

## SEEN and HEARD

around the

### National Capital

By CARTER FIELD

Washington. — Irish distillers are still sore with Director Choate, of the Federal Alcohol Control administration, because he will not permit them to label their whisky "straight." They insist that this is a rank discrimination, brought about by the social and economic influence of the British embassy, working in behalf of the Scotch "Whisky Trust."

This rivalry between the Scotch and Irish distillers for the American market is one of the queer twists that could occur probably nowhere else in the world, because the roots of the matter go back to Dr. Harvey Wiley, of pure food fame, to President Taft's liberal interpretation reversing Wiley on his "What is Whisky?" argument, and to prohibition.

The truth of course is that in the ordinary understanding of the words in America, Irish whisky is straight, and Scotch whisky is not. But under the ruling of Choate neither is "straight."

The ordinary American understands "straight" whisky to be liquor distilled from a grain mash, undiluted by neutral spirits or any other "thinning" ingredient. Under this definition practically all Scotch whisky sold in America, or in England for that matter, is a blend. It has mixed with the original malt whisky neutral spirits, water, a little sherry, and sometimes other ingredients. Further, whiskies of different distilleries and of different years are frequently mixed together to produce a certain flavor or quality.

This is not actually an objection—to one who knows his whisky. In fact, until the Scotch began "blending" their whisky with neutral spirits, they were never able to sell it outside Scotland. It was a little too pungent for the English taste, for example. At a hearing before the royal commission, several years before the World war, it was testified that not a drop of straight Scotch had been sold commercially for years—in fact, not since just before 1865, except once at a time of overproduction, when an attempt was made to sell some in England. Despite heavy advertising and boosting, the English did not like the straight Scotch, and continued to buy the blended brand they were used to.

#### Real Sales Talk

But in America, due to Doctor Wiley and to prejudices built up during prohibition against the addition of alcohol, "cutting," etc. the word "straight" has come to be a very real selling argument.

The Irish distillers wanted to take advantage of this, and were doing so in their advertising in this country last spring and summer. Then came the ruling they could not label their whisky "straight."

"Irish whisky is not straight," Choate insisted to the writer. "Every Irish distiller mixes products of different years."

In short, Irish whisky could be called "a blend of straight whiskies" if the distillers so desired. But not "straight."

But meantime, due to some of the atrocious tasting "blends of straight whiskies" marketed in America, a prejudice against this term had grown up. In fact, two big whisky concerns capitalized that and by making blends of actually aged whisky with neutral spirits, with no new whisky to ruin the taste, had run away with the market.

The Irish distillers, without exception, all mix the product of different years.

Their labeling as to age indicates the youngest whisky used in this "blend."

Meanwhile, however, Choate had been compelled to yield on another point—his own definition of what could be called "whisky." Under his original ruling Irish whisky could not have used that word, because it was distilled at 171 proof, whereas he fixed 160 as the limit. This the importers ignored with impunity for some months, until it was revoked.

#### To Settle Feud

Inside information is that President Roosevelt will settle the feud over stimulating exports between Cordell Hull, secretary of state, and George Peck, "special adviser to the President," in favor of Hull.

This will break the log jam which has been bogging down the reciprocal trade agreements on which Hull pinned so much hope. Hull has favored reciprocal trade agreements, retaining the "most favored nation" clause. Peck has favored direct barter agreements between governments.

There is not the slightest sign of an ending to the feud. Both men are determined and stubborn. Neither is giving any sign whatsoever of yielding. Peck still stands firmly for barter, with government control, virtually regimentation, of both imports and exports. Hull still stands strongly for the reciprocal trade agreements, which would give equal advantages to all foreign nations not discriminating against the United States, and for permitting trade to flow naturally, through normal channels, with no regimentation, quotas or other governmental interference.

Hope for a break in the deadlock lies in the fact that there are definite indications the President has made a decision, though there has been no public statement, or even a private one, to that effect.

The differences between the two men have blocked any hope of getting anywhere with either scheme up to date—Hull working for the treaties, and Peck, with the power of government money to loan exporters or importers,

and with all the prestige of his title in dealing with foreign missions and diplomats, working to head off the treaties and substitute barter agreements.

#### See Hull Victory

Signs of the Hull victory were first evident when this German agreement was held up. Best information today is that it will never receive White House approval, despite the fact that it would dispose of half a million bales of American cotton. Germany would give a small amount of cash, and a large amount of "registered" or "blocked" marks.

