

News Review of Current Events the World Over

President Starts on His Plan for Managed Currency and Commodity Price Raising—Farmers' Strike Under Way—Move for Recognition of Russia.

By EDWARD W. PICKARD

SOMEWHERE between the "sound" dollar demanded by the banker and the inflated currency urged by Senator Elmer Thomas and many others President Roosevelt takes his stand for a managed currency and a dollar of fixed value. In a radio address to the nation he declared he would undertake to raise commodity prices to a satisfactory level and then would lessen the gold content of the dollar and peg prices and dollars so they would remain in a constantly balanced equation. "Government credit will be maintained and a sound currency will accompany a rise in the American commodity price level," he said; but he insisted the price level must first be restored before anything like inflation is established.

For the present, Mr. Roosevelt said, it was important to tighten control over the dollar. He added: "As a further effective means to this end I am going to establish a government market for gold in the United States. Therefore, under the clearly defined authority of existing law, I am authorizing the Reconstruction Finance corporation to buy gold newly mined in the United States at prices to be determined from time to time after consultation with the secretary of the treasury and the President. Whenever necessary to the end in view we shall also buy or sell gold in the world market."

"My aim in taking this step is to establish and maintain continuous control. This is a policy and not an expedient. It is not to be used merely to offset a temporary fall in prices. We are thus continuing to move toward a managed currency."

"Our dollar is now altogether too greatly influenced by the accidents of international trade, by the internal policies of other nations and by political disturbance in other continents. Therefore, the United States must take firmly in its own hands the control of the gold value of our dollar. This is necessary in order to prevent dollar disturbances from swinging us away from our ultimate goal, namely, the continued recovery of our commodity prices."

Jesse Jones, RFC chairman; Undersecretary Dean Acheson of the treasury and Henry Morgenthau, Jr., representing Mr. Roosevelt, were intrusted with the job of fixing the price at which the RFC would buy newly mined gold, and the first day they fixed the price at \$31.50 an ounce. Agricultural staples and securities immediately began to move to higher levels, as had been hoped. For the second day the price of gold was put at \$31.54, and thereupon securities and commodities dropped, to the dismay of the Washington theorists. The RFC pays for the gold with its own debentures.

The President's monetary program is based on the plan of John Maynard Keynes, the British economist. Orthodox bankers in Wall street were rather disconcerted by it. Some were skeptical as to the practicability of controlling the internal price level by changes in the gold value of the currency; others thought the plan would give the government a powerful lever with which to lift prices.

If carried to its logical conclusion, the program means the ultimate fixation of the value of the dollar with a diminished gold content, the resumption of free trade in gold, and of gold redemptions, doubtless on a bullion basis.

IN HIS radio address the President told of the "relief that is being given to those who are in danger of losing their farms or their homes," and later said: "I have been amazed by the extraordinary degree of co-operation given to the government by the cotton farmers in the South, the wheat farmers of the West, the tobacco farmers of the South-east, and I am confident that the corn hog farmers of the Middle West will come through in the same magnificent fashion."

There was, however, nothing in the speech that reassured the farmers who have embarked on a national agricultural strike. Milo Reno, president of the National Farmers' Holiday association, declared the strike would continue despite Mr. Roosevelt's assurances of higher farm prices.

"The President failed to even mention cost of production," he pointed out. "We're not going to stop this battle until we get what we want and have demanded—cost of production." Mr. Reno reported that the Continental Congress of Workers and Farmers and the Technocratic Federation of the World for Industrial Democracy had proffered their co-operation in the strike, and said that he was confident the farmers themselves

would join the nonstriking movements in "great numbers."

At that time the farm leaders in six states—Iowa, North Dakota, Minnesota, Wisconsin, Oklahoma and Nebraska—had officially proclaimed the strike, and picketing of the highways had begun in some localities. Here is what Reno's association called for from the farmers:

1—Refusal to sell any grain, produce, live stock, milk, butter, eggs, etc., except for prices equal to the cost of production, but willingness on the other hand to exchange such products for whatever labor and the unemployed may have to tender.

