

News Review of Current Events the World Over

President Roosevelt Tells Congress and Nation the New Deal Must Be Permanent—Declares Recovery Policies Are Succeeding.

By EDWARD W. PICKARD

JUST what President Roosevelt intends to do and what he wants congress to do was not revealed in any detail in the message which he read before a joint session of senate and house at the opening of the regular session. However, it was an excellent speech, addressed to the nation rather than to the congress and heard over the radio by millions of his fellow countrymen who should be encouraged by his general statement of progress made by the recovery administration and all the allied collectivist institutions.

In plain, forceful language, Mr. Roosevelt declared that the old methods have gone into the discard and that the new social and economic order upon the lines laid down by the national recovery legislation must be pushed forward and made lasting. Opposition to this, he asserted, is found among only a few individualists. In general terms he told of the success of the NRA in lessening unemployment, abolishing child labor, establishing uniform standards of hours and wages and preventing "ruinous rivalries within industrial groups."

The President's claim for farm relief will be questioned by many. Said he: "Actual experience with the operation of the agricultural adjustment act leads to my belief that thus far the experiment of seeking a balance between production and consumption is succeeding and has made progress entirely in line with reasonable expectations toward the restoration of farm prices to parity."

Brief allusion was made to the war debts, and it was stated that stabilization of the dollar is impossible at present because certain other nations are "handicapped by internal and other conditions." The message referred specifically to the disclosures before the senate banking and currency committee of rich and powerful financiers who "evaded the spirit and purpose of our tax laws," enriched themselves at the expense of their stockholders and the public and through reckless speculation with their own and other people's money, "injured the values of the farmers' crops and the savings of the poor." It also declared the intention of the government and the people to suppress "crimes of organized banditry, cold-blooded shooting, lynching and kidnaping that have threatened our security."

The President's closing sentences especially aroused the supporters of the Constitution. He thanked the members of congress for their co-operation, and concluded: "Out of these friendly contacts we are, fortunately, building a strong and permanent tie between the legislative and executive branches of the government."

"The letter of the Constitution wisely declared a separation, but the impulse of common purpose declares a union. In this spirit we join once more in serving the American people."

THIS message of the President was addressed especially to the American people. A few days before he delivered another that was meant more for the rest of the world. It was his speech on Woodrow Wilson's birthday delivered at a dinner given by the Woodrow Wilson foundation, and in it he vigorously attacked political leaders of other nations for frustrating the hopes of the peoples for world peace. Ninety per cent of the population of the earth, he averred, is desirous that there shall be no more wars; but the remaining 10 per cent are misled by politicians who have imperialistic designs and selfish motives.

Mr. Roosevelt's peace plan, offered to the world, may be thus summarized: Every nation would agree to eliminate over a period of years and by progressive steps all weapons of offense, keeping only permanent defensive implements. Each nation could inspect its neighbor to insure against offensive weapons.

Every nation would join in a simple declaration that no armed forces would be allowed to cross its borders into the territory of any other nation. By ruling that such pacts would be effective unless all nations agreed the nations still believing "in the use of the sword for invasion" would be pointed out to the pressure of world opinion.

The President also proclaimed a modification of the Monroe Doctrine, asserting that it would henceforth be the policy of the United States to undertake no single-handed armed intervention in any of the American republics. He declared that it was the joint obligation of all those republics to intervene in any one of them if such interference should become necessary to protect their interests.

FOR the current and the next fiscal years the President asks congress to provide sixteen and a half billion dollars. In the budget message which was transmitted to the lawmakers,

Of this immense sum the recovery agencies will require almost ten billions, the remainder being for the routine government establishment. For these two years the treasury deficits are estimated at nine billion three hundred million dollars. To meet these deficits the President proposes to borrow on the credit of the government ten billion dollars or more in addition to borrowing about twelve billions to refinance maturing government bonds and other obligations in the next year and a half.

By July 1, 1935, when the President proposes to halt recovery operations and begin paying the bills out of taxes, the public debt, he estimates, will stand at the all-time record peak of thirty-one billions eight hundred and thirty-four millions.

Republican senators and representatives and some Democrats professed to be appalled by the President's spending program, but it probably will be put through, just the same.

PRESIDENT ROOSEVELT announced that he had accepted the long expected resignation of William H. Woodin as secretary of the treasury, and appointed Henry Morgenthau, Jr., to succeed him. Mr. Morgenthau took the oath of office on New Year's day in the presence of Mr. and Mrs. Roosevelt and the members of his own family.

