

News Review of Current Events the World Over

Grau San Martin Tries to Establish Government for Cuba—Four More States for Prohibition Repeal—Blue Eagle Notes.

By EDWARD W. PICKARD

SITTING precariously on the edge of the Cuban Presidential chair to which he had been hoisted by the radical junta, Ramon Grau San Martin endeavored earnestly to maintain his balance and to establish a government so solid that it would be given recognition by the United States. On all sides he was beset with difficulties and threats. In the big National hotel where the deposed army and navy officers, heavily armed and supported by the more conservative factions that favored the return to power of De Cespedes whom the radicals had shoved out. In the harbor of Havana and elsewhere about the island were American warships, embodying the possibility of armed intervention by Uncle Sam if conditions became too chaotic. In the capital city and other centers new political and revolutionary factions formed nightly, and various strikes complicated the situation. Money, food and gasoline for the troops that were supporting Grau San Martin were running low, and merchants were refusing credit.

Nevertheless, the President, who is a more forceful figure than De Cespedes, carried on bravely and proceeded to select a cabinet. Posing and speaking for the talkies, he declared: "At last Cuba is again free among civilized nations of the world. Cuba now has a stable government, all that we need for prosperity, and we hope that prosperity will come quickly."

The ousted military officers, who had taken entire possession of the National hotel and were beleaguered there by the radical soldiers, sent Col. Horatio Ferrer, secretary of war and navy under De Cespedes, to the Presidential palace to demand the immediate resignation of Grau San Martin, but he met with no success. Meanwhile the entire staff of the hotel left and the officers were forced to run the place themselves. Ambassador Welles, who had resided in the hotel, also departed, as did most of the Americans who had taken refuge there.

WASHINGTON, of course, was watching the developments in Cuba with deep interest, not to say anxiety, but President Roosevelt was determined to avoid intervention if possible. Through Secretary of State Hull he indicated that he would follow a line of strict neutrality among the island's factions and would permit Cuba to solve her own political problems. Mr. Hull's formal statement was:

"The government of the United States has no interest in behalf of or prejudice against any political group or independent organization which is today active in the political life of Cuba."

Former President Mario G. Menocal, who returned to Cuba after the ousting of Machado, entered into the picture when the military officers invited him to lead their effort to force Grau San Martin out of the Presidency.

FOR several days Spain was without a cabinet, following the ousting of the pro-Socialist government of Premier Manuel Azana, and the situation was critical.

However, President Zamora called in Alejandro Lerroux, veteran Republican leader, and charged him to form a coalition cabinet based solely on the Radical party and the independent republicans. This Lerroux accomplished with some difficulty, persuading all the minority republican groups to support him, although two of their leaders, Salvador de Madariaga and Felipe Sanchez Roman, had refused to sign up. Lerroux selected a cabinet that was approved by President Zamora. Of its thirteen members, six are members of the Radical party, which is really the most conservative party in the country, so the government has taken a decided turn to the right. Lerroux and his government may have considerable difficulty in the cortex, for the Socialist left and the monarchist right will be strong in opposition.

One thing the Spanish government has to cope with is the great crime wave that is sweeping over the country. Murders, bombings and incendiary fires have been frequent and the police and civil guards so far have been unable to check the outrages. Many of the crimes are attributed to Communists.

FOUR more states fell into line for repeal of the Eighteenth amendment, making twenty-nine that so far have voted, with none in opposition. Only seven more are needed for the ratification of the amendment, and now not even the most confirmed prohibitionists believe the wet wave can be pushed back. It is a moral certain-

ty that repeal will be accomplished before Christmas.

Maine, stronghold of prohibition since 1851, proved her change of heart by voting more than 2 to 1 for repeal. The wets carried every county and their 80 delegates will take formal action in convention on December 6. Then, all in one day, came Maryland, nearly 5 to 1 for repeal; Minnesota, where the wets outnumbered the dries more than 2 to 1; and Colorado, where the repealists won by nearly 3 to 1.

Other states to vote on the repeal amendment this year are: Idaho and New Mexico, September 19; Virginia, October 3; Florida, October 10; Ohio, Pennsylvania, North Carolina, South Carolina, Kentucky and Utah, November 7. The repealists can afford to lose three of these, but probably will not do so.

