

News Review of Current Events the World Over

International Tariff Truce Seems Assured—Progress Toward War Debt Settlement—Senate Passes Bill for Control of Securities.

By EDWARD W. PICKARD

ONE of the busiest men in the world these days is Norman H. Davis, American ambassador-at-large in Europe, and it would appear that he is doing his multifarious jobs very well. It was up to him to persuade the British government to accept the proposal of President Roosevelt that there be an international tariff truce pending the outcome of the world economic conference in London.



N. H. Davis

According to an announcement by Prime Minister MacDonald in the house of commons, although Great Britain made important reservations providing that the trade pacts now being negotiated by Britain should not be affected. The text of the agreement between Davis and MacDonald was cabled to Washington for the final approval of the American government, which was promptly given.

France, Italy and Belgium have accepted the tariff truce, the two former stipulating that it be based on the present dollar valuation and that a superduty can be imposed if the dollar depreciates further. Favorable responses were expected in Washington from Japan, Germany, Holland and China.

PRIME MINISTER MACDONALD in his speech to parliament also took up the subjects of war debts and world disarmament, throwing considerable light on the negotiations between his government and President Roosevelt.

He declared that the world economic conference cannot be fully successful unless the war debt difficulties have been removed before it comes to an end. He said that on this "there is complete union of opinion." The premier asked parliament to hush up discussion of this question and not ask embarrassing questions concerning his negotiations with the United States.

He said that if the world disarmament conference was to come to anything like a satisfactory conclusion, the United States would have to take part in a consultative pact, "the effect of which would be to increase the security of European nations and the safety of threatened nations against war." The United States, he said, had so agreed and an announcement would soon be made in Washington to that effect.

President Roosevelt presumably agrees with MacDonald concerning the necessity of settling the war debts. He sent to congress a message asking that he be given authority to deal with the other nations in settling the debt issue, at least temporarily. Secretary of State Hull admitted that the debt matter would be taken up concurrently with the issues before the economic conference, but both he and MacDonald insisted it would not form part of the conference discussion. MacDonald said the June 15 date on debts was "an awkward hurdle" and asked parliament not to make it harder to surmount by premature debate.

France hopes for a moratorium or its equivalent on the payment it owes June 15, and the cabinet confirmed its decision not to pay the nineteen million odd defaulted in December unless it is granted, rejecting Herriot's proposal that the debt interest due be paid immediately. In Washington it was said the administration felt strongly that no consideration should be given France on the June 15 payment unless she first paid up the sum that was due in December.

In his message to congress President Roosevelt also asked for a grant of blanket power to negotiate tariff revisions so he can carry out his program for stimulating world trade by breaking down high tariff barriers.

TURNING back to the matter of world disarmament, we again find Norman Davis active. He had a long talk in London with Dr. Alfred Rosenberg, who is Chancellor Hitler's chief adviser in foreign affairs, and is said to have told him flatly that the United States is utterly opposed to any increase in armaments by anyone, and that America regards Germany's present policy of demanding a larger army as an obstacle to the success of the disarmament conference. He let the German know that the United States government thinks Germany is tending to become a disturber of European peace.

Rosenberg in return, it is said, disclaimed any intention on Germany's part to disturb peace, but reiterated Germany's claim to equality of armaments, preferably to be obtained by disarmament of other nations to the present German level than by Germany's renouncing to their level.

THE Wheeler resolution, urging American delegates to the world economic conference to work for an agreement to remonetize silver at 16 to 1 with gold, was approved by the senate. The resolution merely calls on the delegates to "work unceasingly

for an international agreement to remonetize silver on a basis of a definite fixed ratio of not to exceed sixteen fine ounces of silver to one fine ounce of gold."

THE international wheat conference opened in Geneva and the American delegation was on hand, its members including Henry Morgenthau, Sr.; George C. Haas, member of the federal farm board, and Frederick E. Murphy, publisher of the Minneapolis Tribune.

THE Simpson price-fixing amendment to the farm bill was rejected by the house by a decisive vote—283 to 100—because Chairman Jones of the agriculture committee declared the President was opposed to it and Majority Leader Byrns urged the house to stand behind the administration.