2—Refusal to purchase groceries, merchandise, etc., except as necessary to sustenance and unobtainable otherwise.

3—Refusal to leave their homes, a tantamount defiance of mortgage foreclosures and eviction orders.

4—Refusal to meet capital payments on debts until prices reach production cost levels.

5—Refusal to pay taxes or interest on debts out of money needed for food, clothing and other necessities.

Meanwhile the embargo on wheat shipments out of the state of North Dakota, proclaimed by Gov. William Langer, went into effect.

THAT code for retailers so long in the making was finally completed and signed by the President. It seeks to insure fair practice and to protect the small tradesman, the consumer and the farmer with his low commodity prices. Retail employers with fewer than five persons on the payroll are exempt from the code. Those in communities of less than 2,500 population are exempt from any mark-up requirements. Local tribunals are to be established to hear complaints of retail profiteering. Child labor is forbidden, with certain exceptions, and the same applies to sales at a loss.

"Loss leaders," widely used by chain stores to attract customers, are absolutely prohibited "in order to prevent unfair competition against local merchants."

Under a comprehensive plan for working hours and wages, stores may choose to operate in one of three groups, having a choice of remaining open for from 52 to 56 hours a week; from 56 to 63 hours a week; or for more than 63 hours a week. Employees in the first group will work not more than 40 hours a week; in the second group, 44 hours a week; in the third group, 48 hours a week.

Minimum wages range from \$15 for a 48-hour week in cities of more than 500,000 population down to a requirement for a 20 per cent raise and minimum wage of \$10 a week in places with less than 2,500 population.

MAXIM LITVINOV, foreign commissar of Russia, probably already is on his way to Washington in response to the invitation extended to President Roosevelt by President Roosevelt to open negotiations looking to the recognition of the Soviet government by the United States and to the adjustment of other matters at issue between the two nations. Administration officials in Washington believe the conversations will take about two weeks and that before the end of the year the President and Litvinov will announce the resumption of normal relations between the two countries and the establishment of a large credit for the Soviet republic to make purchases in this country.

Though in giving out the correspondence President Roosevelt said he was not committed to recognition of the Soviet government, it is said that preliminary soundings had satisfied him that Russia's desire for American recognition is a concomitant to its desire to obtain credits for the purchase of American goods. The administration is prepared to join in the development of reasonable credit facilities for the quick disposition of accumulated surpluses in cotton, meat products, copper and other raw materials. There are other problems that must first be solved, such as the czarist debts and the Communist propaganda, but the administration believes these can be speedily cleared up.

The English press hailed the move toward a Russo-American accord as a great force for world peace, and said London could not do better than copy Washington. In Japan officials expressed pleasure over the news, though this may not have been entirely sincere.

COMMUNISTS were blamed for wild disorders that prevailed in Havana and in the Cuban provinces of Oriente and Matanzas. Bakers, butchers and truck drivers carried on their strike in the capital, and the condition was so serious that President Grau's cabinet was ready to resign. An attempt was made to assassinate Carlos Mendieta, Nationalist leader. A bomb was exploded at his residence, shattering the front part of the building, but Mendieta, his wife and his daughter escaped injury.

IF RAILROADS, merchants, hotel men and others vitally interested give sufficient evidence of support in the way of guarantees, A Century of Progress, the big World's fair in Chicago, may be re-opened next spring. There has been much talk of such a step, and now it is urged by President Roosevelt in a letter to the management telling of his enjoyment in his brief visit to the exposition. He writes:

"There seems to be a very considerable demand that you reopen next spring, and since there is every reason to believe that there are many, many thousands who were unable to afford the trip to Chicago this year, but hope to be in a better position next summer, I am inclined to agree with you that it would be a very fine thing to keep open."

"In the event that you and your board decide it is advisable to reopen next year, I shall assure you that I will recommend to congress that an appropriation be made sufficient to maintain the government building and exhibits there."