NEW YORK city staged a huge NRA parade, and as a preliminary Administrator Hugh Johnson, addressing a mass meeting, informed the nation that 85 per cent of the employers in the United States were already enrolled under the blue eagle. He attacked critics of the NRA, which he declared was "not an attempt at regimentation of industry, but a charter of freedom," and asserted the country had been lifted "about one-quarter of the way out of the inky blackness of last March."

While General Johnson was struggling in Washington to formulate a code that would be accepted by the soft coal interests, President Roosevelt was endeavoring, in a conference with the heads of each of the recovery units, to push ahead three of the major parts of his program—expansion of credit, insurance of bank deposits and control of the oil industry.

Aid for the small business man, who still is having trouble with his credit arrangements now is the central question in the government's credit program, according to Jesse H. Jones, chairman of the Reconstruction Finance corporation, who attended the conference. Large industries are finding accommodations, he said.

Banks in small towns must be convinced that loans are now feasible, according to Mr. Jones. They are still hanging back and not helping the merchants and industries in their communities, Mr. Jones said.

Mr. Jones repeated his threat that the government plans to take over functions of banks through the medium of mortgage corporations, formed among industries for the discounting of paper with the R. F. C. This device, he said, would clear up the remaining credit difficulties in the road of the recovery drive.

Secretary Ickes, after his conference with the President, said that the price fixing provisions would remain in the oil code, but that he would not attempt to regulate prices until such a step became necessary.

In another conference, plans to collect a billion dollars in back taxes due the federal government were laid before President Roosevelt by Guy T. Helvering, commissioner of internal revenue.

Of the total due, \$750,000,000 is tied up in litigation which the government is seeking to speed, Helvering explained, because tax payers are seeking to have it refunded to them. Another \$250,000,000 has not been paid in. Assured by the President of a sufficient fund to carry on the work, Helvering said he hoped to round up \$300,000,000 in the near future without great difficulty. No prosecutions are being planned at present.

ADVOCATES of recognition of the Soviet Russian government by the United States are much encouraged by the appointment of John Van A. MacMurray as minister to Estonia, Latvia and Lithuania. They believe this is a step toward recognition and that Mr. MacMurray will be our ambassador at Moscow before very long. He is a college professor specialist in Russian affairs and history and recently returned from a trip through Russia. In every respect Mr. MacMurray is qualified to represent the United States abroad, for he has held many important posts in the diplomatic service, in Europe and in the Far East. In 1924 he was an assistant secretary of state and soon after was appointed minister to China.

It is believed that the next step in the program for Russian recognition will be the establishment of credits amounting to at least \$50,000,000 for Russian purchases of copper, cotton and railroad supplies in this country.

IRAQ was in deep mourning for King Feisal, who died suddenly in Berne, Switzerland. His son, Ghazi, twenty-one years old, was declared his successor and took the oath of office at Basrah. He retained his father's cabinet and was expected to follow Feisal's policies.

PEACE for ten years between Greece and Turkey is assured by the pact which was signed at Ankara by Premier Tsaladris and Ismet Pasha. The pact guarantees reciprocal frontier security against aggression, a common understanding before deciding on domestic and international questions and mutual representation at international conferences.

CHANCELLOR HITLER and his Nazis have compelled Prof. Albert Einstein to revise in part his long held pacifist attitude. His altered views appeared in a letter to a Belgian anti-militarist who appealed to him to help two Belgian conscientious objectors to military service who had started a hunger strike.



Prof. Einstein.

"You will be very astonished at what I am going to tell you," Professor Einstein wrote. "Only a short time ago we could hope to fight militarism in Europe successfully by individual refusals to do service. But today we are in the presence of altogether different circumstances. There is in the center of Europe a state (Germany) which is publicly preparing for war by all means."

"In these conditions the Latin countries, above all, France and Belgium, are in great danger and can only count on their preparedness."

"As far as Belgium is concerned it is obvious that this little country will not make abusive use of its preparation and that it has the greatest need to safeguard its existence. "Imagine Belgium occupied by present-day Germany! It would undoubtedly be worse than in 1914, even though occupation at that time was terrible. That is why I am telling you in the most direct fashion that if I were a Belgian I would not refuse to do military service under the present circumstances, but on the contrary I would accept it in full conscience with the feeling that I was contributing to save European civilization."

At that time Einstein was in Brussels, but it was reported a Nazi organization had put him on its death list, so he fled to England and hid in a cabin on the east coast provided for him by Commander Oliver Locker-Lampson. Its location was kept secret and he said he would remain there until October, when he was coming to America to lecture.

