

News Review of Current Events the World Over

Bloody Socialist Revolt in Austria Imperiling All Europe; Senate Sentences MacCracken to Jail; Permanent PWA Program Taking Shape.

By EDWARD W. PICKARD

IS AUSTRIA again to be the starting point of a great European war? That was the question that was worrying all the nations of the world as the civil warfare between the Austrian government and the Socialists proceeded. On the side lines watching events closely and biding their time, were Nazi Germany, Fascist Italy, France just recovering from its own internal row, and the rather frightened members of the little entente. Great Britain, determined that Germany and Austria shall not be united, was warning Hitler to keep his hands off. Soviet Russia would like to put a finger in the pie but is fully occupied with the threat of war with Japan.



Maj. Emil Fey

Vice Chancellor Emil Fey and Prince Ernst von Starhemberg of Austria were determined that the Socialists should be driven out or exterminated and the country made wholly Fascist, and Chancellor Dollfuss was going along with them. The revolt of the Socialists was evidently carefully planned and the rebels were well armed and capably led. But at this writing they had won no victory of moment and their strongholds in Vienna, mainly the huge communist apartment buildings, had been smashed by the government artillery. In Linz, Graz, Steyr and other centers the results were the same. After several days of fighting, in which two or three thousand persons were killed and many more wounded, Dollfuss gave the Socialists five hours in which to lay down their arms on promise of pardon except for the chief leaders. This brought insufficient response, and the government troops went into action again in the suburbs to which the rebels had been driven. The latter met the attack stoutly, especially in the section just across the great Reichsbrücke where they were occupying big buildings and trenches. Major Fey was in charge of the operations in and about Vienna, and Prince von Starhemberg was in command at Linz and Steyr.

Though the German government was not openly mixing in the mess, the official Nazi newspapers were egging on the Austrian Socialists. Hitler and his comrades claim that a majority of the Austrian voters are Nazis and prophecy that the time is near when Dollfuss will fall and the Austrian Nazis will be in control. The whole tone of comment in the German press expressed sympathy with the "miserable" workers of Austria, and the League of Nations and its members were warned not to interfere in the struggle.

Reports originating in Paris said 75,000 Italian troops had been massed at strategic points along the Austrian frontier and that they and the Fascist frontier guard were ready for any eventuality. The Italian government officials said this troop movement had been going on for some time and was only part of a fundamental change in Italian military policy.

London correspondents dug up a story, from an Austrian source, to the effect that the Austrian Socialists obtained the arms which they had been fighting from Czechoslovakia, either from the Czech government direct or with its connivance. A railroad from Prague to the south runs through a part of Austria, and the story goes that trains loaded with arms and ammunition consigned to some place in Czechoslovakia were emptied of their cargoes somewhere between Gemund and Pressburg.

It is also alleged that arms have been shipped up the Danube from Pressburg to Vienna or nearby points and smuggled ashore.

Czechoslovakia doesn't at all like the idea of being surrounded by Fascist countries and has been encouraging democratic movements against both the German and Austrian dictatorships. Prague is full of refugee Socialists.

TEN days in jail was the sentence pronounced by the senate on William P. MacCracken for having tampered with correspondence in his files after the files had been subpoenaed by the special committee investigating air-mail contracts. The same punishment was awarded L. H. Britton, vice president of Northwest Airways. Two other defendants were acquitted. MacCracken already had been fined \$100 by the District Supreme court for misrepresentation in obtaining a writ of habeas corpus before actually being arrested. He was given time by the senate to perfect an appeal from its verdict.

The army went ahead rapidly in its preparations for carrying the air mails after the cancellation of contracts by Postmaster General Farley. Headquarters for this service were opened

in Washington and put under the command of Brig. Gen. Oscar Westover by Gen. Douglas MacArthur, chief of staff. Col. Charles A. Lindbergh's telegram to the President protesting against the summary cancellation of contracts led Postmaster General Farley to make public his report to Chairman Black's investigating committee justifying his action. In this Farley made sensational charges that the government had been defrauded to the extent of \$46,800,000 in the letting and operation of air-mail contracts. He asserted that his predecessor, Walter F. Brown, had joined in and directed a conspiracy by which competition was smothered and all contracts were awarded by secret agreement to certain favored air lines.

SECRETARIES ICKES, WALLACE, Dern and Perkins were named by the President as a committee to draw up definite plans for his permanent public works program. This is intended to effect great economic and social changes and will cost probably more than half a billion dollars yearly. Mr. Roosevelt and his advisers take it for granted that even after business has achieved recovery there will be from three to five billion persons still unemployed and that they must be cared for by something like the Civil Works administration.

