News Review of Current Events the World Over

Davis Warns Japan Against Scrapping Naval Treaty-Peaceful Agreement for Saar Plebiscite-Moley and Richberg to Industrialists.

By EDWARD W. PICKARD

NORMAN H. DAVIS, American ambassador-at-large and our chief D ISPATCHES from Warsaw said representative in the naval limitation alarmed by the Franco-German agreeconversations that have been going on



in London, has given plain warning to Japan that if that nation insists on scrapping the Washington naval treaty, security will be endangered. the world forced into a costly naval construction race. Mr. Davis was addressing

N. H. Davis

spondents' association in London, but his words were meant for all the world to hear, and as his speech was the first comprehensive statement of the American position since the opening of the conversations, it was regarded as of the greatest importance. He also announced, for the first time, that President Roosevelt has proposed "a substantial all-around reduction in naval armaments."

Mr. Davis said that, since no agreement for armament reduction has been reached, the United States advocates the continuance of the Washington and London treaties with their assurance of "equality of security." Asserting that the Washington pact put an end to a ruinous naval race and established "a sound basis for peace in the Pacific and the Far East." he continued :

"Only by maintenance of the system of equality of security, with proportionate reductions downward of naval strength if possible, can there be maintained the substantial foundation for security and peace which has thus been laid.

"Abandonment now of the principles involved would lead to conditions of insecurity, of international suspicion, and of costly competition, with no real advantage to any nation."

Unofficially, it is said that when Japan gives formal notice that she is denouncing the Washington treaty, probably on December 20, the United States will immediately withdraw from the discussions in London. Officials in Washington consider that to continue the conversations would

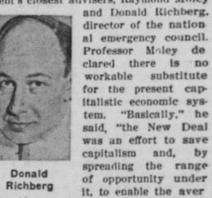
ment because they feared the understanding between those two nations would be extended to include Great Britain and Italy. The foreign office hinted that in that case Poland's relations with Russia might be made closer. Poland resents being left out in the cold, for she is determined to suspicion created and be recognized as one of the great pow-

ers, and to play her part in the stabildzation of peace in Europe. DRESIDENT ROOSEVELT returned the American Corre-

from Warm Springs to his reconditioned executive offices in Washington with the greater part of his winter program completed. It will be presented to congress in his annual message on January 3. The major items have to do with expansion of the public works administration to provide work relief, revision of the NRA and the AAA, extension of power developments, social security insurance and low cost housing, and the paring down of the budget.

MEMBERS of the Mid-Continent Reclamation association, representing 19 states, met in Chicago and perfected plans for a soil erosion and flood control program, to cost \$900,000,-000, which the association will recommend to the federal government with a request for a survey to determine its practicability. The plan, which was developed by A. B. Hulit of Chicago, involves the construction of canals and dams over an area extending from northern North Dakota through Texas to control flood waters originating on the eastern slopes of the Rocky mountains.

NTERESTING statements were made to the American Congress of Industry in New York by two of the President's closest advisers, Raymond Moley and Donald Richberg.



THE CENTRE REPORTER. CENTRE HALL, PA.

L ORD RIDDELL, who during the World war was Lloyd George's chief liaison officer with the press of the world, is dead in London. He gained fame and great wealth as a newspaper publisher. As a reward for his war work Riddell was made a peer in 1918. His voice over the telephone carried the first news to England of the signing of the Versailles treaty. For some time after the war he continued to be a friend and confidant of Lloyd George. Later there were political differences, but while the close liaison ceased the two men never ceased to be friends. Lord Riddell leaves no heir and the title expires with him.

CENTRAL, western and northern sections of Honduras were devastated by a series of earthquake shocks continuing through two days. The extent of the disaster is unknown at this writing for all communication systems were crippled, but it was reported that at least three towns of considerable size, Copas, Cabanas and Santa Rita, were nearly destroyed.

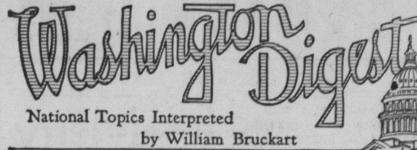
PRESIDENT MUSTAPHA KEMAL of Turkey has become the idol of all the women of his nation, for, after giving them such social rights as emancipation from the harem, he has given them political rights. At his in stance the mational assembly unanimously decided that any Turkish woman more than thirty years old is eligible to election to the chamber of deputies, and that all women over twentytwo years of age can vote in the national elections. Thousands of women telegraphed their "deepest gratitude" to Kemal.