It is on these blocked marks that the trouble centers in this particular agreement. But the trouble here is of the essence of the objections to the whole barter plan. For it would force trade, so to speak, along new and unnatural channels, against not only inertia but the active opposition of existing trade agencies. The point regarding the marks is that there is already a stupendous amount of these blocked marks on the market. They can be used for only one purpose—to buy German goods for export. In the present instance this is a serious objection. There is a very real boycott against German goods, especially on the part of our department stores, which for some time have handled a very large percentage of all German imports.

So the blocked marks on the market are selling at a very sharp discount. Germany is deliberately encouraging this discount, figuring that the profit which would accrue to anyone using them to buy German goods for some other country will eventually break through the deadlock. Purchase by the United States government, under the Peak agreement now on the President's desk, of some forty million dollars' worth of blocked marks, in addition to those already for sale, would accentuate this situation sharply.

#### Foreign Trade

Illustrating the generally unestimated value of foreign trade to American workers, a computation that no less than 12,000,000 Americans last year were dependent on American exports has been prepared by one of the experts working on the problem of how to get some activity in the apparently inactive negotiations for more reciprocal trade agreements.

The figure has amazed senators and members of the house to which it has been shown, especially as so much stress has been laid in the last few years on the small percentage of this or that product of America which was exported. Such statements have generally been made in connection with an argument that America could disregard the rest of the world, build a Chinese wall around itself economically, and prosper.

"Starting off with the automotive industry," this expert said, "there were some 350,000 cars, trucks and buses exported from America in 1934, either direct from American plants or for local assembly in branch plants abroad. Each of these vehicles represents a minimum of 500 hours of labor, that estimate growing out of an NRA study last year showing an average of 140 hours per automobile in final assembly and such processes of machining, painting, upholstery, etc., as are performed directly in the automobile factories."

"Fabrication of parts purchased from outside factories, the production of basic raw materials and other processes are additional, the total of which may be guessed as doubling the work done in the automobile factories. Adding a modest amount to cover transportation, both during and after fabrication, and such other things as sales force, executive supervision, accounting, bank clearances, etc., the estimate of 500 hours per automobile is, if anything, highly conservative."

"Now, if you multiply 500 hours by the 350,000 units exported last year, we have at least 175,000,000 hours of labor, which, at 35 hours a week, makes 5,000,000 weeks or 100,000 years. And bear in mind that this is direct labor."

#### Overseas Car Sales

"But this is only the beginning. Overseas sales of automotive products other than new cars and trucks are large, embracing parts, accessories and garage equipment (spark plugs, storage batteries, tires, brake lining, gears, pistons, rings, valves, carburetors, etc.) required in expanding volume to service the automobiles in current operation in other countries. No practical method exists for estimating the labor time involved in such exports in 1934, but I would guess it as 20,000 years. Thus, we credit the export section of the automotive industry with having supplied an equivalent of 120,000 years of work to American workers in 1934."

"Automotive exports are a tenth of our total trade, approximately. Assuming that same average, we have 1,200,000 years of work last year involved in export trade. Taking five to the family, such trade directly provided the livelihood of 6,000,000 men, women and children in 1934."

"But these 6,000,000 did not put their wages and salaries into a hole in the ground. Their income and wages were spent for food, fuel, shelter, transportation, amusements, doctor bills, etc. We may say that, radiating out through all the ramifications of business, for each worker gainfully employed in factory work, there is at least another service worker, in grocery stores, producing food, making clothes, furnishing transportation, mining coal, etc. Here you find another 6,000,000, indirectly employed from our foreign trade, completing the total of 12,000,000 directly or indirectly dependent for their livelihood upon foreign trade. Though, of course, half of them, and perhaps more than that, do not realize it."