This new project as now conceived includes these major undertakings: Methodical development of waterways, water power, flood control, soil erosion preventives, reforestation, and other public works. On these works employment would be furnished in the manner of the present CCC and CWA. Decentralization of industry through establishment of small industries in rural regions to enable people to make a living partly by farming and partly by factory employment. A start in this direction is now being made in the subsistence homesteads, for which twenty-five millions of recovery funds have been allocated.

Government purchase of submarginal lands unfit for cultivation, which would be added to the public domain and devoted to forest development. For this purpose twenty-five millions already have been allotted.

THE Civil Works administration obtained from congress an appropriation of \$50,000,000 for its immediate uses and its workers, numbering 3,900,000 persons, received their pay. But at the same time Administrator Harry Hopkins began the task of cutting down the forces, ordering reductions of from 50 to 90 per cent. He directed that work cease on all federal civil projects not on federal or other public property. By Hopkins' plan of cutting down the total number of employees about 10 per cent a week, the CWA army will be virtually out of existence by May 1.

The largest force affected by the nonpublic property order is in the public health service. Hopkins ordered it to stop malaria control efforts employing 29,779 men, rural sanitation using 32,010 and the sealing of mines by 6,571 workers to prevent water acidity in the Ohio valley.

COL HORATIO B. HACKETT of Chicago was appointed director of the housing division of the Public Works administration by Secretary of the Interior Ickes. He succeeds Robert D. Kohn, a New York architect, who has held the position for the last nine months.

Selection of Colonel Hackett, a member of the Chicago architectural firm of Holabird & Root, was regarded in Washington as a move to speed up the federal housing corporation. Given \$100,000,000 of public works money for low cost housing developments, it has spent very little.

PREMIER TSALDARIS of Greece doesn't accept the verdict of several government physicians, that Samuel Insull is well enough to stand deportation without danger to his life. Tsaldaris said it would be "murder" to compel the fugitive American to travel in his present physical condition, so he will be permitted to remain in Greece until his health improves. As Insull is seventy-four years old and has clever advisers in Athens, his extradition may not be obtained for a long time if ever.

MELVIN A. TRAYLOR, president of the First National bank of Chicago and one of the country's leading financiers, died at his home of pneumonia after fighting the disease bravely for several weeks. Mr. Traylor was born in a log cabin in Kentucky 55 years ago and made his way to leadership in business by sheer ability. He also became prominent enough in politics to be considered favorably for the Democratic nomination for President in 1932. Chicago and the country sustained a considerable loss in his death.

JAPAN'S new ambassador to Washington, Hiroshi Saito, presented his credentials to President Roosevelt, and the two gentlemen exchanged assurances of friendship and mutual confidence between their countries. Saito said he was sure that "whatever question, either political or economic, may arise between our two countries, can and will be amicably composed in a spirit of friendship and mutual confidence—the spirit that has characterized our relations ever since Japan made, at the instance of the United States, her formal entry into the family of nations."

"I share fully," the President said in reply, "the view which you have expressed that all questions which may arise between our two countries will be resolved in a spirit of friendship and mutual confidence. You will find this government devoted now as in the past to the principle of maintaining peace in the Pacific region as elsewhere and ready to co-operate cordially and sympathetically with your government in all of the many lines of endeavor which are possible in pursuance of and toward making prevail that principle. It is our constant desire that, by co-operation, all the countries of the Pacific region may continue to enjoy peace and may attain conditions of abiding prosperity."

INDEPENDENTS and Insurgents in congress have long advocated an amendment of the Constitution providing for direct election of the President, and at last the first step toward this change has been taken. Senator George W. Norris' resolution proposing the amendment was approved by the senate judiciary committee, with only Senator Stephens of Mississippi voting in the negative.

Should the amendment be written into the federal Constitution it would abolish the present system by which citizens vote for Presidential electors instead of for the candidates themselves. Under the amendment the names of Presidential and Vice Presidential candidates would be written on the ballots and the votes cast directly for them.

The amendment would also do away with the present system by which a state's whole electoral vote (equal to its representation in both houses of congress) is cast for the candidate receiving a plurality of votes cast within the state. Instead a state's electoral vote would be pro-rated according to the proportion of the entire vote which each candidate received.

GOVERNORS of all the states have received from the administration a draft of a model state recovery law which would make all national codes of fair competition automatically effective within the states. It would remove the threatening possibility of a constitutional barrier to the enforcement of those codes among concerns that do not deal in interstate commerce.

