

# News Review of Current Events the World Over

## Cuba in Turmoil as Machado Refuses to Quit the Presidency—Germany Rebuffs Britain and France—National Recovery Progress.

By EDWARD W. PICKARD

GERARDO MACHADO, president of Cuba, appeared to be reaching the end of his rope, but was stubbornly defiant



Gerardo Machado

Welles for settlement of the island's political turmoil. Mr. Welles told Machado that he should ask congress for a leave of absence after appointing an acceptable man for the position of secretary of state; that secretary, according to the Cuban constitution, would succeed to the presidency in event that office became vacant. He would then select a cabinet representative of all political factions, constitutional reforms would be submitted to congress and later to a constitutional convention; and the vice presidential office would be filled by either the congress or the supreme court.

To this proposition President Machado replied:

"I am and will continue to be the president of the Republic of Cuba, exercising all of my constitutional prerogatives. Of these I cannot relinquish the smallest part without becoming a traitor to the confidence reposed in me by the people of Cuba when they freely gave their votes to me, or without diminishing the independence and sovereignty of a republic that I assisted in founding, having fought in the war for independence."

The Cuban congress supported Machado in his determination to retain his office, and the mediation efforts of Ambassador Welles were denounced as detrimental to the sovereignty of the republic. To those who know conditions on the island this is not surprising. The basis of Machado's power is the state lottery. He controls this institution and by his favor many leading congressmen are able to realize large sums from the sale of lottery tickets.

What the people think of Machado was plainly indicated by the events just preceding the crisis described. It was reported in Havana that the president had resigned and immediately a great throng began demonstrating joyfully. But the police and troops attacked viciously, killing some and wounding many, and the marchers fled in dismay. Martial law was declared and the city was patrolled, but acts of violence were frequent.

For several days the city had been tied up by a general transportation strike that involved many industries. The government announced it had granted the demands of the laborers, but the union men refused to return to work while constitutional guarantees of freedom remained suspended. Cuban politicians thought Machado's rejection of Welles' peace plan would lead to intervention by the United States, but in Washington this was considered quite unlikely. To send our marines to the island would be contrary to President Roosevelt's declared policy, and would stultify the position he took concerning the Japanese in Manchuria.

Mr. Welles declared that mediation was not ended, and Machado in his statement said: "I am disposed to mediate with my political adversaries and to concede to them their just demands to any extent that will not diminish the authority or the prestige of the institutions of the republic or the head of the state."

SECRETARY OF STATE CORDELL HULL, back from the London conference, is again in his offices at the State department, and has lost none of his internationalism. He still believes all nations can and should co-operate to end the world depression, and says domestic programs for raising prices and reducing unemployment are but the preludes to such co-operation. Mr. Hull also announced that the United States was ready and willing to promote close trade and commercial relations with the countries of Latin America, and suggested the negotiation of specific commercial agreements.



Sec'y Hull

In advocating bi-lateral trade agreements under the most favored nation principle, Hull explained that such agreements would relate primarily to commodities of a noncompetitive nature. He explained that reciprocal trade agreements would not necessarily conflict with most favored nation treaties, because such agreements would be thrown open to signature by other nations which, however, might not be interested in the products affected by the treaties because the treaties would affect particular products which would best be manufactured in some one nation.

Explaining why the economic conference did not achieve the full measure of success that had been hoped for,

Hull said the various nations found that their economic problems and the problem of co-operation were much more difficult than had been imagined. Nevertheless, he was unwilling to consider the London gathering of 66 nations a failure.

FRENCH fears of another war with Germany were sharply stimulated by the abrupt refusal of the Hitler government to consider the parallel requests made by Great Britain and France that Nazi propaganda in Austria be discontinued. The two protesting nations declared the course Germany was pursuing was in violation of the spirit of the four power peace pact recently signed; but their ambassadors were told by the German foreign office that the Berlin government failed to see any reason for application of the four power treaty in this instance, and that Germany regarded as inadmissible this interference in the German-Austrian trouble.

Italy had declined to join Britain and France in their protest, but did make friendly representations to Berlin concerning the Nazi aerial propaganda over Austrian territory. The Italian government was informally advised that Germany would take steps immediately to end this practice. This eased the situation considerably, but French statesmen were pessimistic and believed the whole affair would lead to the smashup of the disarmament conference when it reassembles in the fall.