LOUISIANA'S women have no intention of letting up in their fight to obtain the ousting of Huey Long and John H. Overton from the United States senate. Their organization, headed by Mrs. Hilda Phelps Hammond, sent a long telegram to Senator Connally of Texas, chairman of the senate investigating committee, demanding that the committee conclude its inquiry into the state election that seated Senator Overton. The telegram said in part:

"The evidence of record that was adduced by a competent counsel and skilled investigators conclusively shows that Overton's election from beginning to end was a gigantic fraud designed and perpetrated by Senator Long, Overton's campaign manager, with the knowledge and consent of Mr. Overton, who is the beneficiary."

"Senator Long has openly boasted that word has gone down to lay off of him. We prefer to disbelieve Senator Long's statement, but the attitude of your committee must seem to confirm its truth. In the name of decent citizenry and appealing to a rightful sense of duty as a United States senator, we urge you and your committee to take immediate and energetic action."

BRUISED and footsore after a week of struggling through the forests of Ontario, Ward T. Van Orman and Frank A. Trotter, pilots of a Goodyear balloon in the James Gordon Bennett race from Chicago, were found and brought back to civilization.

Caught in a bad squall, they had been forced to land, upside down, in dense woods. Carrying heavy packs, the two men fought their way slowly toward the line of the Ontario Hydroelectric company. Their rescue was made possible by the cutting down of a telephone pole along this line, for James Barrett, lineman, seeking the cause of an interruption in service, found a note written by the aeronauts. Following a course which the note mentioned, the lineman found the Americans in a camp at Tower No. 38, an outpost.

Though formal announcement had not been made, it appeared the winners of the race were Capt. Franciszek Hynek and Lieut. Zbigniew Burzynski of Poland, who landed near Riviere a Pierre, Quebec, 812 miles from Chicago. Van Orman and Trotter made about 500 miles. Lieutenant Commander T. G. W. Settle and Charles H. Kendall, pilots of the United States navy balloon, landed in Connecticut. They traveled about 750 miles. Balloons representing Germany, Belgium, and France flew shorter distances.

TONY CANZONERI made a gallant effort to regain the lightweight title in New York and failed. For fifteen rounds he battled with Barney Ross of Chicago, the present champion, but in the end the decision was given the younger man who had conquered Tony last June.

Washington Digest

National Topics Interpreted
by William Bruckart

Washington.—With the recent appointment of Walter J. Cummings of Chicago, and E. G. Bennett of Salt Lake, as members of the board, the new Federal Deposit Insurance corporation formally has taken shape, and the second big step has been made toward another experiment in national government, namely, the insurance of bank deposits of private individuals and corporations. Nothing like it has ever been attempted on so vast a scale as is now being worked out for the banking act of 1933 was the first national law ever to carry provisions for guaranteeing deposits. Of course, it does not become operative until next January 1, but many tasks remain to be performed before this new piece of federal machinery is ready to run.

Insuring Bank Deposits

Because it is a new thing and because of its complicated character, it seems better to outline again what the deposit insurance proposes to do. After January 1, 1934, each and every deposit amounting to \$2,500 or less is automatically insured if the bank in which that money is deposited has complied with the requirements of law. Since those requirements are highly technical and quite complex for a layman to understand, it may suffice to say the law demands that the bank be absolutely sound and that it have sufficient assets that it can pay off depositors 100 cents for each dollar. If a bank cannot do that, the law authorizes the board of the corporation to refuse to admit that bank to membership, and when that happens, it seems to me, the particular bank may as well close up shop. Few persons will leave their money with it longer than it takes to withdraw it.

I have been speaking of the so-called temporary insurance provisions, for there is a permanent insurance act that takes effect July 1, 1934, and then the amount of deposits coming under the protection of the insurance fund will be much larger. After next July 1, any depositor's account amounting to \$10,000 or less will be fully insured. In the next category, all of the account up to \$10,000 will be insured and 75 per cent of the amount above that figure until the total is \$50,000. If the total is greater than \$50,000, the first \$10,000 will be fully insured, the amount between \$10,000 and \$50,000 will be 75 per cent insured, and all above \$50,000 will be 50 per cent insured. The theory is that this protection will make it certain none of the depositors will be seriously handicapped should the bank close. The bulk of the depositors will be paid in full within a very few days after the bank fails, for the deposit insurance fund will have money with which to do it. The Deposit Insurance corporation will take over the assets of the bank, liquidate them and get as much of its money back as possible, after it has paid off all depositors. It is to be remembered, however, that those with large accounts may have to wait awhile to get their money, for part of those are not insured.