 $S_{\rm prominent\ members\ of\ the\ Russian}^{\rm ERGE1\ KIROV,\ one\ of\ the\ most}$ Communist party's political bureau. was assassinated in Leningrad, and as

> he was a close associate. of Stalln his death was the occasion of public mourning. The government announced that the assassin was Leonid Nicolieff and that he "was sent by the enemies of the working class." But it appears there is something more to the event

than a mere murder, A dispatch from Warsaw said ten Red army officers had been executed as the result of a plot to assassinate all Soviet leaders at the same time.

The Moscow government denied this story, but at the same time it was putting under arrest scores of White Guards, enemies of the Soviet regime, accusing them of "terroristic action." They were tried by a military collegium of the Supreme court and sixtysix of them, including one woman, were guilty and imme Intely executed The names of those executed were officially announced. Among them apparently were none of the leaders who had figured prominently with the White armies during the civil warfare following the Bolshevist revolution. Nor were there any names of men who have had national prominence subsequently in Russia. The executions were carried out while Kirov's body was being cremated. He was given a state funeral and his ashes were placed in the Communists' Valhalla beside the wall of the Kremlin where rest the remains of Lenin, John Reed and other heroes of the Red revolution.



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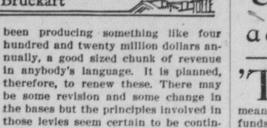
Washington .- Administration leaders | been producing something like four in congress are prepared to oppose any

addition to the tax Fight burden of the coun-Added Taxes try through the action of the next ses-

sion. Arthough the White House has made no public pronouncement, it is the understanding that the leaders in the senate and the house who have taken unequivocal positions against a tax increase in 1935 were reflecting the view they had obtained from President Roosevelt in addition to their own conviction that this is a -bad time to increase the levies which individuals and business interests must pay for the upkeep of the government.

During the current weeks there has developed some indication, if, indeed, it is not an assurance, that there will be curtailment of federal expenditures. Just how this is going to be accomplished is not yet clear but it can be stated on highest authority that a curtailment of the outgo from the treasury is expected to be accomplished. In making that statement, I think I ought to add that the curtailment is contemplated with respect to emergency agencies and does not include any of the various new proposals from segments of house or senate membership involving additional heavy outlays. As an example of this type of expenditure I refer to the proposal for immediate payment of the soldiers' bonus. That there is a strong demand for this action, there can be no doubt. Yet on the other hand there is bitter opposition both in congress and among administration leaders to the program that would entail payment of something like two billion dollars to the former soldiers, sailors and marines of World war days.

The question of taxation always is of an explosive character. Hence, the urge on the part of some of the new dealers for an increase in taxation so that emergency spending might be made to appear more in line with government income has precipitated an issue very quickly. The proposition had hardly begun to gain momentum when Senator Robinson of Arkansas, the Democratic floor leader of the senate and Senator Harrison of Mississippi, chairman of the senate committee on finance, both were called to Warm Springs, Ga., for a conference with Mr. Roosevelt. It was said at that conference that taxation was not the only



Re-enactment of these statutes is not expected to have a material effect on business because business has become adjusted to them. I am informed by business experts that undoubtedly business would move forward more rapidly if these taxes could be eliminated, Since that is not to be, business is hoping, if not demanding, that the tax burden upon it be held within the present confines in order that it may not be under any further handicap while searching for a solid foundation upon which to expand.

President Roosevelt and his emergency administrators believe they have hit upon a new and

Money for productive plan to the Needy give money out to

those who need it. They are about to embark upon a program of encouraging personal loans, loans by banks to individual men and women and to guarantee repayment of a portion of each loan made

It is viewed as exceedingly interesting that a national government, or any other governmental agency for that matter, should embark on such a policy because there are those who hold it to be a dangerous precedent. I have done. considerable research work regarding this proposal and I have failed to find in the records any such move in the history of important nations of the world. It is, therefore, undoubtedly one of the most highly experimental steps yet taken in this maelstrom of recovery plans.