ONE of the most important branches of the NRA, the national labor mediation board, met in Washington, formally organized and got busy at once, taking up first a controversy in New Orleans. Senator Robert F. Wagner of New York, chairman of the board, was on vacation in Europe but messages were sent to him asking that he return immediately. His secretary represented him at the board's sessions, the other members present being



Senator Wagner

Walter C. Teague, Dr. Leo Wolman, Louis E. Kirstein, John L. Lewis, William Green and Gerard Swope.

Henry I. Harriman, president of the United States Chamber of Commerce, is highly optimistic concerning the employment situation. At San Francisco he predicted that 7,000,000 persons would be re-employed by the end of this year.

BUY liberally now, but buy only from dealers who display the blue eagle, is the advice of Gen. Hugh Johnson, national recovery administrator. His justifiable expectation is that prices soon will advance as the various codes get into operation and the purchasing power of the people increases. At the same time the recovery administration is taking steps to keep the retailers within the terms of their agreements and to check profiteering. Housewives and wage earners over the entire country are being organized for house to house and store to store canvasses to insure against infractions of codes and to prevail on buyers to patronize only blue eagle businesses.

Miss Mary Hughes, director of the women's section of the emergency employment campaign, announced completion of an organization in 48 states to carry on the educational and "policing" work. Violators of codes and agreements are threatened with publication of their names.

Deputy Administrator A. D. Whiteside, in charge of the retail store temporary code, said he had received reports from many parts of the country that retail stores are entering agreements to shorter hours of operation so they will not have to hire additional workers. The enforced creation of more jobs is the major objective of the campaign.

In numerous cases stores also are "staggering" their employees to avoid an increase of their forces. Whiteside said. He sent a sharp warning to the Indiana Retail Grocers' association, which was intended as an admonition to retailers generally and which was immediately effective.

Among the many codes offered was one for the daily and Sunday newspapers.

ARIZONA became the twenty-first state to ratify the prohibition repeal amendment, the wets winning by a majority of more than 3 to 1. Their victory was unexpectedly complete, although the dries had failed to muster enough votes to place delegates on the ballot.

Mrs. Isabella Greenway, national Democratic committeewoman and a personal friend of President and Mrs. Roosevelt, easily captured the Democratic nomination to fill the congressional post vacated by Lewis Douglas when he was named director of the federal budget. The victory insured her election because of the absence of Republican opposition.

PRESIDENT ROOSEVELT by his appeal to both sides and Hugh Johnson by vigorous argument and threat brought the big bituminous coal strike in Pennsylvania to an end. Their efforts were ably seconded by Edward F. McGrady, the NRA labor representative in the controversy. At first many of the workers were inclined not to obey the order of the union chiefs to return to the mines, but when Mr. McGrady arrived at Uniontown by plane and told the men: "I am acting for the President of the United States and asking you to go back to work," they cheered him, picked up their lamps and got back to the pits. The trouble was mainly concerning recognition by the operators of the nationally organized unions.

Under terms of the truce reached in Washington the miners are to lay their problems before a board appointed by the President, pending acceptance of the coal code. Miners are to employ their own checkweighmen to calculate the amount of coal produced, upon which their pay depends.

CHINA'S last faint chance to recover Manchuria and Jehol from Japan probably has disappeared, for Gen. Feng Yu-hsiang, the independent commander who had been leading the fight against Japanese aggression, has given up and signed a peace pact with the national government. Under the agreement he abdicates all titles, turns over the command of his troops to the national government and retires to political obscurity. Gen. Sung Cheh-Yuan will become governor of Chahar province, seat of Feng's most recent operations, and the government will be reorganized.



Feng Yu-hsiang

Feng has been one of modern China's most romantic figures and his persistent opposition worried Japan not a little. His capitulation is attributed to a lack of funds and munitions as well as mutiny and dissatisfaction among his own men, said at one time to have numbered 20,000. Added were Japanese threats to boycott Kalgan, and the vastly superior national government forces sent against him.

THREE recognized authorities on economics and finance had a significant conference with the President at the summer White House in Hyde Park, N. Y. They were James Warburg, one of the fiscal experts for the American delegation at the London conference, and Profs. George F. Warren of Cornell university and James H. Rogers of Yale university.

