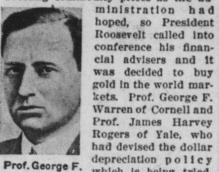
News Review of Current Events the World Over

Roosevelt Directs Buying of Gold in World Markets to Boost Commodity Prices-Administrator Hopkins on Winter Relief Needs.

By EDWARD W. PICKARD

BUYING of newly mined American gold at prices above prevailing figures did not prove so efficacious in boosting commodity prices as the ad-



which is being tried, were among the conferees, naturally, and the partial failure of the plan was put up to them. They then told the President that it would be necessary to force down the value of the dollar in the foreign exchanges as well as at home, and that if that were done the scheme was sure

to work. The purchase of gold abroad is undertaken by the Reconstruction Finance corporation, as is that in America, by direction of Mr. Roosevelt. It is preliminary to revaluation of the dollar and establishment of the President's plan for a managed cur-

Chairman Jesse Jones of the R. F. C. said the Federal Reserve bank of New York had been authorized to dispose of R. F. C. notes and take foreign gold in payment. The bank also has made overtures to the Bank of England and the Bank of France for the purchase of pounds and francs respectively in exchange for gold. The cooperation of the French and British banks would tend to support an earller White House statement that interpretations of this government's foreign gold purchases as the beginning of an international depreciation race, "a currency war," were erroneous,

In Washington it is the opinion of many observers that conservatism in finance is being gradually abandoned and that the dollar will ultimately be forced down to a 50-cent value. Brokers in Wall Street were frankly confused and avoided any extensive market operations.

Meeting with President Roosevelt and the professional authors of the gold plan were Acting Secretary of the Treasury Dean Acheson, Gov. Eugene Black of the federal reserve oard, George L. Harr and J. E. Crane and Fred I. Kent of the Federal Reserve bank of New York; Henry Morgenthau, Jr., governor of the farm credit administration; Jesse H. Jones, chairman of the Reconstruction Finance corporation: and Henry Bruere, the President's financial co-ordinator.

At least some of these gentlemen have formerly opposed any program that smacks of inflation; but the President evidently felt the Warren-Rogers plan was an experiment that deserved

HARRY L. HOPKINS, federal re-lief administrator, went to Kansas City, met with relief delegations of Missouri, Iowa, Kansas, Nebraska,



winter with a million more families on the relief rolls than there were a year ago at H. L. Hopkins this time," he said, and he added emphatically, "the needy idle are going to be taken care

of this winter." Mr. Hopkins estimated about 3,250,-000 families were on relief rolls at the present time. During the five months the federal emergency relief administration has been in operation \$216,000,-000 has been allotted by the federal government to care for the needy, he said.

He noted that when new jobs open up most of them are filled at first by "self-sustaining idle who have never been on relief rolls."

"The idle relief bill of the nation, which is about one billion dollars a year, must be paid," he said. "This means that the need for private contributions is greater."

Explaining that the federal emergency relief administration is caring for 15,000,000 persons by two methods, direct relief and "work relief," Mr. Hopkins expressed a preference for the latter.

FOLLOWING a conference in Des Moines, Governors Herring of Iowa, Olson of Minnesota, Langer of North Dakota and Schmedeman of Wisconsin went to Washington to lay before President Roosevelt the plans approved by the conference for boosting prices of farm products. Immediate steps held necessary to securing benefits to farmers before the 1923 crops leave their hands include currency inflation, pegging the prices of basic farm crops, the adoption of a code for agriculture under the NRA, opoulos.

and improvement of the federal farm refinancing machinery, especially in the Omaha land bank district. The program has been indorsed by Governors Horner of Illinois, Bryan of Nebraska, McNutt of Indiana and Berry of South Dakota.

The proposed code for agriculture would authorize the creation of a board of farmers which would have functions similar to those of trade associations in existing industrial codes. The board, in conjunction with federal authorities, would determine the cost of production of principal crops, determine what is a fair margin of profit for farmers, and set minimum prices for domestic consumption.

Though President Milo Reno of the National Farmers' Holiday association declared the farm strike off pending developments in Washington, the strike was kept up, especially in Minnesota and Wisconsin.

LATE developments concerning the recovery program include these

Counsel for an employees' brotherhood obtained a temporary injunction restraining the New York Edison company from violating the NRA and the re-employment agreement.