Announcement of the scheme was made by James A. Moffet, federal housing administrator, who described it as marking "a new era in American business." It is true that there are certain types of banking institutions that have made individual, or so-called character, loans where no collateral security was offered by the borrower and where only the good name and the record of the individual warranted extension of this credit.

Mr. Moffet said that this character



Christmas and there did not appear to be any material means of attaining the necessary funds for the great celebration.

"Oh dear, if John would only sell that old heirloom," thought Marty Armstrong,

Just then Betty and Jerry came charging in from high school.

"Oh, Mother, I just can't wait until Christmas. I know you are going to get that tuxedo for me. I can see it now, oh boy !" exclaimed Jerry.

"And I can see that party gown, Mother, with slippers to match," said Betty, sweetly.

"It's no use expecting anything this year, children," said mother. "Your father has made some unwise investments."

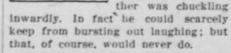
"Here comes father, now !"

"Hello, everybody, what's up? Why the frigid atmosphere?" queried father.

"Mother says there's to be no Santa Claus this year," ventured Jerry.

The next few days John Armstrong was trying to figure it all out. Perhaps

he had been a little negligent in the past few years concerning his family. Now he realized that he must make amends. Christmas bells were chiming, reminding the Armstrong fam ily that 'twas truly Christmaseve. Mother and the children were thinking of the things they were not going to get for Christmas. But Fa-



The silence was broken by the jingling of sleigh-bells. They hurried en asse to see what it was all about,

Were they all dreaming? There stood an old-fashioned bobsled. Out stepped Santa Claus,

"Why, Uncle Joe, what are you doing here on Christmas eve?" exclaimed other, all excited. "I've come to take you and the family for a ride. So bundle up and hop in, without delay." All stared at one another and tried confidence that the average American to speak, but not a word was uttered. will keep his promise to repay what They simply obeyed their Santa Claus and within a few moments Father and all were seated cozily within the fairyjump in the dark as it at first may land contraption and were driven off. The sleigh stopped with a jerk, right in front of a stucco bungalow all brilliantly lighted up with Christmas decorations.



to acquiscence to Japan's demand for modification of the ratios on which the treaty is based.

No more than any other nation does the United States wish to see the revival of the race in naval construction. but the government will not tolerate the decline of our navy to a subordinate place. Recent utterances of cabinet members and of congressmen who especially have to do with naval affairs make this plain.

In his annual report to the President, Secretary of the Navy Swanson says that although the United States may reduce its naval strength proportionately with other powers, it is imperative that a navy second to none be maintained. He warps also of the dangerous shortage of personnel in the navy, saying that "ships are valueless unless manned by adequate crews of trained, experienced officers and men."

THE government of Jugoslavia has I decided to expel all the 27,000 Hungarians now living in that country. The process will be gradual but relentless. Already more than 2,000 have been deported and more are being sent away daily. Hungary called the action of Jugoslavia to the attention of the League of Nations.

DEACEFUL solution of the Saar plebiscite problem seemed assured when the council of the League of Nations unanimously and gladly adopted the report of the Saar committee embodying the Franco-German agreement for payment for the mines in case the region votes to return to the reich. Leading up to this settlement were two announcements of utmost importance. First, Foreign Minister Pierre Lava! of France promised that French troops would make no attempt to enter the Saar territory before or during the vote on January 13. "I desire to announce," said he "that France will not participate in any international force which it may be found necessary to send into the Saar. We cannot participate in such a force because Germany cannot participate."

Then Capt. Anthony Eden, British lord privy seal, told the council that Great Britain would contribute troops to the proposed international force, provided Chancellor Hitler of Germany were willing that such an army should be sent into the territory. When Berlin was informed of this, a foreign office spokesman announced that Hitler's government would raise no objections to the plan.

All this was in effect a victory for the policies of Col. Geoffrey G. Knox. the league commissioner of the Saar, for he has long advocated the creation of an international police force for the territory.

Delegates of Italy and Czechoslovakia declared their countries would send troops, and Maxim Litvinov, Soviet foreign commissar, said he be lleved Russia would be willing to supply a part of the league force.

it, to enable the aver age man to regain a measure of control over the conditions under which he lived. It seemed to me in 1933, as it seems to me now, that this effort to save capitalism was wise and just.