Banks Put Up Money

While the Federal Deposit Insurance corporation is a federal agency, it is in fact owned by the banks themselves. They have to put up the money. The law requires that each bank becoming a member of the corporation must pay into the fund a sum equal to one-half of 1 per centum of the deposits that bank has. That will make several hundred million dollars available and the supporters of the insurance plan claim the total will be large enough to last a long time before another assessment will have to be made upon the banks to replenish the fund. That, of course, is open to question. Only time can tell whether the fund is sufficient. Nor can anyone know now how many bank failures there will be in the future. If there are few, then the drain on the insurance fund will be small and, conversely, if there should be a siege of failures such as we had in the last several years, anybody's guess is good as to how long \$250,000,000 will last in paying off depositors.

All of the national banks, that is, banks which have received charters from the comptroller of the currency in the treasury, must be members of the corporation. The law makes that certain. Then, all of the banks operating under charters given by their respective states and which are members of the Federal Reserve System must be members. That is in the law, too. But there are some eight thousand state banks which are not members of the Federal Reserve System. With them, membership in the corporation is optional. If they choose to seek membership—and all of them must face withdrawal of deposits—they must pass the examination that the law provides.

There is where the rub comes. The examination will be strict. The banks can't "bone up" for that examination. Their assets must be sound, they must be as large or larger than the total of the deposits, and they must be able to show that if their depositors are insured, the corporation can sooner or later get the money back which it pays out to those depositors.

It is well known that it takes an average of about seven years for a bank that has failed to wind up its affairs. That necessarily means that depositors will get their money back, or whatever part of it that is saved from the wreckage, in driplets.

Good and Bad Bankers

When the Banking Act of 1933, with its insurance provisions, was under consideration in congress, there were some bitter opponents. They were accused of being spokesmen for the bankers which obviously they were and the accusation was hurled at them because a good many bankers were in disrepute. But many observers here have held the opinion that the invectives, when the opponents were called banker spokesmen, were unjustified, because there have been good bankers as well as bad bankers, intelligent bankers as well as dumb ones, in this country. Besides where would we be without banks.

The sponsors of the insurance system dwell long and loudly on the beautiful theory of deposit insurance. It is nothing, after all, but plain old guarantee of bank deposits, and it has an intensely practical side that must be discussed if anyone is to understand the full import of the experiment upon which we are launching. From the standpoint of most bankers, it is claimed that they are being made a goat by congress. They point to the failure of guarantees tried out in half a dozen states, and how those states in time abandoned the idea. The states found the plan too expensive, because it proved too big a burden on the state treasuries. In the current case, the burden is going to fall on the banks, themselves, and most of the bankers obviously are kicking about it.

They advance the argument that they are being made responsible for dumbness and crookedness on the part of dumb or crooked bankers. "What does that type of banker care," asks the sound banker, "whether he runs his bank on a sane basis or not? If he puts the bank, the insurance fund pays the depositor, and we pay the insurance fund through assessments when the present fund is exhausted." And, it seems to me, there is merit in their argument.

Milk Production

Secretary Wallace and his farm adjustment staff are now talking in terms of a blanket agreement of all dairy farmers to control the milk production of the nation's herds. Such a plan is almost complete. It is about to be adopted by the secretary as the only way to avoid unending tangles over the milk production problem in a thousand milk sheds for as many cities. Ten or fifteen of these agreements, local in character, have been worked out, but the secretary holds them to be mere stopgaps. They are not applicable generally, and if there is to be a solution for the milk problem it must be worked out on a national basis, the experts tell me.

The secretary's ideas about control of milk and butter production directs attention to the situation in the dairy industry. It must be remembered, first, that milk is the most perishable of all commodities. Butter can be, and is, stored, but it cannot be held indefinitely and remain marketable. In the second place, it must be remembered, that production of milk and butter has been on the increase in the last few years. The rate has been so rapid that the American production of butter is almost to the point where exports will have to take place and, of course, the "wars" have shown what the situation is as regards the distribution of milk.

It is true, according to authentic statistics, that more and more cows are being added to the dairy herds. This means increased production of milk at a time when the markets are able to absorb no more. I am told that there will be more milk cows in this country next January 1 than ever before in history. That is ominous.