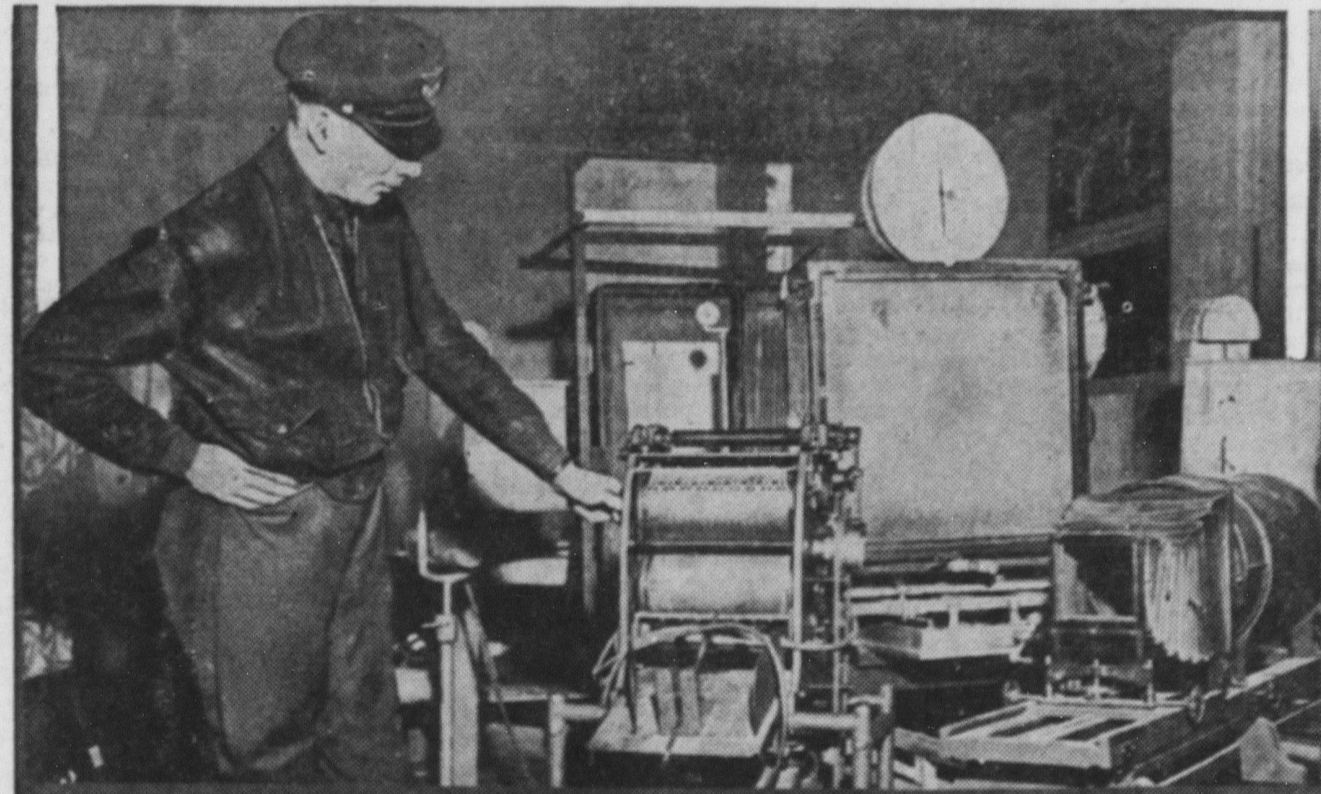
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## Scenes and Persons in the Current News



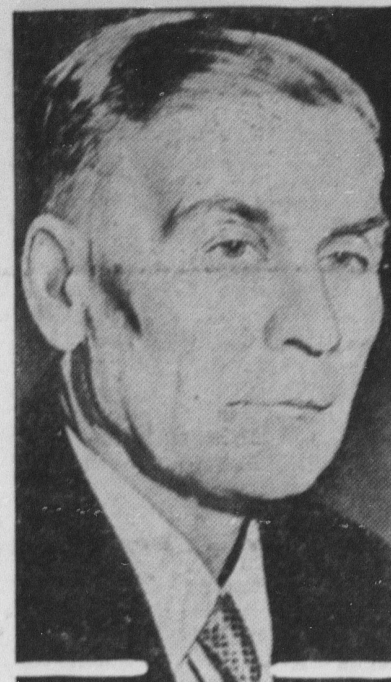
1—President Roosevelt watches signing of Brazilian trade treaty at White House. 2—Maj. Gen. James C. Breckinridge new head of the marines. 3—President Roosevelt broadcasting thanks to nation for birthday greetings.

## Discover Source of Counterfeit Money



Toledo (Ohio) police guard equipment in a plant disguised as a lithograph establishment, but in reality a counterfeiting plant. Federal agents raided the plant on charges that hundreds of thousands of counterfeit \$1 and \$5 notes were printed there. The agents said that they had never found a more elaborate counterfeiting plant or more expert duplication of treasury notes.