"By no stretch of the imagination could the vote of November, 1932, have been interpreted as a mandate for the abandonment of the capitalistic system. Finally, even had there been such a mandate, there was and is no workable substitute for our present system."

Moley expressed much optimism regarding business. He told the industrialists, in effect, that they need have no fear of any radical change in the present economic and social order, that industry was needed to stimulate trade, bring about recovery, and that in the last analysis it would be the business men who would distribute the wealth of the nation.

Mr. Richberg admitted the NRA had not achieved all its aims in its effort to bring about industrial self-government, but insisted that its fundamental principles must be preserved in permanent legislation for codes of fair competition.

He warned the manufacturers that the permanent law must be written in co-operation with labor and consumers, as well as private business and government, so that there should be nelther work-consumer regimentation by business nor business regimentation by government.

He hinted that if employers consented to legal restriction in return for increased power under the codes, organized labor would be called upon to do likewise in submitting to legislative control.

Organized labor was soundly berated by C. L. Bardo, president of the National Association of Manufacturers. He said its contribution to national recovery had been "the most widespread inauguration of strikes, co ercion, intimidation, and violence that the United States has ever seen, as evidenced by strikes in Minneapolis. Cleveland, textile industries, and the general strike at San Francisco,"

Bardo pledged the united opposition of the National Association of Manufacturers to the efforts of the American Federation of Labor to obtain through congress legislation imposing a 30-hour week on industry, or any other effort to "fix a rigid and arbitrary work week for all industry."

Industry's platform for recovery. which was proposed at a meeting of the national industrial council, urging return to the gold standard, a balanced budget, and other orthodox economic measures, was adopted.

DRESIDENT ROOSEVELT'S aviation commission, having concluded its hearings on national defense began drafting its report, and it was authoritatively said in Washington that, if copgress approves of its recommendations, government airships will surely be operating in a new transoceanic service. Details were being worked out, and it seemed likely the commission would adopt the \$17,-000,000 plan approved by Ewing Y. Mitchell, assistant secretary of commerce, and the national advisory committee for aeronautics. That plan calls for two huge Zeppelin type airships and one smaller metal clad craft along with necessary modern landing equipment.

The commission also will ask congress in its February report to create a permanent federal agency with supervisory control over all civil aviation. This would comprise five to seven members.

BUSINESS leaders of the country who are members of the Chamber of Commerce of the United States de mand a reform of the government's budgetary methods. Through a referendum they have given approval to thirteen proposals to this end.

One step recommended was "a more active centralized administrative control of expenditures." This would be obtained by "broadening the executive allotmeat system of funds so as to include all expanditures, ordinary and emergency, and strengthening it so as to avoid the necessity of deficiency appropriations."

This recommendation for broader control by the administrative branch of the government also suggested that "when feasible" expenditures be reduced below appropriations.

IN LINE with this budget "revolt" is the opposition the business men are demonstrating to the ten billion dollar work relief program proposed to the President by his brain trust advisers. As outlined by Secretary of the Interior Ickes and Relief Administrator hopkins this is an undertaking to terminate federal direct relief and put all able bodied unemployed persons at# work on government financed projects. while the states continue to afford relief to those persons not able to work.

thing discussed but, nevertheless, both leaders came away from the temporary White House with the announcement that there would be no tax boost in the 1935 session of congress.

Simultaneously Representative Hill, Democrat, of Washington, chairman of a subcommittee of the house ways and means committee, made known his opposition to a tax boost. Mr. Hill's committee has devoted its attention to a survey of tax rates and revenue requirements and has reached the conclusion that to increase the levies now would be to retard recovery as a result of additional imposts on business. The Washington representative feels that the present tax structure will function properly and provide sufficient revenue just as soon as there is a return of something approaching normal commercial activity. He thinks there might be some simplification of the laws applying to the various forms of federal taxation but he considers them adequate as revenue producers if and when there is a normal volume of busi-DOSS.

In this connection it seems advisable to recall that Secretary Morgenthau of the Treasury sent a freshman team of brain trusters to England last summer to study the British tax system. While this committee's findings and recommendations to the secretary have not been made public, insiders tell me that the results of that investigation added very little to the sum total of knowledge concerning our own problem.