PREMIER EDOUARD DALADIER'S government in France was overthrown by the chamber of deputies and he and his ministers resigned at once. Opposition to the premier's economy program that included cutting the salaries of government workers and reducing war pensions caused his defeat, which came on a motion for a vote of confidence on the budget. The vote was 329 to 241. Really Daladier's downfall was brought about by an outbreak of political and personal enmities that had been held in abeyance for a long time.



Edouard Daladier

In his final speech before the vote was taken Daladier spoke frankly of the danger the franc is already facing from bear raids which have drained many millions of dollars worth of gold from the coffers of the Bank of France.

Albert Sarraut, who was naval minister in Daladier's cabinet, was given the task of forming a new government by President Lebrun and succeeded in gathering together a ministry that may or may not survive for a time. He became premier and retained the marine portfolio, Daladier taking that of war. Other holdovers were Paul-Boncour, Chautemps and Cot. M. Sarraut announced that France would not enter separate disarmament negotiations with Germany.

SENATE investigators learned a lot about Cuban loans in the inquiry that is being managed by Ferdinand Pecora, the operations of the Chase National bank being the chief feature. The banking subcommittee's counsel disclosed that in 1930 when Cuba's finances began to crumble, the Chase bank and associates, which held \$40,000,000 of Cuban obligations, sold \$40,000,000 of bonds to the public to pay off their own holdings.

He developed also that the prospectus offering the bonds to the public did not show a \$7,000,000 deficit in the Cuban treasury the year before, but Chase officials said the "best available figures" at that time did not disclose any shortage.

Albert Wiggin, former head of the bank, had previously told of the huge sums he received as salary and bonus and of the \$100,000 a year life pension voted him by the bank's board when he retired. There was so much criticism of this pension that Mr. Wiggin told the senators he had renounced it.

WALTER JOHNSON, chief post office inspector in Chicago, announced that the federal operatives had broken up a nation-wide ring of mail robbers who used Chicago for the dumping ground of stolen securities, and that \$500,000 of the loot had been recovered out of \$650,000 taken in three robberies.

The recovery includes \$100,000 in Italian government bonds of the \$123,000 stolen from the steamer *Leviathan* several months ago; about \$200,000 taken in the mail robbery in Chicago December 6, 1932, and part of the loot taken in a Sacramento robbery. In connection with the last named affair "Gloomy Gus" Schaeffer, a member of the Touhy gang under arrest in St. Paul for kidnaping, and George W. ("Red") Kefer, arrested in Chicago, have been identified.

NAZI propaganda in the United States is to be investigated by a subcommittee of the house committee on immigration, according to Representative Dickstein of New York, chairman of the committee. "If we did in Germany one-twentieth of what they are doing here, we would be shot," said Dickstein. German societies in New York were refused a permit to hold a celebration meeting by Mayor John P. O'Brien, on the ground that it was arranged to spread Nazi propaganda.

DR. HUGO ECKENER piloted the Graf Zeppelin on another visit to the United States. The big airship came up from Brazil, stopping briefly at Miami, Akron, Chicago and again at Akron, and then started on its return trip to Germany.

ANNOUNCEMENT was made by the War department that Henry Ford would not be permitted to bid on the \$25,000,000 army motorization and airplane building jobs unless he signed the NRA automobile code; this notwithstanding the claim of his company that it is more than complying with the terms of the code.

These things I have mentioned are things that happen in normal times, normal both politically and economically. But the discussion heard these days gives rise to doubt whether normal rules will be followed. Hence, the question: "What will congress do?"

Washington Digest

National Topics Interpreted
by William Bruckart

Washington.—It is a scant two months until congress will be back here in the National Capital, and each day the inevitable question, "what will congress do?" is heard more and more. And when one considers the troubles of the day, it is difficult to avoid the conviction; there seems to be ample reason for wondering what congress will do!