Mr. Woodin's retirement had been expected since last summer. He is still in Arizona endeavoring to recover his health.

PRESIDENT GRAU and his supporters in Cuba were preparing to combat an anti-government conspiracy which Secretary of the Interior Guterus said had gone too far to be halted by any plan of political conciliation, or even recognition of the Grau regime by the United States.

The revolutionists, he said, were operating from Miami, Fla. In Havana the army's home made tanks were placed in strategic positions, the police were armed with rifles and soldiers were stationed on housetops to check sniping.

The Miami revolutionists' plans "are too far advanced," Guterus said, "because they accepted money from American corporations in exchange for certain concessions if they attain power. They can't return the money. Therefore, they must carry out their plans."

President Grau signed a decree setting April 22 as the date for the election of a constitutional assembly which will meet on May 20 to choose a new provisional president and draft a new constitution. Grau said he would not continue in the presidency after May 20, regardless of whether the assembly confirms him as provisional president.

THOUGH the year closed with prices for farm products and manufactured goods showing a downward trend; though the estimates of the government and of grain dealers revealed that the acreage reduction program on which the Agriculture department spent vast sums was virtually a failure, and though there were other discouraging signs, on the whole President Roosevelt and his advisers had reason to believe the new year promised to see considerable success achieved by their recovery plans. Many leaders in economy and politics gave them this assurance, and there was manifested a general determination to go along further with the President and support his efforts.

Speaker Rainey predicted that the session of congress would be harmonious.

"We are going to have a short and constructive session," said Mr. Rainey. "It will be a very important session, but a working one rather than a dramatic one. We will pass the supply bills, the tax bills and the liquor measures and adjourn early in May."

"There will be no attempt to overthrow the recovery program or to oppose the President. It isn't possible. If there is any sniping the snipers are apt to be left at home."

"We had the extra session and enacted the recovery program and it is just beginning to work. Recovery is on the way."

TORRENTIAL rains lasting many hours wrought disaster in Los Angeles and its suburbs for floods rushed through the towns and countryside and probably 75 or more lives were lost. Glendale, Montrose, La Crescenta, Echo Park, Long Beach, Alhambra, Venice, Redondo Beach and other towns were those in the direct path of the inundation. It was in these places that the heaviest toll of life occurred.

DEVALUATION of the dollar appears to be a certainty of the not distant future, and the Treasury department is getting ready for that step. To start with, it is about to seize all remaining private holdings of gold. Henry Morgenthau, Jr., now secretary, in an order issued under the emergency banking law, demanded the surrender of all gold holdings, with five specific exceptions, regardless of their size.

Failure to follow the treasury's order and conviction carries a maximum penalty of ten years in prison, \$10,000 in fines, or both. The order applies to corporations, partnerships, and associations as well as individuals.

One important exception which still blocks the way to devaluation was left in the new gold order. Federal reserve banks, which own \$3,700,000,000 in gold and gold certificates out of a total American gold stock of \$4,300,000,000, were still allowed to keep their gold. How to deprive the reserve banks of this gold legally, or at least of the profit which the banks would otherwise reap from devaluation, has long been puzzling treasury legal experts.

NOW it is up to the United States Court of Claims to decide whether or not President Roosevelt's action in removing William E. Humphrey as a member of the federal trade commission last October was "illegal and void." Mr. Humphrey has filed with the court a petition demanding from the United States \$1,251.39 which he says is due him as his salary from October 8 to November 30. He laid before the court a transcript of four letters from the President. Two of them requested his resignation, a third accepted his resignation, although Mr. Humphrey contended, none had been offered, while a fourth contained only these words:

"I am in receipt of your letter of September 27. Effective as of this date (October 7) you are hereby removed from the office of commissioner of the federal trade commission."

Mr. Humphrey refused to resign or get out and formally notified the trade commission of that refusal; but the commission wrote him that it had voted to recognize the executive order of the President. Mr. Humphrey is a Republican and the controversy between him and Mr. Roosevelt has been taken up as a political issue by some others of that party. It is certain to be the subject of oratory and argument in congress. For fourteen years Mr. Humphrey represented the state of Washington in congress, and he was appointed to the trade commission by President Coolidge in 1925 and reappointed by President Hoover in 1931.

SOME weeks ago Jon G. Duce, premier of Rumania, outlawed the Iron Guard, an anti-Jewish organization. He has paid the penalty, for a member of the guard assassinated him in a railway station in Sinala. The murderer, who was arrested with two accomplices, proudly admitted his crime.