The model law would authorize the state governor to consent to the utilization of state and local officers by the President of the United States "in effectuating the policies of the national industrial recovery act." A violation of a code would be made a misdemeanor in the state with a penalty of \$500 a day for each offense and for each day the violation continues. Where a license under the NRA is required, a person doing business without one would be liable to a fine of \$500 or six months' imprisonment or both for each day of the violation. These state penalties are copied after those in the national recovery act.

The state law pronounces the existence of a statewide emergency and defines its own termination on June 10, 1935, unless the President shall by earlier proclamation have proclaimed the emergency ended.

PRESIDENT ROOSEVELT having decided that the civilian conservation corps shall be maintained at full strength until March 31, 1935, orders to this effect have been sent to the commanding generals of all army areas. There will be two enrollment periods of six months each, the total number of men to be 300,000. Additional local experienced men will be enlisted in some of the states, in the eighth and ninth corps areas in the extreme West.

The President already has announced that he will ask congress for an appropriation of from \$275,000,000 to \$300,000,000 for the corps.

REPRESENTATIVES of business groups in Washington said they were fairly well satisfied with the new revenue bill which was brought before the house, though there were some objectionable provisions which they hoped might be removed by the senate finance committee later. The bill now represents a compromise between the recommendations of the Hill subcommittee and the suggestions of the Treasury department. The chief changes are those with respect to depreciation, consolidated returns and corporate reorganizations. The bill does not reduce depreciation allowances as did the subcommittee recommendations. Nor does it abolish consolidated returns for affiliated corporations. While it imposes an extra tax on corporation earnings when consolidated returns are filed, this is not so objectionable as the entire elimination of the privilege.

While the upper surtax brackets have been scaled up somewhat they do not increase greatly the tax applying to a person who has an earned income credit. The tax burden is increased somewhat on a person without earned income, but with corporation dividends and government bonds not subject to normal taxes which are reached by commencing surtaxes above a single 4 per cent normal tax instead of above normal rates aggregating 8 per cent.

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Washington Digest

National Topics Interpreted
by William Bruckart

Washington.—If I read the signs correctly, neither the Democratic nor the Republican party is going to be able to do any shouting in the campaign next fall about the graft and corruption that has taken place while the other party is in power. The clothing of each party bears indelible stains on that score, and if one could overlook the serious character of the malfeasance that has taken place, there might be occasion for a laugh. That is to say, neither party can point the finger of scorn at the other and plead purity before the voters.

Just as Senator Black of Alabama, a Democrat, head of a senate investigating committee, turns up some "pay dirt" in digging into fraud in the award of ocean mail and air mail contracts under the Hoover administration, a District of Columbia grand jury turns out indictments charging fraud in the award of contracts for the purchase of millions of dollars worth of motor trucks for the army under the Roosevelt administration. Actually, the disclosures came within 24 hours of each other, although naturally the Black discoveries were of incidents that took place about two years ago. It does not change the picture, however, from the political standpoint. Each party has found slime in its own household, and neither can deny it before the voters next November.

In addition to the motor contract fraud charges that the Democrats must explain away, there have been numerous cases throughout the country of petty graft in connection with Civil Works administration affairs. None of these have been of more than local consequence in that they usually involved only one or two persons hardly known outside of their own communities, but they have made up in numbers that which they lacked in size. And from the partisan standpoint, they constitute the basis of trouble for the party in power when they occur. The reason is that the average person in those communities will know all about that kind of crookedness whereas a gigantic conspiracy of the type alleged in the air mail contracts or those involving the motor trucks seems rather outside of the picture because they have no local connections. In other words, we don't know the people concerned.

But, the President has moved with considerable speed on the charges in each instance. He ordered Postmaster General Farley to cancel the air mail contracts, not one but all of them, and turned the job of carrying the air mail over to the army. He ordered Attorney General Cummings to go after the alleged crookedness in the motor truck case, with the resulting indictments. All of which seems to give the present administration the advantage in the political battles that may be expected in the campaign, yet the opinions I hear around Washington do not support that view. The observers and analysts insist that neither political party can make much use of the argument about fraud without stirring up a fresh mess for itself.

There is, and always has been, a sharp difference of views about granting subsidies for carrying the air mail and the ocean mail. Aside from the fraud charges, it appears there is a natural basis upon which opinion may be divided. Roughly, those who favor the subsidies do so because it is the one way in which our government may encourage by direct aid the expansion of an industry. Those who favor subsidies point out, for example, that the millenium has not been reached and that war is not banished from the earth. Why, then, they ask, should not the air craft industry and the shipping industry be encouraged to go ahead, develop, expand, experiment, produce bigger and better ships and planes? If there be war, those ships and those planes are available for government service. They are built; they are ready, and the government can command them. Besides, if there be war, the industries concerned will have plants and equipment and plans. Production of ships and planes for war can go forward at wartime speed. Thus, say the subsidy advocates, subsidies for air mail and for ocean mail actually are for defense of the realm in their full effect.