In the minds of Washington observers, as far as I have been able to learn their views, little doubt remains that President Roosevelt will have a highly nervous and bull-headed congress on his hands. It appears certain the senators and representatives are not going to be so tractable as they were from March to June in the extraordinary session. It is equally certain that the members will come back from the hustings filled with a lot of new ideas, champing at the bit, eager to do things, demanding that things be done this way or that. Indeed, I think it can be said that Mr. Roosevelt is going to have both hands full, and if he pulls the reins in successfully controlling congress, he will have demonstrated that he is not only a master politician but a super-politician. It is a test, beyond the shadow of a doubt, and a supreme test in every sense of the word.

Just stop and think of the situation: there is as much uncertainty in business as there was this time last year; there are fresh threats from labor; continuing threats from numerous agricultural sections; snarling rattle from abroad, cries about the burden of taxation yet dire need for more money for the federal government, pressing social and political problems following repeal of prohibition, demands for relief for the farmer, for the debtor, for the unemployed, and generally speaking, some new crop of troubles every day.

It is to be remembered, too, that every time congress convenes for a new session, its members have come back to Washington filled to the brim with problems, pet or general, from a particular section or state. It is thus quite natural that in this circumstance, there will be partisans supporting everyone of the various questions I have set down. And don't forget, those senators and representatives will make themselves heard! They have never failed at that job, heretofore, and there are no signs indicating they will fall this time.

What the result will be, no one can do more than guess. There are certain phases of the advance showing of the picture, however, which I hear discussed, and I am going to relate some of them in the hope that a better understanding of forthcoming conditions may be had.

In the first instance, the records fail to show many Presidents who have had popular faith behind them to the extent of that accorded Mr. Roosevelt. He has caught the public imagination and, although he has some bitter critics and will have more, there seems to be no doubt that he has a rather solid base from which to begin his fight. Next, the country as a whole will listen to that which the President says. Individuals may disagree with him and may oppose him in his programs and policies, but they will read what he has to say or listen to him on the radio. That is an advantage of great importance, since he has the audience.

In the case of senators or representatives, except among a few of the real leaders, a limited group of followers will read what he says or listen to his mouthings, but generally there is the tendency to read a headline and say "it's just Congressman Ump-t-ump" and read the next column.

In the next place, there is an election facing all of the members of the house of representatives and one-third of the senators, and every day that any one of them balks on Presidential plans, he is just one day nearer the "Red". If he needs, you know, the President can let it be known that the individual congressman or senator is not wanted, and the cantankerous gentleman or lady member has something to worry about. In few instances can they win individually; they must have party support. So, the President can hold that club, ready to swing. I am told he has let it drop gently in several places already, but that is outside of this discussion and constitutes purely local party differences.

Besides these, few senators or representatives have the courage to defy the President openly on the floor of their chamber if the President be of their own party. That is the record. Since the President usually is of the party in control of congress, the bills of local importance do not travel far along the legislative pathway when they are sponsored by one who has jumped over the party traces. The others won't trade with him.

Other things I have mentioned are things that happen in normal times, normal both politically and economically. But the discussion heard these days gives rise to doubt whether normal rules will be followed. Hence, the question: "What will congress do?"

Superficially, it is made to appear that Mr. Roosevelt already has anticipated much of the trouble that will arise after congress convenes in January. Certainly, the consensus here is that he has built a hard-surfaced, all-year political road for himself as he has gone along. He is at the wheel of the party truck and it is being generally predicted that the boys and girls who want to ride with him will have to stay in their seats or be spilled.

The walls of the National Press club, that famous rendezvous of writers and those who like to associate with the fourth estate, in Washington, is replete with cartoons and sketches. They are the work of the best of the profession who present the ideas of news and conditions visually. Among them is a cartoon depicting a beer keg personified. It carries the caption: "Don't make a fool of yourself!" The cartoon was drawn just after three-point-two beer was legalized.