The senate agreed to the report on the measure by the conference committee after vain protest by advocates of the price fixing amendment. It also yielded to the house by agreeing to broaden the power of the secretary of agriculture to initiate and approve agreements for marketing farm products, without regard to the anti-trust laws, and to license the handlers of agricultural commodities. Under the bill as finally passed the secretary may include under these provisions not only the seven basic commodities embraced by the benefit and production control portions of the bill but all agricultural products processed and marketed in this country.

PRESIDENT ROOSEVELT continued his economic conversations with foreign statesmen, and the most colorful of his visitors was T. V. Soong, the youthful appearing minister of finance of China, who was presented by Minister Alfred Sze. Doctor Soong naturally was especially interested in what stand the President might take in the Sino-Japanese quarrel, and he stated in detail the position of China. No information was given out indicating Mr. Roosevelt's intentions in the matter, but press dispatches from Washington were received in Peiping quoting Soong as saying he had been assured of American intervention in China if Japanese troops captured Peiping. These dispatches probably were misleading if not entirely false.

Viscount Kikujiro Ishii is on his way from Japan to Washington, and when he meets the President he, too, will be concerned mainly with the American attitude toward the Far East embroglio. He is prepared to defend the Japanese conquest of Manchuria and will urge American recognition of the puppet state of Manchukuo. One of his important tasks will be to learn how far the idea of a consultative pact to implement the Kellogg-Briand anti-war treaty has developed. As was said above, Mr. MacDonald told parliament that the United States had agreed to take part in such a pact.

Others who consulted with Mr. Roosevelt were Dr. Hjalmar Schacht, president of the Reichsbank, who brought up the questions of German equality at arms and boundary revisions; and Albert J. Paul, finance minister of Mexico.

GOING ahead with the President's program for federal regulating of most things, the senate passed the administration bill for the control of securities sold in interstate commerce. Differences between the senate measure and that already put through the house were mostly slight and easily compromised. The former, however, contained an amendment offered by Senator Hiram Johnson of California setting up federal machinery to aid holders of foreign bonds that are in default.

Under the bill, the federal trade commission will become the governing body of the securities trade. Persons or corporations about to sell securities in interstate commerce and agents of foreign governments about to sell foreign securities must register each issue with the commission, together with detailed information concerning the issue.

Large groups of securities are exempt, such as short term commercial paper, government, state, and municipal bonds, securities of railroads and other utilities subject to federal regulation, national bank securities, and securities issued by educational and benevolent organizations.

WAR against Bolivia in the Gran Chaco dispute was formally declared by President Eusebio Ayala of Paraguay, the peace negotiations conducted by neutral South American nations having failed. The warfare has been going on unofficially since June, 1932. Neither nation shows any signs of yielding. The Paraguayans hailed their President's action with joy, and the Bolivians said they were ready to fight.

SUMNER WELLES, the capable new American ambassador to Cuba, was received at the dock in Havana by a few officials and about 100 other persons who were permitted to pass through the strong guards established by the government to prevent a demonstration. Along the sea wall drive on his way to his hotel he was cheered by thousands who hope he can help in restoring prosperity and peace in the island republic. In a statement handed to local newspaper men the ambassador referred to the historic bonds between the United States and Cuba.



Sumner Welles

"I will give my most earnest consideration to the fundamental problem of regenerating the healthy flow of trade between us," he said. "I hold the sincere conviction that it is to the prime interest of Cuba, as well as to the interest of the citizens of the United States, that there be considered at an appropriate moment the bases for an agreement which will stimulate the advantageous interchange of commodities to an equal extent between both countries."

Concerning the Cuban political situation, Mr. Welles said: "The government of the United States reiterates the (Elihu) Root interpretation given to the Platt amendment in 1901; that is, that the Platt amendment is not synonymous with intermeddling in the domestic affairs of Cuba."

REPORTS from Washington that President Roosevelt planned to provide emergency relief to avert a food shortage in cities were ignored by the National Farmers' Holiday association at Des Moines, and an appeal was issued by it to every planter and cattleman in the country to join in the farm strike.

Milo Reno, president of the association, said that when the house of representatives killed the Simpson amendment to the farm relief bill, which would have guaranteed production costs, all hopes of cancelling the strike were shattered.