The two professors brought to the President a report on the studies they have been conducting for him, including the budget, taxation, the tariffs, and particularly the possibility of adopting a dollar which would be geared to the commodity price index, rising and falling in value with the values of wholesale commodities.

TWO bold French aviators, Maurice Rossi and Paul Codos, set a new record for non-stop flight and are due to receive a million francs from the French government. Starting from New York, they flew almost directly to Kayak, Syria, about 500 miles further than the previous record. They intended to go to Bagdad but couldn't quite make it. Rossi said he thought the record would be accepted at 9,300 kilometers (5,775.3 miles), although they actually flew more than 10,000 kilometers (6,210 miles) at an average speed of 166 kilometers (82.28 miles) an hour.

General Balbo and his Italian seaplane fleet reached the Azores, some of the planes coming down at Ponta Delgada and the others at Horta. After a night of festivity and rest the big planes took off for home via Lisbon; but one of them, commanded by Captain Lanieri, upset and was left behind. Lieutenant Squaglia was killed, Lanieri was injured, and the others of the crew suffered from shock and bruises.

OUR government is getting out of the shipping business as fast as possible. Under an executive order from the President the shipping board is now abolished, and the merchant fleet corporation and its remaining 38 ships and 1,000 employees are transferred to the Department of Commerce for direction. Secretary Roper's department intends to carry on the policy of winding up commercial maritime activities.

Two years ago the corporation had approximately 300 ships. It had hundreds of employees scattered about this country and in foreign ports. Sale and lease of its shipping lines have reduced both personnel and ships.

Under reorganization the Commerce department may re-employ within the next four months as many of the workers as it needs. Many will be absorbed temporarily by the department, officials expecting the force to be decreased gradually as the fleet corporation's affairs are closed up.

VIOLENCE in the New York state milk strike increased daily and Gov. Herbert Lehman, though reluctant to call out the National Guard, consulted with its commander and prepared to take that extreme step if it were deemed necessary. The state police, acting as guards for milk trucks, were in conflict with the strikers in many localities, using bullets and tear gas against the armed farmers. Most of the cities and towns obtained plenty of milk.

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# Washington Digest

National Topics Interpreted  
by William Bruckart

Washington.—No one can watch Washington these days and not be amazed at the tremendous driving force that is being put behind the several schemes to awaken the nation and get business going again. It is as though the war engines of a powerful foreign enemy were pounding at the fortifications marking the threshold of our country which, indeed, is true, except that the enemy, depression, is and has been among us through almost four years. I think I can say without fear of successful contradiction that governmental activity is as feverish, as wildly unsystematic, if you please, as any we observed during the trying days of the great World war. Though it is along different lines, the activity is none the less as direct and as positive, and in some respects as militaristic.

In such an analogy as this, it should be stated that the federal forces are now being subjected to more severe influence throughout the land than they faced during the preparation for and prosecution of the World war. Then, there was a physical fear which could be held up before the people as a reason for united action. That threat cannot be employed now. In its absence the government is unable to overcome the innate selfishness that must be largely overcome to make the general recovery program a success.

In the beginning of the World war, it was necessary to strike quickly and hard at the enemy military plans. In the current campaign, it is necessary to strike quickly and hard or else some business interests will wait to see how the picture is going to look in order to gain some advantage for themselves. Thus, the campaign is at least partially spoiled. The reason for the thunderous drive, the mental and muscle strain of these days becomes apparent. If the objections of those who are hesitant about signing are broadly heard, others who had wanted to conform get suspicious about the concessions they have made and begin to shy away.

Therefore, throughout the government one finds today weary-eyed executives, tired clerks, near exhaustion from the endless hours of labor. For example, in the agricultural adjustment administration and in the national recovery administration, clerks are working in three shifts, and the executives may be found in their offices anywhere from sun-up until long after the following midnight. Whether you are completely convinced of the efficacy of the various plans and programs, or whether you just hope they may be successful, your admiration and respect for those who are trying to construct this new machinery certainly is warranted.

As a sample of the driving force that has been exerted and is being exerted every day to save the day, was the solution of the wrangle presented in the Pennsylvania strike situation. That was not an ordinary strike. Its portents were nationwide. It involved questions the answers to which meant the making or the breaking of the basic recovery principles.