President Roosevelt settled two disputes with the steel industry. He obtained a "substantial agreement" between the United Mine Workers and the captive mines of Pennsylvania operated by the steel companies, forcing the latter to accept the checkoff system. He ended the differences between Transportation Co-ordinator J. B. Eastman and the steel companies over the price of rails to be bought by the railways with money loaned by the government, by setting a price halfway between that asked by the companies and that demanded by Eastman.

The Ford dealer whose bid was re jected by the government because Ford had not signed the NRA sued to prevent the award of the contract to the next lowest bidder.

More than 300 charges that the Ford Motor company is violating the NRA automobile code provisions were dismissed as "not legitimate" by the Detroit compliance board.

SECRETARY OF STATE HULL and his aides have made everything ready for the conversations with Maxim Litvinov of Russia concerning

establishment of relations with the Sov let republic, and the foreign affairs commissar is speeding to Washington. It is taken for granted that when recognition of Russia is completed the Moscow government will appoint as its first ambassador to Amer-



the czars. Valery Meshlauk, it is expected, will be chairman of the Russian trade delegation to the United States. He is acting chairman of the state planning board and has often visited this country in behalf of Russian governmental purchases.

GERARD SWOPE, president of the General Electric company, ex-industrial and labor adviser to the recovery administration, outlined a plan for the gradual conversion of the NRA into a great private organization with governing powers over all industry. Administrator Hugh S. Johnson and Henry I. Harriman, president of the United States Chamber of Commerce, indorse the plan, the former asserting such a scheme would make it possible to avoid cycles of depression, and the latter warning that the NRA would be a failure if it were allowed to become

"just a government bureaucracy." Briefly, the plan outlined is to entrust to a national council the code supervision authority now in government hands. Government officials would be members of the council, and it would work in close collaboration with government departments, maintaining extensive research and statis-

The council might be created by an enlargement of the United States Chambers of Commerce with labor representation, it was suggested.

SAMUEL INSULL, fugitive former public utilities magnate, and the Greek people were equally jubilant when the Greek court of appeals again refused to extradite Insull to the United States and ordered his release from custody. The judges held the indictment against Insull did not furnish sufficient basis for his extradition. What the American government will do next, if anything, was in doubt. There is no appeal from the decision. but Washington might denounce the extradition treaty. The Greeks hope that Insull will remain in that country and establish big industries; it is rumored that he will ask naturalization and change his name to Insuli-

ON DECEMBER 15 France will owe the United States another installment on the war debt, amounting to \$22,200,928. But we won't get it, or any part of it. The new French government headed by Albert Sarraut intends to default as did that of Daladier on June 15. It was said semiofficially in Paris that the government would abstain from raising the question in parliament, and this policy, rather than his health, would be responsible for the absence of former Premier Herriot because his participation would be certain to revive the debt question.

kept up their hammering at Albert H. Wiggin, former head of the Chase Na-

tional bank of New York, and the complicated transactions carried on by him and his companies. It was brought out that the Chase bank made huge loans to Wiggin's personal companies for trading in the bank's stock and for the creation by Wiggin of companies in Canada to escape

Albert H. Wiggin income taxes. Shermar, one of the Wiggin companies, be-

gan selling the Chase bank stock short in 1929, a month before the great market crash, and big profits were made. "What prompted you to sell the bank stock?" asked Pecora. "I don't know," replied Wiggin. "I must have had some trend of thought

at that time. I thought all bank stocks were too high and that Chase was in line with the other stocks." "If you thought Chase bank stock was too high, why did you permit the Chase Securities corporation and its

wholly owned subsidiary, the Metpotan corporation, to go into these various pools to stabilize the market?" asked Pecora. After considerable discussion with counsel Wiggin replied that the pool bought and sold stock and that "the net result was the sale of stock, just

the same as I did."

MRS. FRANKLIN D. ROOSEVELT is taking an exceedingly active part in the winter's campaign for the relief of human wants, being chairman of the woman's division. In the course of her duties she spent two strenuous days in Chicago attending a conference of community welfare workers of the nation called by General Chairman Newton D. Baker. Representatives of 34 national welfare and health agencies and delegates from cities preparing to campaign for community chests were

"Coming in a crisis year," Mr. Baker said, "these community campaigns for welfare work represent a challenge to democracy and a test of its validity. 'Over the top' must be the cry this year."