But, while the cartoon was directed to beer and beer drinkers, some of the officials of the present administration have taken the thought most seriously in its application to the general liquor question. As a result, they are now engaged in studies by which they hope to make it impossible for hard liquor to make a fool of itself when it comes back for legal sale, probably in time for Christmas celebrations.

Under Secretary Acheson, of the treasury, tells me that it is one of the most delicate problems with which he has had to deal. It involves social questions of far-reaching consequences; it touches vital spots in the government financial situation because of the probable revenue from liquor taxes and besides these it still remains a political issue despite the overwhelming sentiment for repeal that has been shown.

Mr. Acheson pointed out how all of these questions were interlinked, and that fact has not made their solution easier. For instance, he suggested that the committee of representatives from several departments of the government were searching for a proper tax level. If the rate of tax were too high, it would make liquor cost more than most consumers would be willing to pay. The result most certainly would be return of a large number of bootleggers, from whom the government would get tax only when it caught them. If the rate were too low, the legalization of liquor would have netted nothing, for one thing to be said in its behalf is that it will produce revenue for a government sorely needing it.

If the federal tax rate be too high, also, there would be little of the possible tax left for assessment by the states, and they need taxes as well. Further, a tax rate too high would naturally react against the sale of the raw materials used in distilling liquor and force those prices down. Such a rate obviously would hurt the farmers who grow so much of the raw materials.

Besides these tax questions, there is still another. Mr. Acheson suggested that to get the maximum revenue, the committee is looking around to determine what the difference in rates should be on wines and beer as distinguished from whiskeys and the high-powered stuff.

Under the new amendment, the repeal, it is hoped by government leaders that there can be a measure of control exercised that will rid the country of saloons to some extent. There certainly is sentiment for distribution only in packages. That, however, is up to the states, but the federal government nevertheless is studying the question.

Practical problems of the liquor trade likewise must be considered, and there are any number of legal questions that must be ironed out. As an example of the legal problems, I am told that while it is natural to suppose repeal will take away the foundation of the Volstead enforcement act, there are nevertheless a good many provisions of it which can stand by themselves. Congress had authority to enact them even though the main features of the enforcement code must fall when the Eighteenth amendment becomes just a matter of history. This condition obtains with respect to numerous other laws, including the so-called Webb-Kenyon act, which for years has prohibited shipment of liquor into states where prohibition is operative. It was predicted on powers of congress to regulate interstate commerce as were several other pieces of legislation dealing with the liquor traffic.

The committee working under Mr. Acheson is going to the bottom of the questions and ought to be ready to make a report to the President within the next few weeks. Mr. Roosevelt wants all of the data so that he can advise congress what he thinks ought to be done just as soon as it convenes. Otherwise, the federal government will be unable to do anything about liquor control for a good long time.

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Ancient Customs and Laws on Isle of Man

A quaint punishment on the Isle of Man was for a serious assault on an unmarried woman. When the man had been found guilty, the assaulted woman had presented to her a rope, a sword and a ring. If she chose the rope, the man was to be hanged; if the sword, he was to be beheaded; and if the ring, he was to marry her.

The custom as regards divorce is totally different in the Isle of Man from that in other parts of the British empire. There is no permanent divorce law, but when a man or a woman seeks to annul his or her marriage the whole procedure has to be observed of getting a special bill passed through both branches of the Manx legislature, the house of keys and the legislative council. This lengthy and costly proceeding has such a salutary effect that less than half-a-dozen divorces have been carried out in the past hundred years.

The law as regards woman's suffrage and the rights of married women was for a long time ahead of that in England. Women over the age of twenty-one have long had the vote for the house of keys, and widows have the advantages of a law known as the married women's property, dower and widowright act, by which she is entitled to half her deceased husband's estate. If, however, the deceased husband bequeaths to her a legacy larger than half the estate, she may choose to accept that.

TO MOTHERS whose children won't EAT

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MEMBER N. R. A.

What SHE TOLD WORN-OUT HUSBAND

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