The other four points of the association's demands are: Settlement of mortgages on a low-interest, long-term basis, lower property taxes, free silver and payment of the soldier bonus. Meeting in Montevideo, Minn., members of the Minnesota Farm Holiday association voted to join in the strike. They also demanded that the President remove Secretary of Agriculture Wallace from office because he opposed the Simpson amendment. The 4,000 delegates decided they would not pay interest, taxes or other debts until the dollar became an "honest measure of value." The association demanded federal operation of banks and other credit agencies and a national Presidential moratorium on farm, city home and personal property foreclosures, and other relief measures. R. L. Rickard, president of the Oklahoma Holiday association, predicted that 90 per cent of the farmers of Oklahoma would withhold their products from market.

HARVARD adds itself to the list of universities with young presidents, the corporation having selected James Bryant Conant, forty years old, to succeed A. Lawrence Lowell. He is Sheldon Emery professor of organic chemistry in the university and is widely known among scientists for his research work in special fields. Born at Dorchester, Mass., March 26, 1893, the son of James Scott Conant and Jennett Bryant Conant, he entered Harvard college in 1910, after preparing at the Roxbury Latin school. Completing his college work in 1913, after three years in which he attained high honors, Conant was graduated with the degree of A. B. His degree of Ph. D. was conferred in 1916 and the next year he received an appointment as instructor at Harvard.

After serving during the war with the bureau of chemistry and mines, he returned to Harvard in 1919 as assistant professor of chemistry. In 1925 he became an associate professor. His present position of Sheldon Emery professor dates back from the year 1929.

SENATOR GLASS produced a new banking reform bill that was expected to have the backing of the administration. It was approved by the senate banking subcommittee after that body had made an important change which would require private bankers to abandon either their business in deposits or in securities. The bill is designed to curb the use of federal reserve credit in speculation and to insure deposits in federal reserve member banks through a \$2,000,000,000 corporation.

PRESSED by the budget bureau, the navy agreed to cut its expenses \$53,000,000 in the next fiscal year. As a part of the economy move, officials tentatively have decided to place one-third of the fleet on the "rotating plan," or inactive status. Recruiting and training at the Norfolk, San Diego, Newport and Great Lakes training stations also will be stopped temporarily. It was understood a 1,000 reduction in officer personnel is contemplated.

Then, this complex piece of legislation also provides for use of the allotment plan, and other taxes on the processors and use of the tariff against imports to drive the prices of farm commodities higher. This section like

Washington Digest

National Topics Interpreted by William Bruckart

Washington.—As the special session of congress washes up preparatory to quitting, it seems experimental to me that interest centers chiefly on two pieces of legislation coming from the great mill of laws. Singularly enough, each must be denominated as experimental. I refer to the farm bill, with its inflation powers, and the measure designed to transform the Tennessee river valley into a gigantic laboratory for development of partially-tried plans and experimentation with theories, with the Muscle Shoals nitrate and power plants as the center.

The special session has worked at top speed. Seldom has so much been accomplished, if the measure be by volume, as has resulted from the labors of congress under the lash and complete domination of President Roosevelt. But we are concerned now with an aftermath, with a continuing force. Hence, the two enactments mentioned stand out, for the effect of the farm bill will be direct and that of the Tennessee river experiment may mark an economic milestone in the nation's history.

President Roosevelt declined to assure success for the farm bill. He termed it a gigantic experiment, an effort offered in search of relief for down-trodden agriculture, a hope for better conditions. The so-called Muscle Shoals legislation is experimental by its own language.

The provision of the farm bill delegating to the President authority to use inflationary measures with the currency is, of course, vital to every one. It has been analyzed in this column heretofore and while every one is interested in what the President may do with those powers, it does not partake of the same conditions or circumstances as the farm or Muscle Shoals legislation.

While each of these measures is designed to aid agriculture, there is a point of striking dissimilarity between them. The farm relief measure is designed to have an immediate effect. No such thought is entertained respecting the Muscle Shoals development proposal. Its purpose is predicated on a belief by those who fostered it that it will be of lasting benefit to the human race. If the theories prove workable and partially-tried plans can be carried on to successful conclusion, the hope doubtless can be realized.

President Roosevelt told congress when he asked enactment of the farm relief bill that he deemed it emergent and necessary to take constructive steps in aid of agriculture.

"Deep study and the joint counsel of many points of view," the President said, "have produced a measure which offers great promise of good results. I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture."

The President added that if it failed to develop those results "I will be the first to acknowledge it and advise you." It appears then as a hope. We are starting on a new road.