A CCORDING to Secretary of Agriculture Wallace, the country's wheat farmers have signed up about 80 per cent of the average seeded acreage in the farm adjustment administration's crop reduction campaign, Mr. Wallace estimates that cash benefits to farmers for agreements to restrict plantings next year 15 per cent will exceed \$102,000,000, of which they will receive slightly more than two-thirds this fall. Checks already are being sent out, the first going to some farmers in West Virginia.

Applications have been signed covering 570,263 farms on which wheat is grown and representing 51,925,612 acres. A reduction of 15 per cent on this area for the crop to be harvested next year will reduce plantings about 7,780,000 acres.

MODERN Turkey, the republic, is just ten years old, and its birth. day was fittingly celebrated at Ankara, the capital. The state as it now

exists is largely the work of Mustapha Kemal, the president, and it was with justifiable pride that he recounted its growth and achievements before 100,000 of his fellow citizens at the race course. He said: "Our greatest accomplishment is the Turk-

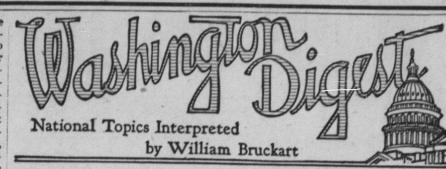
ish republic which President the heroism and high Kemal culture of the Turkish people created, thanks to the nation's will and valorous army, but our task is unfinished. What we have done

is insufficient. "We will raise our fatherland to the ranks of the most prosperous and most civilized nations of the world with the speed of this age in which we live. We shall succeed because the Turkish people is lofty, industrious, and intelligent, and is led by the torch of positive science and by the love of

fine arts." Turkey today, added the president, is dedicated to peace and is satisfied with her present physical boundaries. but he declared that, as the cradle of ancient civilization, she is determined to spread her cultural boundaries far into Europe,

THAT many Britons are dissatisfied I with their country's present international attitude was manifested at two great mass meetings in London in which demands were made that the government repudiate the Locarno treaty and get out of entanglements that might involve her in another European war. At one meeting a resolu tion was adopted calling on the government to declare "Great Britain's armed forces are no longer at the disposal of the league council to be used against a declared aggressor nation."

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bold move in ordering the Reconstruction Finance corpor-What Gold ation to purchase THE senate banking subcommittee Buying Means newly mined gold. and its counsel, Ferdinand Pecora, with a view to forc-

ing higher commodity prices, has led to more discussion and, I may add, confusion, than anything he has done since the banking holiday of last March. He described the action as a move toward development of a "managed currency" for the new deal. His action was as swift as it was unexpected. The fact that his announcement cre-

ated so much confusion and resulted in so much discussion is attributable largely, I believe, to the lack of knowledge generally among people concerning the part gold plays in the country's economic structure. In the ab sence of that understanding, the natural question was: what's it all about? And to show how the program succeeded in stirring things up, I need add only that the discussion continues and the confusion remains.

Mr. Roosevelt sought, by having a federal agency buy the new gold at prices above that which gold is valued at in world markets, to make the dollar less valuable as it is measured in world trade. It was a move, therefore, supplemental to his action of last March when he placed an embargo on export of gold. That action resulted in more dollars being required to buy an ounce of gold than when gold could be bought and sold freely. In other words, gold became more desirable to have than did the currency of the United States even when it was issued

against gold. Thus, as a correlative fact, more dollars were required to buy a bale of cotton or a wagonload of corn or wheat or a hog or share of stock in a corporation than had been required before the embargo on export was laid. When the federal government, for the Reconstruction Finance corporation is an agency of the government, began to buy the newly mined gold at prices higher than if the gold were being bought for minting into money, the dollars became cheaper again.

The President hoped for an increase in prices of farm commodities and all other things entering into trade corresponding with the reduction of value in the dollar as measured in world trade. (After all is said and done, world trade governs the value of commodities because only in world trade does the age-old law of supply and demand operate unhampered.) For example, the federal statute providing for the value of the gold dollar made the ounce of gold worth \$20.67. The first day's purchase of the new gold was made on a rate of \$31.36 per ounce of fine gold. It was Mr. Roosevelt's hope, and the theory of the economists who believe in the Roosevelt program, that prices would advance so that commodities would be worth roughly one-third more after the purchase of the new gold than they were worth in February before gold was withdrawn from circulation. To draw the comparison on basic dates nearer to each other: the price at which the initial purchases of new gold were made should have increased the price of commodities by a percentage as large as was the difference between the price paid by the government for the new gold and the price at which that gold could have been sold in the world market.