In the first instance, the most powerful corporate unit in the world—the United States Steel corporation—was the government's adversary because unless the recovery administration was able to reconcile the differences between the corporation and the union workers, the program of blanket codes and group codes and everything else was imperiled. Gen. Hugh S. Johnson, recovery administrator, could not get the warring groups together. He was ready to throw up the sponge. But he had one more trick in the bag and that was to call for help from the President of the United States. Somehow, that trick worked. Whether the merits of the case were with the corporation or whether they were with the government, the power of the government was and had to be supreme in the emergency.

While observers here are not inclined to defend the steel corporation fully for taking the position it did, it can be said with equal force that most of them believe there was real danger of infringement of private property rights. In this sense, therefore, the corporation was within its rights in resisting. When it yielded, it appears, it yielded not to the labor unions which had stirred up the trouble, but to the sovereignty of government.

The basic controversy involved in the steel corporation case was the question of so-called company unions. Labor leaders, the professionals, naturally want to have all workers in the national organizations. Otherwise, the strike as a weapon is ineffective. Being quick to see a vulnerable spot, labor took advantage of the situation to lick the steel corporation which heretofore has permitted its employees to belong only to company unions. In other words, it has been an open shop. In view of these facts, it seems to me that organized labor is as much entitled to criticism in the circumstance as in the greatest corporation in the world. Organized labor has been wielding too much influence in the recovery organization according to the

consensus here, and its insistence on advantages promises further difficulties.

The Department of Agriculture has set for itself the big job of establishing fair prices for the consumer while giving what is tantamount to a guarantee of higher prices for the things the farmer produces. Through a series of statements, Secretary Wallace has repeatedly affirmed that the returns to the farmers must be increased in every direction. Simultaneously, Dr. Fred C. Howe, who as the consumers' counsel represents the side of the buyers in the government's agricultural set-up, made the announcement that he was going to compile weekly lists of prices for publication as a means of protecting against the profiteer.

From this arrangement it would be made to appear that there will have to be reasonable prices maintained everywhere on food commodities. But observers here have been picking up numerous angles of the situation which they believe contain elements of trouble. Doctor Howe, of course, will be able to gather price lists at whatever rate and in whatever volume he desires, and he can get them distributed through the press and through the radio to the bulk of the people of the United States. But the question that is being asked here is, what method is Doctor Howe going to employ that will fix a price just and reasonable everywhere and provide the farmers with all of the return promised them? Some of the more critical say there is a likelihood that Doctor Howe is going to run into a difference of opinion, what with farmers demanding more, added expenses forcing the retailer to charge more and the ultimate consumer with limited means of buying the things concerned.

Of course, there can be no doubt but that some retailers are going to try to capitalize on the situation and profiteer on prices. Doctor Howe is set to defeat them by the weight of public opinion which must be regarded as a commendable course. Yet, according to the consensus one finds in Washington, that which Doctor Howe announces as a fair and reasonable price is unlikely always to fit the situation.

In the course of negotiations between the recovery administrators and industrial representatives, one of the great problems how to arrange a fair basis for competition when different factories had such widely different costs of production. The highly efficient plant could produce at much lower cost, obviously, than could the plant that was obsolete in equipment and managed in haphazard fashion. The same situation obtains with respect to retailers. Chain stores with great buying power and the resultant advantage of lower prices are naturally going to be able to sell at a lower price than the independent store owner who buys in small quantities and has higher overhead costs. Now, say the critical-minded, if Doctor Howe fixes as a fair price that for which the chain store is able to sell its goods, what is going to happen to the independents? If, on the other hand, the price level quoted by Doctor Howe approximates the price charged by the independent, then the chain store can and undoubtedly will get all of the business. It will make use of those figures in advertising the fact that the chain store prices are "below the government price." Manifestly, that will be unfair to the independent. But, I am prompted to ask, what can Doctor Howe do about it?

In announcing his program to establish fair prices, Doctor Howe said there were consumers' councils being organized in scores of cities and towns. These, he averred, would help in seeing that no merchant profiteered. There can be no doubt of the fact that these consumers' councils will exert a tremendous influence. Old-timers here, however, recalled that the fight against profiteering during the World war developed many nasty situations. Overzealous individuals, conscientious in their efforts, but sometimes a bit shy of horse sense, made a personal matter out of such things as patriotic action.