At present, as I pointed out, there is a small annual importation of butter. The fact that the production is not quite enough for domestic consumption makes the tariff against imported butter effective and one of the results is that the price paid for the milk and for the butter are raised. But once that production reaches the point where there is need for exportation of some of the surplus, the level of prices in this country immediately will conform to the world level of prices and that level is lower than ours.

So Secretary Wallace says there ought to be some general agreement whereby this cut-throat competition can be checked. It is cut-throat competition when every dairy farmer is adding to his herds and rushing his production faster and faster in order to get the available markets.

ROADSIDE MARKETING

By T. J. Delohery

ADVERTISING MOVES SURPLUS

ACRES OF STRAWBERRIES! The best of berries at their best, choice sorts from four whole acres will be offered the patrons of Watts Wayside market, from about June 18 to July 10.

Modern irrigation equipment gives assurance of large luscious berries. An adequate force insures careful picking in prime condition. Within an hour, while they yet retain the delicious aroma and wonderful flavor of God's best berry at its best, they will be available at

WATTS WAYSIDE MARKET

Midway Between Altoona and Tyrone.

A MONTH before strawberries were ripe for picking, Gilbert A. Watts inserted this display advertising in local newspapers, several times a week. It clicked. Customers began to inquire about berries, interest gradually working up as picking time approached. Watts sold out without trouble. Advertising made the market.

Realizing that practically all of the things they use on the farm and in their homes are sold through advertising in the papers they read, farmers who sell direct to the consumer have taken a page from the merchandising experience of manufacturers and are buying advertising in local papers. Publicity in local newspapers has proven itself a paying investment not only in moving crops in season, but in getting rid of surpluses at reasonable prices, building demand before harvest and even starting a direct selling business. A survey of almost 2,000 roadside markets in Ohio indicates that the most successful operators advertised continuously, discovering that constant publicity, even though small copy, was better than spasmodic spurges, unless in the case of a sale.

A Michigan farmer, doubtful about selling a field of beets because of the late season, advertised a week-end sale in his local and adjoining town newspapers. He put the beets up nicely, topping the colored-rimmed baskets and used big price tags. He sold out within a few hours, people who took advantage of the bargain also buying other products so that he really made a good profit for the day.

His advertising didn't cost him anything. True, he paid out money, but the resulting sales which otherwise might not have been made or the lower prices he would have to take if he sold wholesale, left him with a substantial margin.

Timely advertising pays big dividends. It will bring customers out to the roadside market or farm at the opening of the season. It will stimulate jaded appetites for certain crops even when the supply is general and plentiful, because freshly harvested fruits or vegetables always are enticing. Advertising will move surpluses even without price discount; and, as Mr. Watts found, will create a demand in advance of picking time.

Around Fort Wayne, Ind., George Sweet is known as the "celery king." He specializes in celery, but he grows a full line of vegetables and some small fruits. He sells to retailers, but gets profitable prices because he advertises locally and has won a reputation for Sweet's products that makes them in demand regardless of the regular supply. Retailers, as a result, are glad to buy of him.

Several years ago when he grew acorn squash for the first time the favorable season brought about a bumper yield generally. Sensing low prices, Sweet got busy with his local newspaper advertising and pasted a colored sticker on each fruit which bore this couplet:

"Cut me in half, serve me well. Bake and serve me in the shell. SWEET'S ACORN SQUASH."

His squash moved at \$1 a bushel despite the oversupply, and later, when prices dropped as low as 40 cents, retailers were offering him \$1.25 a bushel. But he had sold out.

"For people merely to find out who we are and that we sell vegetables is only part of our advertising work," he explained. "The big idea is to keep the name of Sweet and our vegetables before them every day. To help accomplish this we advertise continuously in our local paper and in newspapers in other towns which we supply."

"Mrs. Sweet is our copy writer. She has a flair for the job. Here for instance, is our advertising for carrots:

SWEET'S HOMEGROWN CARROTS These carrots are snappy and sweet. They contain the valuable mineral salts that are essential to your good health. They are pleasant to eat, either raw or cooked. They are in ample supply at all good grocers and very moderate in price. Request Sweet's Homegrown Carrots at your grocer's.

This copy, several inches deep, suggests several desirable characteristics of the lowly carrot which might not occur to the housewife. It didn't cost much, and it sold carrots. Incidentally Sweet's advertising, while not mentioning retailers, co-operates with them by urging people to trade where they can get Sweet vegetables.

Both display and classified space are used by farmers who sell direct.

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