. . . Mr. Hill, in discussing the government's financial condition, gave it as his opinion that "we Not So Bad are not in such bad Financially shape now." His

statement referred to an approximate balance between recelpts and what the administration calls ordinary expenditures. These expenditures go for support of the regular government establishment and no part of them is used in maintenance of recovery operations such as the Agricultural Adjustment administration, the Public Works administration or the Reconstruction Finance corporation. The funds used by these alphabetical agencies come from the sale of bonds. It is borrowed money and sometime must be paid back. Mr. Hill assumed these repayments were not necessary to be considered at this time. He was concerned solely with having the ordinary expenses covered by the regular annual receipts.

There will be tax legislation in the forthcoming session. That is necessary. Its character, however, will be limited under present plans to considerations made necessary by expiration of certain present statutes. The emergency brought the necessity for enactment of various nuisance and excise taxes such as the tax on checks and gasoline and numerous others. Their expiration date was fixed in the statute as of July 1, 1935.

These must be continued. They have

a idea would prove to be "the very foundation" of the home modernization program which he is administering. He described the action as one predicated upon the government's "absolute he borrows."

"Nor is that position as much of a seem," said Mr. Moffet. "As usual, Uncle Sam knows what he is doing. Before offering to insure these loans, he consulted the country's records on installment buying. He also asked what had been the experience of the few banks who up to last spring had made character loans. From the banks and from commercial organizations selling on the installment plan, he learned that the average American is honest, and that the loss from character loans was just a little more than threefourths of 1 per cent."

It is not the fact that the government found the average American to be honest, however, that is exciting comment among Washington observers. It is that the government is encouraging loans to individuals, some of whom obviously will suffer the ordinary fate and be unable to repay them. . . .

It is now believed that the world court issue will be settled definitely early in the next World Court session of congress.

The foreign relations committee of

the senate, which must pass on such treaties, has an agreement to send the resolution of United States adherence to the world court to the senate early in January and, according to present indications, the administration can easlly muster enough votes to adopt that resolution.

Issue

Pressure for American affiliation with the court is stronger now than it ever has been before because of the disturbed world political situation, the breakdown of the naval limitations treaties and the tendency among nations to split up into groups for arrangement of a balance of power.

Observers here take the position that American adherence to the world court would bave far greater significance throughout the world now than it would have had earlier because of the revival of discussion as to whether the United States should enter the League of Nations. It will be recalled that President Wilson's proposal to join the League of Nations precipitated one of the most bitter controversies in which the senate has ever been engaged. It subsequently rejected the plan and little more has been heard of it until this fall and early winter. Now, there is what appears to be a determined movement on foot for the United States to join the league and some of the proponents of American adherence to the world court believe that a vote to join the world court will carry the United States one step nearer to affiliation with the league itself.

dh Western Newspaper Union

"Why, I never knew the Thompson home was for rent. It has stood vacant so long," said Mother, with great concern.

"A friend of mine from the office just purchased it," said Father, with a convincing smile.

"We were invited over to see it in its new regalia. But you were all so out of sorts that I called up Uncle Joe and ordered the Santa Claus ruse." They all laughed most heartily. They couldn't help it-Christmas or no Christmas! They had to give father credit for his clever ingenuity.

Out they hopped, beaming with the Christmas spirit.

Father took the lead and rang the doorbell, but no one answered.

Then he actually turned the knob as they all stepped back in protestation.

"Merry Christmas !" shouted Father. Too surprised to speak, they looked at one another and back again at father and then-

"Don't you understand? Oh, hang it all, anyway! This is your Christmas present," said father, sinking into the closest easy chair and gasping for breath.

"What?" they all exclaimed.

Then father explained it all to them -how he had sold the old heirloom, purchased the home

and furnished it. They marveled! "How could you? When did you? How did you know just what we liked?" All these questions were fired at father at once.

Father had done a perfect job. But that wasn't all. He led them proudly into the living room where stood the real host of the evening



-the gorgeous Christmas tree. Needless to say Jerry received his "tux," Betty her gown and slippers and mother a set of silverware, a long-desired luxury.

Then descended such a shower of Christmas hugs and kisses, gratitude and joy that dear old father was practically snowed under. But he enjoyed his Christmas presents better than all the material gifts he had bestowed upon his family; and he felt that his heart was filled with enough Christmas cheer to last forever

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