The assassination came as a climax to a long series of disorders characteristic of the new wave of anti-Semitic radicalism which has swept Rumania since the victory of Chancellor Hitler's anti-Jewish campaign in Germany.

LOANS totaling \$27,534,000 were allotted to six railroads by the P.W.A. Funds were authorized to permit purchase of steel rails and track fastenings, for the repair of locomotives and rolling stock and to finance the construction of coal cars.

Largest of the loans was an allocation of \$12,000,000 to the Southern Pacific company. The Illinois Central railroad was granted \$9,300,000 and the Baltimore & Ohio railroad, \$4,230,000. Recipients of the Wabash railway were given \$1,489,000. Loans of \$205,000 and \$250,000 were granted for Kansas, Oklahoma & Gulf railroad and the Interstate railroad, the latter a Virginia road.

CHICAGO's great meat packing industry expressed indignant surprise at sweeping charges of non-compliance with the President's recovery program made at Washington by Speaker Rainey. Spokesmen for all the big concerns declared they were doing all possible to co-operate with the government and that Mr. Rainey's statements were inaccurate and misleading.

In Washington it was said the AAA was investigating the packing industry and that if the latter does not comply with the spirit of the farm relief and recovery programs it faces the possibility of being virtually taken over by the government.

RADICALS in Argentina attempted a revolt at Rosario and Santa Fe. In the northern part of the country, attempting to prevent the forthcoming elections. But the authorities were alert and suppressed the uprising. The mounted police fired on the crowds and a score or more of the rebels were killed and many wounded when they attacked the arsenals and police headquarters.

CARY N. WEISINGER, JR., deputy administrator in charge of the banking code, was fired by General Johnson because he was held responsible for the issue of a press release inferring that Johnson had approved a proposed set of fair banking practice rules that some 700 banks and clearing houses were about to adopt. Johnson suspended the proposed fee schedule, stating that he had never seen them.

Washington Digest

National Topics Interpreted
by William Bruckart

Washington.—The farm leaders are on the neck of congress again, and they are causing the politicians no end of grief and worry. Peculiar, too, the current struggle was brought on by the politicians themselves who failed to see a year or so ago where they were headed. They are now face to face with a problem that involves not only the demands of the farm leaders, but directly and forcefully affects the ability of the federal government to borrow money.

The situation is this: The Farm Credit administration originally had a fund of \$200,000,000 which it could use rather in its own way for relief in desperate farm mortgage cases. It could determine appraisals for itself and do a number of other things in order to get relief to distressed farm owners without regard for ordinary federal mortgage laws. But that fund has been exhausted. Indeed, it has been far overdrawn, and the Farm Credit administration has had to borrow money from the Reconstruction Finance corporation in order to carry out that phase of its work.

Now, the Farm Credit administration must sell bonds. It has authority to sell them to obtain funds, but it is confronted with exceeding difficulty in their sale. Investors are not particularly anxious to take them. Just here is where the politicians find themselves in a quandary.

Farm leaders are demanding that the federal government guarantee the interest on those bonds, so they may be sold; and if a guarantee of interest won't suffice, then the farm leaders say the interest and principal of the bonds ought to be guaranteed. In either event, congress has to enact the legislation necessary.

Ofhand, it would seem that congress should be willing to guarantee the interest and principal without any argument. It is a situation, however, not so easily solved, because of the effect elsewhere. If the farm mortgage bonds are guaranteed as to interest and principal, then the owners of homes will, and do, want the same thing. If one gets it, the other must have it or the bonds that are not guaranteed cannot be sold.

That is the whole story. If both of the agencies dealing with mortgages, farm and home, are accorded a government guarantee, then the whole structure of farm and home loan bond issues, running into billions of dollars, in which the government has an interest, becomes a part of the national debt. The national debt now is around \$22,500,000,000. It can go somewhat higher without causing the values of those bonds outstanding to become devaluated. Yet, there is a limit. When that limit is reached, investors everywhere will suffer, banks will suffer to the extent that they have government bonds, life insurance companies that have invested your premium payments and mine in bonds to earn interest will suffer. In short, an overloading of the national debt will wreak havoc. And in the end, taxpayers will pay and pay.

So that point where the politicians find themselves now is at the crossroads. They can not yield all of the demands of the farm leaders. That would result in the things I have described. But they started the farm leaders on their present course by a lot of promises designed to win elections. All the farm leaders are demanding now is that the politicians make good.