Whether the thing is capable of working that way remains unanswered as far as I am able

Call It an to see. Indeed, the Experiment conviction held by most monetary experts and students of finance in Washington is that the program cannot be regarded in any other light than as an experiment. It must be considered an experiment for the reason it never has been tried before so that results of a test are not available.

But Mr. Roosevelt believed that the argument advanced by some of his "brain trust" advisers was worth an experiment. I am told on what I consider to be good authority that practical monetary men in the administration had no part in formulating the program. The theorists developed the scheme and the President accepted it.

. . . Use of the experiment had to be adopted before any further moves could be made toward a "managed currency." The idea of a "managed currency" is that the value of the currency shall be made to fluctuate, thus maintaining a stable price for a bushel of wheat or a bale of cotton or products made from them. In other words, the theorists argue that the value of the dollar can be controlled to such an extent that the prices of all commodities, whatever they are, will range within a very narrow limitation from year to year.

The position these theorists take is that by managing the currency, there is just one thing to control, whereas by keeping the currency on a stable value, commodities undergo price changes and there are many commodities to worry about. In the current operation, the move is one of buying gold to make the dollar worth less. If prices of commodities reach a point too high, then the government will sell gold. Immediately, according to the

Washington .- President Roosevelt's | theory, the value of the dollar would go up and that would result in a dollar buying more of a given commodity.

> I have been unable to learn from any of the folks who had a hand in development of the Human Factors present program just how they Involved will overcome

certain human factors in the situation. For instance, the value of the dollar may be fixed so it will buy one bushel of wheat, but other wheat countries in the world may have a tremendous crop. They will have much more than they can use and, naturally, the producers will want to sell badly, so badly, in fact, that they will take 25 cents a bushel for the wheat. Will Americans deliberately pay \$1 when they can get wheat for 25 cents, or will there be a tariff wall built so high that no wheat can enter this country at all? And if there is that tariff wall, how will foreigners buy our goods, some of which they obviously are going to want? The circumstance is that unless they can sell something here, they will run out of money eventually and cannot pay for purchases in America. That situation will run through our entire structure of commerce and busi-

In fairness, it must be said that if there can be world-wide control of production and if industrial production can be stabilized and if employment remains the same, then certainly the

government can "manage" its currency. There is much discussion in Washington, however, that the gold purchase plan constitutes the first step in a general inflation of the currency. On the face of things, it would seem that inflation is certain. On the other hand, Mr. Roosevelt is regarded by many men who know him and have known him through the years, as an individual who wants and will have sound money. They are saying that even now he is leaning away from inflation because he has seen what inflation did to Germany and what it has done to every other country attempting it. Sooner or later, their currency became worth only the value of the paper as script or waste, or souvenirs.

. . . There seems to be no doubt that fox farming is an important industry. It has at last been rec-Help for

ognized as such by Fox Farmers the farm credit administration. The fox farmers, it seems, have suffered like others during the depression and have to have help. They are going to get it, too, from the farm credit administration. Here is the announcement, officially made by the Depart-

ment of Agriculture : "Considering silver fox raising a business that calls for long experience and special equipment, the farm credit administration has informed the Department of Agriculture that it plans to make loans on silver foxes as primary security, but it will make such loans only to those operators who have specialized in fox farming, have proper equipment and have shown expert knowledge in the general care and feeding of the animals. Each application, it is added, will be considered on its merits, and in cases where fox farming is incidental to general farming or other business operations, silver foxes may be considered as additional security, within reasonable limits"

In other words, the farm credit administration has decided that a silver fox is just as good as a horse, or a cow or a pig as security for a government loan, and regional credit corporations have been advised they may make loans on that basis. After talking with some of the Department of Agriculture folks, I am inclined to the opinion that possibly the fox pelts are better security than some other farm animals. Certain it is that individuals who can afford such luxuries still have money, and they are about the only ones in the country still having it.

