers just as the President, through the exercise of a veto on legislation, was to be the check on acts of the national legislature. The courts, or the Supreme court of the United States, were given a whip hand over both.

The circumstances of it all are so important and the procedure so unique that a review of the period probably is necessary to set out the picture. Further, there is no doubt in the minds of many authorities and many students of government that the things which have happened are going to affect the future of this nation vitally and in ways of which we do not dream. From the perspective of the present, it is made to appear that they could not have happened except for the crisis through which the nation, and the world, has passed. Yet it remains as fact that congress has turned over to President Roosevelt authority which it may recall to itself only with the greatest difficulty.

Chronologically, events have transpired something in this order:

The President took office as the banking structure of the nation was crumbling. He acted without delay, and then asked congress to support his hand with the legislation that was necessary. Congress had no choice. It voted the emergency banking bill through in record time. That legislation would have taken years otherwise to have been enacted. But congress was scared!

Next came the authority for reorganization of the government. It was put through quickly because everybody in congress wanted to save money and balance the budget. Also, most members of congress saw a nice sidekick which they could travel and avoid meeting face to face with the question of reducing the payment to veterans. They did not fancy cutting government salaries, either. So they thought it was fine to "let Franklin do it." He acted promptly and with neatness, saving probably more than four hundred millions a year in what he believed to be unwarranted payments to veterans and one-fourth as much more in other ways.

It was in this legislation as well as in the banking act that congress began to give away its control. The statement can fairly be made that the bulk of house and senate members had no comprehension of what was done by the banking act, but the same cannot be said of the reorganization act. That was simple legislation. It said in plain language that the President could make about any changes in the structure of the government which he deemed advisable. He was to do it by executive order and if congress had not acted affirmatively in a prescribed time, the executive order stood as law.

To those unacquainted with the procedure, the reversal of practice may not be so apparent. But after congress had delegated that authority to the President, it can stop his action only by a two-thirds vote. That is difficult to obtain except in an emergency.

Assume, for an illustration, that congress is dissatisfied with some move made by the President in connection with reorganization and it passes a resolution setting aside that particular executive order. Mere passage of the resolution does not make it the law of the land, for there is yet the signature of the President to be obtained. If the President chose to veto the resolution, the congress then to make its will effective must repass that resolution by a majority of two-thirds. It thus exercises veto power, something hitherto unknown.

Now, as to the banking act: the President was given broad discretionary power to reconstruct the banking system. True, it was an emergency, a crisis. But that legislation went so far as to permit the Chief Executive to take over and operate the federal reserve banks. By that means, it is not beyond a stretch of imagination that he actually can control the commercial banks of the country. The tie-up between the federal reserve banks and the privately owned commercial banks is so close that control of the one opens hundreds of avenues by which the other may be reached.

Congress can withdraw that power by repealing the legislation. It is supreme in that field. Yet, in order to repeal the law, the repealer must be signed by the President.

Along came the farm bill to which was added the inflation amendment presented by Senator Thomas of Oklahoma. No more dictatorial power ever was accorded the head of any government, except the absolute monarchy, than is given to the President of our country. In the farm bill itself there is power to control crop production, a power to restrict acreage, if the Chief Executive wants to go that far.

In the Thomas inflation amendment, the authority is given the Chief Executive to change the value of your money and mine, at whatever time he sees fit. He can make the gold dollar worth half what it was heretofore; he can use silver to an extent he deems necessary, and he appears to have been given power to arrange treaties on monetary standards without even consulting again with the congress. It had always been supposed that the Constitution required the advice and consent of the senate on treaties, but the authority now apparently rests in the hands of the Chief Executive alone.

Between the banking legislation and the farm bill, with its inflation section, congress voted the President the right to organize a new "army" of upwards of 250,000 men. The reforestation bill that became law called for the mobilization of a "citizen's conservation corps," a legitimate peace-time organization for the purpose of re-establishing a source of timber supply. Mr. Roosevelt was given wide discretion as to how that corps would be recruited, trained and used. It is a matter clear out of the hands of congress.

Others are yet to come. Among them is the railroad legislation that is now shaping up. The President can become monarch of the rail systems through the federal co-ordinator for which the legislation provides.

One hears a good deal of discussion in Washington respecting the powers which the President has been given. Generally speaking, the conclusion is that they are in better hands than if they remained with congress under the present circumstance. The President has demonstrated that he knows what he wants, and most members of congress are afraid to deny requests which he makes.

Take the inflation amendment for example. Mr. Roosevelt undoubtedly saw a tidal wave of inflation sentiment in congress. It was there. So in order to maintain control, he placed himself at the head of the inflation parade. It is unthinkable that he will ever use all of the various powers given him in the inflation amendment, for he knows that the remedy would be worse than the disease they seek to cure in most instances. But by the simple expedient of inviting the inflationists to dump all of their remedies into one basket and to give him discretionary power to use them as he desires, he continued to command the field. I have heard it suggested frequently that many of the inflationists do not realize yet how they let the thing get away from them.

And it did get away. Having made the means available once, there are not so many senators and representatives who will vote to make it mandatory now. If they did, the President could veto the bills and there seems little chance of enough votes to pass that sort of thing over the veto of the Chief Executive.