Then, there is the question of American predominance in the field of commerce. Other nations subsidize their shipping, their air craft industry. It is only by use of the subsidies, which means paying more for the service rendered than it actually is worth, can we keep pace with foreign nations in those two fields.

As a matter of cold fact, the use of subsidies is the reason why the American air craft industry has grown and now equals or exceeds the same industry anywhere else in the world. As a further matter of fact, the use of subsidies has kept a good deal of American shipping alive and, thereby, has kept American exporters from falling into the clutches of foreign shipping companies who would have no competition in numerous routes were the Americans to withdraw.

Those who attack the subsidies, however, claim they constitute a vile discrimination: They allege them to be unjust use of taxpayers' money, because they suck cash from the treasury that should be used for general purposes of government.

Further, it is the claim of subsidy opponents that such payments produce monopolies, drive out domestic competition which might not fall within the formula for subsidy payments. Generally, the opposition claims that subsidies add to the strength of the rich and the taxpayers carry the burden. This extra load, the figures show, amounted to \$54,433,000 in the last five years.

As far as I can see, and I have done considerable research work on the question, the arguments of neither side are infallible. Each side, in supporting its view, is not wholly motivated by utilitarian or nationalistic sentiment.

I have always held the conviction that each of us, as an individual, is and can be no more than just one of the teeming millions inhabiting this old earth, and, holding that belief, I never have thought that any of us ought to be impressed with his own importance. In other words, "don't take yourself too seriously." But my philosophy of life apparently is not shared by members of congress. Most of them do take themselves seriously, very seriously.

In proof of my statement, permit me to call attention to a small uproar that was created among several members of the house of representatives because officials and staff of the Farm Credit administration failed to do a hop, skip and jump when the house members sought something or other from the credit administration offices. The house members became so wrathful that they decided they wanted to investigate the credit administration.

The rules committee of the house, the committee that really determines whether proposals for action by the house shall ever get before that body, had Dr. William I. Myers, farm credit administrator, before it. Doctor Myers was told that there had been numerous charges of graft and irregularity in credit administration affairs and the house members were trying to decide whether to delve into them. In the midst of this discussion, Representative O'Connor, a New York Democrat, burst forth with what the newspaper correspondents seemed to think was the real reason for the flareup about credit administration affairs.

"The main reason we are considering an investigation," said Representative O'Connor, "is because we have trouble with farm credit officials whose salaries we appropriate and whose jobs we create, and who think we have no control over them."

The New York representative called the credit administration "the department that sneers at congressmen," and Representative Carpenter of Nebraska; also a Democrat, said he had tried to get an appointment with Doctor Myers but had failed to get by the administrator's secretary. At this point, Representative Werner of South Dakota, another Democrat, chimed in with an observation that "when you go down to the Farm Credit administration, they laugh at you."

Doctor Myers denied any intent on his part or on the part of his staff to snub members of congress, but the representatives certainly felt they had been snubbed.

While it is no grief of mine whether a member of the house or senate wants to have everybody kotoy to him, I continue to be a friend of the executive branch of our government and that friendship results from many years of observation of its capacity to get things done. The records of congress through the years show distinctly, as far as I am concerned, how few times it has risen up to the full measure of the country's demands upon it. It has persisted in "playing politics," and the amount of demagoguery that is printed in the Congressional Record each day is enough to choke several of the best cows in the neighborhood. And, under present conditions, I am moved to ask why, if these house members and senators are so important, they obey the party whip and do as they are told every time there is a bill sent to congress from the White House.

From a long period of observation, I believe that representatives and senators do get most of the things they seek from the various offices in the executive departments of the government. Time after time, constituents of a representative or senator will come to Washington, seeking favors or perhaps speed on a legitimate proposition and they ask their representative or their senator to help. I have been in offices and have heard senators or representatives telephone the office in the executive branch that is concerned, and they do not mince words in admonishing the man at the other end of the wire that a specific thing must be done. And, if it is within reason, it is done, too.

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AUTO ROYAL PRIVILEGE

In Nepal, the country extending for 520 miles along the southern slope of the Himalayas, in northern India, the sanctity attached to kingship is still so strong that only members of the royal family are permitted to own automobiles. By special concession, certain high officials of Nepal are permitted to own cars, but other than these officials and the family of the king, no one, no matter how wealthy, may own a car. Because of this restriction, the country, with a population of more than 5,000,000, had only 150 automobiles when the last figures were obtained.

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