## GOV. WALTER WELFORD



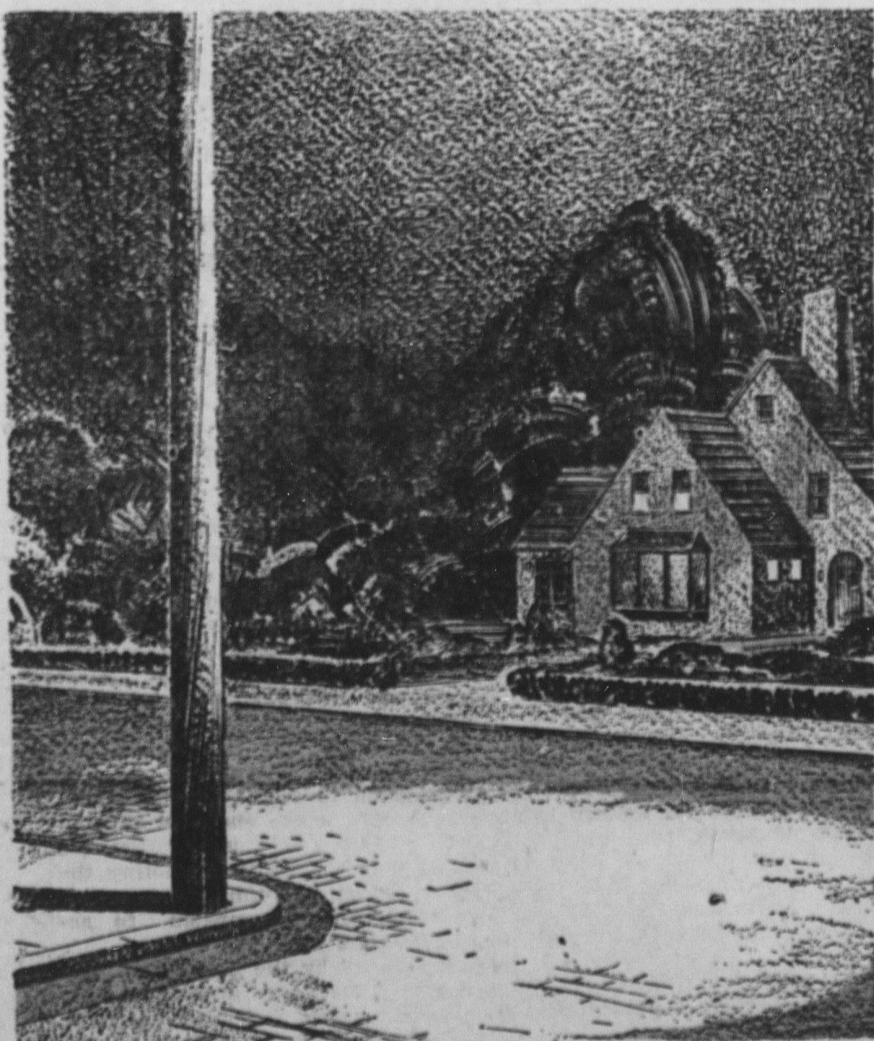
Lieut. Gov. Walter Welford who becomes North Dakota's fourth governor in six months, when climaxing North Dakota's bitter political battle, Thomas H. Moodie was disqualified as governor of the state by the unanimous decision of the Supreme court. Moodie was disqualified on the contention that he had not been a citizen of the state for the five years required by the constitution.

## HEADS WOMEN'S CLUB

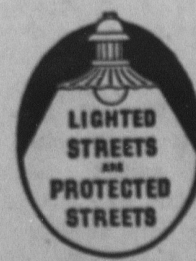


Mrs. William M. Whittington, wife of the representative from Mississippi, has been elected president of the Congressional club, an organization exclusively for wives of senators and representatives.

# LIGHT INSURANCE ALWAYS PAYS



STREET LIGHT INSURANCE is just as important as life and property insurance. The community having adequate street illumination provides its citizens with insurance against accident and crime on the streets after dark. It is insurance that protects everyone—women, children, men—regardless of position or circumstance. You are constantly collecting dividends on light insurance for it permits people to walk the streets with assurance and to feel that their person and property are well guarded. These dividends far exceed the cost of maintaining adequate street illumination.



AN ADVERTISEMENT OF WEST PENN POWER COMPANY