The early weeks of congress already have demonstrated that the session is going to be devoted to a considerable extent to the building of campaign fences. Although the votes will not be cast until November, there is dissatisfaction with sitting members of the house and senate in many a balliwick, and there are ambitious citizens in every one of them who are "willing" to serve the district or the state. Consequently, the job of building campaign fences is under way, and the biennial horse trading of the politicians has begun.

The horse trading of the current session, however, is going to be considerably different than in most sessions of congress. One of the reasons why the trading will be different is that man who sits in the White House. Ordinarily, maneuvers are carried out on the floors of the house or senate that are designed to enable this or that individual to obtain re-election and they are accomplished with little or no interference from the President. President Roosevelt has his program, however, and unless the boys and girls making up the membership of congress line up correctly, they won't get any smile from the Chief Executive when such a smile and some kind words would win the election. It is a tough spot for the candidates.

It might be well to explain how the trading is done just so the whole thing is on the record. I have watched them from the eminence of the press galleries so many times that the galleries no longer prove entertaining. Those things, however, never seem to appear in the reprinted speeches which the senators and representatives mail

out to their constituents. But the trading goes on just the same.

As an example of the way the trading goes on, consider this one: A western member fought and made speeches and demanded roll calls and did all of the other things necessary to attract attention to a bill pulling some money out of the federal treasury for use in his district. He wanted the bill put through to insure his re-election. But he received little or no consideration. Presently, another bill seeking some particular plums for other sections of the country appeared on the scene. Supporters of that bill fought and made speeches and did all of the other things to attract attention to their bill. They ran into a stone wall, also. When that happened, the two groups began to talk turkey among themselves. They joined hands and they served notice on several other groups, fostering particular legislation, that they would block anything and everything until they received permission from the powers that be to get their bills before the house. They forced an agreement. It was the action of a "bloc," and congress is just filled with them.

The traders get what they want in most instances, because enough strength can be mustered among disgruntled groups to prevent affirmative action. In the current session, however, Mr. Roosevelt's program is the first consideration and if the Democratic majority does not perform as the President says, well, it may be too bad next November.

I am reminded, in this connection, of an incident involving Postmaster General "Jim" Farley, the administration's political guide. A certain senator wanted to see "Jim" about a job for a powerful constituent. "Jim" did not want to see the senator, but the senator insisted and "Jim" received him. He requested and urged and finally demanded appointment of his man "or else I will be licked in the election."

"Well," replied the political boss, Farley, "I am not responsible for that. I see by the record here where, on seven major votes in the senate, you voted against the administration on five. That record may not warrant your re-election anyway."

That ended the incident, and it also serves to show how the President and all of his advisors engage in horse trading, too.

The turn of the year, with the fresh start that always accompanies a new year, has given rise to conviction among many observers that conditions, economically and financially, are improving. Underlying factors surely give every indication of better times. We, here, who are meeting men of consequence from every part of the country week after week, get rather definite expressions that conditions are going along at a rate of improvement that warrants real optimism. It is the first period in four years that the sentiment brought to Washington has been uniformly of that kind.

I am constrained to believe, however, that most people are going to be discouraged because recovery will be slow. The spring undoubtedly is going to see more industry at work than since the depression began, and the summer will carry on with some expansion. But it takes so long for the improvement to become apparent to most of us, insofar as it affects us personally, that we get down in the dumps with waiting.

One of the things about which I have heard that sounds worthwhile is the total of advance orders that are going in from manufacturing establishments. Advance orders, for February, March and April delivery are recorded in some lines to be the largest in four years. That statement does not apply to all lines of commercial endeavor. There are some exceedingly bad spots, even dangerous spots. These will be slower than the others in getting on their feet again. Yet the picture of business, as a whole, can be said to be far better now than it has been since the beginning of 1930.

Although Secretary Morgenthau said that his censorship rule against treasury officials was withdrawn and that subordinates could talk with newspaper correspondents who wanted only factual data, many of the lesser lights around the treasury still are scared stiff about talking with a correspondent. Witness this: A few days ago Clarence T. Ellis of St. Louis, Mo., was named assistant solicitor of the treasury, a promotion from a job as an attorney in the department that he had held for many years. A correspondent called him by telephone to inquire whether his home was in St. Louis. Mr. Ellis replied that the correspondent would have to "see Mr. Gaston for any information." (Herbert E. Gaston is the treasury's publicity representative.) The inquiring reporter wondered whether Mr. Gaston could be sure of where Mr. Ellis lived, but he went to see Mr. Gaston because he couldn't get the information anywhere else.