The first principle of the bill is, most peculiar. It would have cotton farmers purchase government-owned cotton at the present market price to whatever extent they will do so and reduce their acreage this year in accordance with the amount so bought by them and which will be held by the secretary of agriculture in trust for the purchasers until 1935, if they desire. The purchases therefore can be made on credit.

The purpose of this, of course, is to reduce production and thereby reduce the surplus in one and the same contract. The farmers cannot buy the government cotton without there being a resulting decrease in acreage. Simply stated, then, this principle is designed to shorten the supply and cause an increase in price. Of course, the farmer takes the chance that there will be no increase in price, but here again, it is "a new and untrod path" and that chance may win.

The second section of the measure has been attacked by its critics as "robbing Peter to pay Paul." It gives the secretary of agriculture authority to lease agricultural lands, paying the owner agreed sums as rental, to accomplish a reduction in acreage by removing those lands from crop productive use. That, as is readily discernible, will be an expensive proposition. The government could not do it without having funds come from somewhere to make such payments. So the sponsors of the bill laid a tax on the processors of agricultural commodities to obtain needed revenue.

It hardly need be said that the processors—the packer of meats, the miller of flour, the spinners of cotton, etc.—are going to fight this section.

Then, this complex piece of legislation also provides for use of the allotment plan, and other taxes on the processors and use of the tariff against imports to drive the prices of farm commodities higher. This section like

the others has been questioned as to its constitutionality, and it has perhaps the strongest array of opponents, for the consumers will help pay the bill in a big way. That is, all except those who are unemployed and without funds. They cannot buy now, and charity or public relief sources will pay the added costs.

The amount of the tax to be levied on the processor, and paid the farmers who agree to reduce acreage—and that agreement must be made—is a thing which must be worked out by the secretary of agriculture. Never before, as far as my research has disclosed, has an official of government in this country had such wide powers. But the President justifies them on the ground of the necessity for preservation of agriculture.

The processors' tax is to be added to the price the farmer receives for that portion of his crop consumed in the United States. Normally our exports as a whole are only about 10 per cent of the total. The bill, however, is not applicable to all commodities. It takes in cotton, wheat, rice, tobacco, sugar beets, sugar cane, milk and its products and hogs, but the secretary of agriculture has power to make it inoperative as to any one or all of them if market conditions are such as make the use of the law inadvisable.

The processors' tax is being levied under the guise of what is called "parity of prices." It is the purpose to lift the returns which the farmer receives to a basis where compensation for his labor shall be proportionately the same, in relation to the prices he pays for things he buys, as the ratio between the sale and purchase stood in 1914. That is involved. It is complex in the extreme.

But there is no need of services of a soothsayer in pointing to the tremendous organization that is going to be necessary in carrying out such legislation. A thousand and one things must be considered, inspected, guarded, negotiated, enforced. Government employees must do that work. The machine can be made to click and run smoothly, say supporters of the plan. It is the most gigantic political machine in history, say opponents of the program. Whichever view is correct, it remains as a fact that there will be government agents in every county to tell farmers who enter into the agreements on acreage reduction what they shall do and what they shall not do; there will be inspectors galore in processing plants and accountants checking books when necessary, and there will be taxes collected in whatever amount the secretary of agriculture decrees to be needed to pay the cost.

It is in the appointment of the personnel for carrying out the act that opponents of the plan insist there is the greatest danger. They hold that it will be impossible to obtain men and women who will construe the law in the same way or who will use their discretionary power to the same extent.

Now to give consideration to the Muscle Shoals legislation: Senator Norris, of Nebraska, has been promoting a program of development of the Tennessee river since the national defense act of 1916 provided for an experimental production of nitrates with water power at Muscle Shoals. The late President Wilson obtained legislation in 1917 for construction of two dams there, and for power plants and laboratories for the fixation of nitrogen from the air. That was for military purposes, but as soon as that need passed, the atmospheric nitrogen was to be used for fertilizer. Senator Norris has argued for years for utilization of the country's water resources in development of electric power, and the use of that power in providing cheaper fertilizer for farms. He is known as an especially bitter foe of power companies, and times unnumbered he has charged on the floor of the senate that the power companies are a trust. He has accused them of constantly bleeding the public who have to buy those products.

But the present Muscle Shoals program, as enacted into law, goes far beyond the original Norris dream. It is, indeed, the dream of a future Tennessee valley as a man-made paradise, a laboratory for the good of the human race, a public benefaction on the part of the government.