Prof. Raymond Moley has been detached as assistant secretary of state to have charge of the federal government's campaign against crime, especially kidnaping and racketeering. It was the first break in the "brain trust," that group of professors with whom the President surrounded himself. Some weeks ago I wrote in these columns the prediction that such a result had to come. It was obvious. The professor and his theories can be used by the statesmen and practical men only so far. Professor Moley was of no use to Secretary Hull in the Department of State after his adventures in connection with the London economic conference and the unfavorable publicity that the professor caused. In asking Professor Moley to the job of banishing crime, the President said later he would put him back as assistant secretary of state.

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# ROADSIDE MARKETING

By T. J. Delohery

WHY PEOPLE BUY AT ROADSIDE MARKETS

WHILE fruits, vegetables, poultry and dairy products are the main things sold over roadside markets, consumers will also buy fruit juices, jams, jellies, preserves, canned goods, nuts, popcorn, honey and such unrelated things as baskets, flowers, shrubbery, pottery and craft products.

These facts are revealed by the experience of thousands of producers, but more specifically in a questionnaire which the Massachusetts state department of agriculture sent out to 2,000 people representing a cross section of urban population. A survey of 1,700 markets along 2,800 miles of first, second and third-class roads in Ohio brought out the same facts.

The Massachusetts questionnaire was the groundwork for assistance which the state planned to give farmers who wanted to sell products of the farm, home and garden direct to the consumer. It was found, in the replies, that roadside marketing, expanding yearly, has a promising future.

More than 90 per cent of the 2,000 replies to the questionnaire declared that city and town folks regarded roadside markets as satisfactory places to buy fruits, vegetables, eggs and poultry products, dairy products, flowers, jams, jellies, preserves, fruit juices, canned goods, cider and honey.

Freshness was given as the reason for buying direct from the producer, with quality and price following in the order mentioned.

In keeping with this desire for fresh, quality products, 1,400 people declared themselves very much in favor of home-grown stuff. The reason is quite plain. Green fields, fresh with dew, and the memory of the tasty vegetables grown in the home garden, to say nothing of tree-ripened fruit, are responsible. Surveys made in Illinois and West Virginia, where local towns and cities were "importing" many farm products which could be produced locally, backs up the answers of the Bay state consumers.

In Illinois, for instance, retailers and consumers expressed themselves willing to pay 5 cents a dozen more for locally produced fresh eggs; and not sufficient milk was produced in the vicinity to supply consumers.

Reviewing the compilation of the answers to the various sections of the Massachusetts questionnaire, it was evident that roadside markets offer the farmer the opportunity to get a bigger share of the consumer's food dollar, if producers will only make a little effort to grasp it. Not all of the consumers who answered the questionnaire are steady patrons of highway markets, but more than 50 per cent declared a preference for buying their fruits, vegetables and poultry products from the grower.

Here again freshness was the reason assigned. This feeling was also carried out in opposition to buying oranges, lemons, grapefruit, bananas and such other tropical fruits at roadside markets. True, farmers do handle fruits which they do not produce, this practice originating with their acquiring better knowledge of merchandising, and knowing customers like to do as much shopping as possible in one place; but few handle citrus fruits.

In every survey made, freshness stands out. In Ohio, where consumers spend 25 per cent of their fruit, vegetable and poultry dollar at roadside markets, freshness was given as the big reason why they went into the country for these products.

While the mention of freshness was general, it is rather significant in view of conditions that less than 10 per cent of the consumers in both states were interested in price or the possibility of saving money by buying direct from the producer.

Another indication that freshness and quality are the dominating factors in products to be sold at the roadside market is the time of day when most sales are made.

Convenience is mentioned because consumers gave it as one of the reasons they patronized these markets, it outranking the much stressed necessary business requirement—service.

Roadside marketing is still on the increase, despite general conditions. Business is good even though there may be less cars on the road. Individual purchases indicate this; investigations by college authorities and the records of individual farmers showing they range in average from 50 to 75 cents. Expense of operating has shown a corresponding decrease, labor, one of the biggest items, being considerably lower where hired help is necessary. The cost of other necessities such as packages and advertising vary with the volume of business.

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