The truth of the old adage that "politics makes strange bedfellows," neverhas been better demonstrated than under the present administration. There is considerable comment on these conditions among Washington observers, and Republicans are overflowing with mirth about the actions taken,

"We Republicans have been enjoying this one phase of the administration's recovery efforts," said one Republican leader. "Just think of it! Here is a political party that throughout its history has argued for low tariffs and has criticized those of us who have insisted there must be protection for home industry. That same party, having full responsibility for the government, now is turning to high tariffs in a number of cases and has even gone to the extreme of laying an embargo on competitive goods from abroad. Shade of Boles Penrose, (the late Senator Penrose of Pennsylvania) the thing is laughable.'

And the Republican leader's assertion about use of the tariff by the Roosevelt administration was true, More than that, it is apparent that there will be additional use made of high rates that can be invoked under the flexible provisions of the tariff laws, provisions which the Democrats, when in the minority in congress, vig-

orously opposed.

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ROADSIDE **MARKETING**

By T. J. Delohery

CLEAR CIDER MORE PROFITABLE

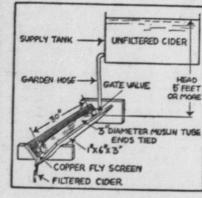
PROFIT of at least \$10 could be added to the income from the 100 gallons of apple cider which is made on the average farm if the fruit juice was clarified.

The truth of this statement is borne out in the experience of farmers who have been using the homemade filtering device recently developed in Michigan. The filterer, costing little more than \$1 to make, has revolutionized the sales of apple cider wherever the clear and clarified juice has been offered the public.

College experts and fruit growers feel that, with clear apple juice possible for every farmer to make, and the consumer responding as they have when it has been placed on sale at roadside markets, retail stores and restaurants, there is an opportunity for greatly increasing the consumption of this pure fruit beverage.

While clear cider is not a new drink from a commercial standpoint, farm production has been limited to the larger orchards because of the cost of machinery. The homemade device for producing quality apple cider gives the farmer, who can contact the public or retail outlets, a chance to turn low grade fruit into a nice profit.

Experiments with consumer demand show that apples which were otherwise unmarketable or saleable for



A Cider Filterer.

more than 10 to 15 cents a bushel, grossed 90 cents to \$1.50 a bushel as cider, basing the yield on 31/2 gallons to the bushel of apples. And the cost of producing the clear cider is around 10 cents a gallon, everything considered.

Clear cider is easy to make. Apples are pressed in the usual manner and the juice treated with a chemical called pectinol. It is an enzyme which breaks down the collodial matter or pulp. The mixture is allowed to remain overnight, the exact time depend ing upon the temperature, ripeness of the apples and the amount of pectinol used. The process can be speeded up or retarded, as desired.

Shortly before the cider is placed in the supply tank, a filtering agent called hyflo is added. It is an absorbing agent like Spanish clay and other such materials, which catches the sediment and permits the clear

juice to flow. The filtering device consists of a barrel, five feet of garden hose, a muslin tube inside of a cylinder of copper fly screen. The hyflo settles in the muslin tube and the juice from the barrel or supply tank, hoisted five to six feet, flows through it. The tube, by the way, is rested in a wooden trough somewhat similar to that used for feeding hogs.

The accompanying sketch shows the filterer. Everything, including the barrel or tank, unless it is bought new, should not cost much more than \$1, and it will last a lifetime. The device and parts should be thoroughly cleaned after use.

Farmers who have been making and selling clear cider report an unusual demand, some marketing 100 gallons a day at 50 to 75 cents a gallon, with ordinary cider, on adjoining farms and roadside markets, finding slow sale even at 25 cents a gallon. Where both clear and ordinary cider have been offered, consumers have expressed an exclusive desire for the clear juice, even though it costs more.

Something new in farm products, processing clear cider has an advertising advantage. Consumers are anxious to see how it is made, and progressive producers have been making it a practice to do the job in public and on certain days which are announced before hand, to which the public are invited.

Farmers who have no direct selling opportunities have found city retailers willing to handle and display clear cider where they will not bother with the ordinary fruit juice. And where clear cider has been placed in restaurants to get public reaction, sales not only have been larger but the price higher. In one restaurant, diners mistook it for tea because of its clear-

In addition to clarifying apple clder, the new homemade device can be used on other fruit juices, kraut juice, and in making vinegar, all products which consumers will buy direct from

6. 1932, Western Newspaper Union.

Peas From Tut's Tomb Grow After 3,275 years, a handful of peas from the tomb of Tut-Ankh-Amen sprouted. They were planted by one of the excavators in his home town in Smaaland, Sweden. Two of these peas produced a crop of 202 seeds in well-filled pods.