In addition to completion of the nitrate plants and the great power program, the new law prescribes continued tests of various kinds, improvement of navigability of the river hildes and "proper use of marginal lands." In that later authority, it is conceded, lies permission to accomplish a great many things. Marginal lands is, of course, an economic term. It means lands, the use of which for certain crops is questionable. Determination of the proper use of such lands, therefore, is undoubtedly a matter of great moment. The Tennessee Valley Authority, the official name of the government-owned corporation that will direct the great experiment, can and probably will find ways and means of using marginal lands.

Some one excited us long ago by declaring we were not being treated right. . . . The people were never promised, by any real authority, anything they are not getting. I lately tried to read a book about Abyssinia, the author having traveled extensively in that strange country. But he lacks judgment; he devotes most of his pages to "jokes." Mark Twain, best of our modern humorists, was frequently dreary while trying to be "funny." Books of humor are almost as rare now as books of poetry, so many serious things having developed requiring serious consideration.

Howe About:

Watching Out The Alarm Bell The Youth Movement

By ED HOWE

LOVE of wives for husbands is often said to be a very unstable thing, but Silerius expresses the belief in his memoirs that it is more stable than the love grown children show parents.

Silerius mentions with approval and thankfulness that his third wife once said to him that the blunt regularity with which he was called on daily for money with which to pay household expenses, and the hard way in which he was compelled to earn all his money, excited her pity, and caused her to resolve to be more frugal in her expenses.

Silerius adds a note (page 82, 2nd vol.), that none of his grown children ever said an equally agreeable thing to him.

Another Great Man has gone to the dogs. The trouble seems to be he didn't watch out on his way up.

In climbing, one must be constantly careful; see to it that every round above is as sound as those below which carried him safely.

And such care is always easier than a fall.

I do not believe Samuel Insull was a rogue, but became careless as he climbed, and developed dangerous conceit.

I cannot understand how any man, intelligent enough to fully realize what a man necessarily is, can become conceited.

In youth and age only natural things have impressed me.

And natural things have impressed me only because of the power behind them to force my acceptance.

As a young man I was often ashamed because of youthful incompetence and judgment; because those older daily demonstrated more capability as a result of longer experience. In learning my trade I never doubted the foreman's greater ability, and accepted his instructions as I accepted the suggestions of the older men in the same shop.

I have never been able to understand the Confidence of Youth of which so much is heard.

The other day I met an old fellow who had long lived luxuriously. He seemed "about all in," as the saying is, and told me of his ills. I said the only remedy I had ever found was taking care of myself. His reply impressed me.

"Yes," he said, "I know about that, but I did not begin early enough."

I send out another general alarm to be lost in the magnificent errors of today. Most people live like greedy children until something serious happens.

One should begin taking care of himself before the first alarm, which comes long before forty or fifty. The alarm bell began ringing very early in my life; I believe it does in the lives of most men, and beg them to pay attention earlier.

We frequently hear exclamations as to the Most Amazing Thing in the World. I think it is the dullness, inefficiency, carelessness and dishonesty of adults who are permitted to run at large, rear children and vote, although they refuse to learn the simplest lessons we birch children for not practicing.

Men who are careless, not honest, and do not pay their debts, have had judgment in other respects; it has been discovered that one-fourth of all automobile drivers having collisions are listed as dead beats in their communities.

As moving an incident in life as I have ever heard is this: A young girl of average good family in my town married at seventeen, and had five children in seven years. One day she disappeared and has never been heard from since, except a letter she wrote her mother from a distant town, which said she couldn't stand the burden of being married. She found no fault with her husband saying he was as great a martyr as she had been. "You may be sure," she added, "there is not another man in the case; the man-lack in my life has been completely satisfied."

One of my greatest humiliations is the manner in which politicians make a fool of me; my helplessness in protecting myself from the harm they constantly do me. I frequently work myself into a frenzy about it, and splutter to others who are also angry, and hurt, but we get no relief out of our exchange of indignation.

Some one excited us long ago by declaring we were not being treated right. . . . The people were never promised, by any real authority, anything they are not getting.

I lately tried to read a book about Abyssinia, the author having traveled extensively in that strange country. But he lacks judgment; he devotes most of his pages to "jokes." Mark Twain, best of our modern humorists, was frequently dreary while trying to be "funny." Books of humor are almost as rare now as books of poetry, so many serious things having developed requiring serious consideration.