Observers here used to think that Calvin Coolidge kept the politicians in congress "up in the air" by the manner in which he out-guessed them. The judgment now is that Roosevelt has improved on the Coolidge plan to the point where his plans take on elements of mystery. The action in the case of the inflation bill is typical. It was wholly unexpected. He keeps things to himself until his mind is made up. Then, without further ado a brief message goes to congress and the thing is done. The method has proved immensely practical as well as effective. Whether the results are right or wrong is not within the realm of my discussion.

Senator Robinson, of Arkansas, the Democratic leader in the senate, continues to have his troubles in keeping Senator Huey Long, of Louisiana, on the party reservation. Senator Long, the self-styled kingfish, just won't stand hitched. Consequently, clashes between Robinson and the kingfish are frequent since the Democratic leader is equipped with a vicious tongue and more than the average amount of courage.

The kingfish does more talking than any other senator. It irks Robinson to see his plans upset by the kingfish frequently upsets them by his long, rambling speeches into which he sprinkles numerous quotations from the Bible.

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In a new novel H. G. Wells exploits a hero, who, through a long and active life, manages to fool himself and become a happy and contented man. . . . Years ago Alfred Payson Terhune said to me, and I made a paragraph (with credit) of it, that the happiest man in the world is he who can fool himself and believe everything he says or does is perfect. . . . Both Mr. Wells and Mr. Terhune are mistaken. Millions fool themselves, but the truth always overtakes them and applies the punishment finally the due of fools.

Howe About:

Stillman and Morgan Favoritism Materialism a Virtue

By ED HOWE

SOME men have so little woman sense they should have an administrator appointed to direct their love affairs.

A conspicuous example is Jim Stillman of New York. Apparently a reasonably fair, active and intelligent fellow in his other activities, he has long been a sad idiot in associating with women; apparently he never so much as bowed to one who did not make him "enormous trouble." Falling heir to a fortune from a careful father was an active curse to him; for many years his name had been dragged through the courts and newspapers, and always the evidence indicates that Stillman was more of a gentleman than those who have treated him so foully were ladies. In the latest example of foul notoriety his attorney appealed to the court for help for Stillman, pointing out that the case for the complainant was so palpably blackball that her lawyer should be disbarred.

A few men are capable in their love affairs, but such cases are so rare a book has recently been written to celebrate the case of the elder J. P. Morgan. He was an enormous lover, but able to handle the details so well that no woman ever made him serious trouble. He treated them well and paid them well, and most of them seem to have actually loved him. Even the gossips respected his unusual skill and did not talk about him a tenth as much as they talk about poor Jim Stillman. Being weak myself I do not know how Morgan ever did it, but confess I found great interest in the recent book called "Morgan the Magnificent."

We hear much complaint from the defeated Favoritism.

My observation has been that favoritism is exercised to the advantage of the most reliable and worthy.

When a good job is to be given out, no employer is fool enough to pay a salary to a drunkard or slouch if a sober and efficient worker is to be had.

Good, steady workers are the favorites of men as well as of the gods.

Boys always interest me. I read that lately two ships were becalmed fifteen miles apart in the loneliest part of the loneliest of the oceans; in making the passage around Cape Horn. The crew of one was composed of German boys of good families; their average age was seventeen, and one was a baron; Germans believe in giving boys practical experience early. When there had been no wind for a long time, eight of the crew asked the captain for permission to row off to the other ship. The captain said they were crazy, as boys nearly always are, but finally gave them use of the yawl. Starting at two in the afternoon, they returned at two the following morning, after eating supper on board the stranger. The sporty captain waited for them, burned flares after night-fall to direct them, and sat up for hours listening to their chatter of the trip.

The captain was noted as the most capable man in the sailing service, and in the book there is not a word about his cruelty. Most sea books make much of the brutality of the captain; I liked this story because of the decent captain, and I believe most of them are decent. I never care for exaggerated stories of cruelty, filth or adventure.

We all agree Science has made the modern world great. Science is education taking advantage of experience. Honesty is the religion of men of this trade. Their first question in everything is, is it true? If the truth is harsh they look for an antidote. Their first ambition is to get out of life the best there is in it. Not one of the first class men of science has ever taught dreams, omens, predictions. When one of them, Sir Oliver Lodge, began holding seances in old age, he was promptly tagged as a motorist is tagged by policemen for parking wrong.

When we finally reach the age of reason we will depend on the scientists for guidance. Who told us about the great wonders of nature, and demonstrated them? The scientists.

Who predicted the end of the world daily and hourly for centuries, and missed it every time? The prophets and dreamers.

Who was it killed a thousand men every day of his active life? A general and politician called Napoleon.

Who enabled us to sit quietly at home and hear music and messages from any part of the world? Again the scientists, the men who believe in honesty, education, peace, politeness, progress, materialism, common sense, and everyone a hard worker.

In a new novel H. G. Wells exploits a hero, who, through a long and active life, manages to fool himself and become a happy and contented man. . . . Years ago Alfred Payson Terhune said to me, and I made a paragraph (with credit) of it, that the happiest man in the world is he who can fool himself and believe everything he says or does is perfect. . . . Both Mr. Wells and Mr. Terhune are mistaken. Millions fool themselves, but the truth always overtakes them and applies the punishment finally the due of fools.