After the Indian wars were over Taylor became a peace officer in Montana and was killed in the town of Coulson in October, 1882, by a drunk ne'er-do-well named Lamp or Lemp who shot Taylor down when the deputy sheriff attempted to arrest him.

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Fifty Famous Frontiersmen

By ELMO SCOTT WATSON

Hank Monk, Stage Driver

OF ALL the men who guided the lumbering Concord stage coaches across the plains and over the mountains of the West in the days before the railroad came, none was more famous than Hank Monk. He is not so much remembered, however, as he should be—for being the driver, who, on July 30, 1858, brought the first coach mail over the Central Overland route to its western terminus at Placerville, Calif.—as he is for being the man who once "squashed" the great Horace Greeley, the New York editor who felt qualified to give advice to anyone and everyone, including Abraham Lincoln.

The story of Hank and Horace is one of the classics of the West. In 1859 Greeley made a trip to the Pacific coast and it happened to be Hank Monk who was on the "bridge" of the coach which took the renowned Easterner out of Carson City, Nev. As they started, Greeley leaned out of the window and informed Hank that he expected to be in Placerville right on time so he could catch the connecting coach for Sacramento.

Hank was not accustomed to taking orders from anyone, least of all from an eastern tenderfoot. But he only smiled blandly and said "All right!" The first few miles of the trip were uneventful and Hank had to take it slow. But when he reached the crest of the Sierras he began to "throw the leather" into his six-horse team. Down the rocky trail thundered the heavy coach, bouncing and lurching over rocks and chuckholes.

Three times the terrified easterner tried to lean out the window and shout some more advice. But every time he was thrown back into the coach. The fourth time he succeeded and to his shrieked commands to Hank to slow down, that Western Jehu shouted back gaily, "Keep your seat, Horace! I'll get you there on time!" And he did! When the admiring populace of Placerville heard the story they presented Hank with a gold watch engraved with these words: "Keep your seat, Horace," and for the next half century that became a by-word when a westerner wanted to rebuke impatience.

There was another aftermath to the incident, however. When Greeley was a candidate for President, Monk sent word to Horace that if he was elected it might be a pleasant memento of their ride together if Greeley would give him some easy government job. To this the testy editor replied: "I would rather see you ten thousand fathoms in h—l than give you even a crust of bread. For you are the only man who ever had it in his power to put me in a ridiculous light before the American people, and you villainously exercised that power."

Custer Disaster Messenger

IN THE gray twilight of the dawn of June 28, 1876, the men on the steamer Far West, tied up on the banks of the Little Big Horn river in Montana, were awakened by a splutter of rifle fire. As they rushed on deck, they saw a horseman galloping furiously up the valley, turning now and then in his saddle to fire back at the whooping Indians who were pursuing him. When the redskins saw the steamer, they gave up the pursuit and the lone horseman dashed up. Springing from his saddle, he staggered on to the Far West and gasped out: "Custer and all his men have been wiped out by the Sioux!"

He was "Muggins" Taylor, a scout attached to General Gibbons' command, on his way to Fort Ellis with dispatches from his commander. Discovered by the Indians he had been forced to run for his life and only the lucky chance of his finding the Far West where he hid, saved him from death at the hands of the savages. To the men on board the boat he gave the first authentic account of the disaster that had befallen the dashing leader of the Seventh cavalry.

Two days later Taylor left the Far West when it steamed out of the Big Horn into the Yellowstone and set out on his long, lonely ride of 175 miles to Fort Ellis. A hundred miles from his starting place he reached an old stage station on the Yellowstone where lived Horace Countryman, an old scout and Indian fighter. Taylor was so exhausted that he was unable to go on, but the next day, accompanied by Countryman, he set out on a fresh horse and reached Fort Ellis, where he again told his tragic story to a group of horrified listeners.

In the meantime Countryman had continued on to Bozeman, where he expected to be able to spread the tidings of Custer's fate over a government-telegraph wire. But on his arrival there he found the government wire down and useless, so he continued on to Helena which he reached about noon on July 4. There he told the news to Andrew J. Flisk, an Associated Press correspondent, and that afternoon Flisk flashed to the world the first news of the disaster on the Little Big Horn—a feat made possible by the daring ride of "Muggins" Taylor.

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President Roosevelt



W. E. Humphrey



President Grau



Speaker Rainey