

News Review of Current Events the World Over

President Returns From Vacation to Face Critical Test of His Administration Policies as Foes Stand Firm on Prevailing Wage Clause.

By EDWARD W. PICKARD
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PRESIDENT ROOSEVELT ended his vacation at Hyde Park and left for Washington where his administration faces serious trouble, involving the prestige of the White House, Capitol Hill is full of lively curiosity over the President's program, and whether he will fight the present congressional defiance of his leadership and go before the people with one of his famed fireside talks, or whether he will agree to a compromise. Mr. Roosevelt at the end of his second year in office faces a predicament in his relations to congress similar to that which confronted Mr. Hoover in 1931.



Sen. Wagner

Unless he regains control his entire program is likely to bog down. The fight hinges on the \$4,880,000,000 work-relief program, the first item in the President's budget message and the principal mainstay of his program. Secret conferences at which slices of pork were reported to have been dangled before the avid eyes of revolting senators were said to have been held. A few supporters of the McCarran prevailing wage amendment which wrecked the bill and forced its recommission to the appropriations committee were said to be wavering under the pressure. Senator Robert F. Wagner, who voted for the amendment, acted as peacemaker. He intimated the possibility of a compromise by paying more than the so-called security wage of \$50 a month, but still lower than the prevailing rates. Other leaders declared they would not budge from their positions.

Secretary Ickes has been no help to the President in quelling the revolt. In his recent testimony, Ickes was reluctant to tell a senate committee about allocation of \$238,000,000 for a naval shipbuilding program. The senators finally pried out information which would indicate that the navy and the speculators knew all about the appropriation, but none of the members of congress knew about it. The money was to be spent at executive discretion, and senators feel this does not auger well for the proposal to hand to Mr. Roosevelt unlimited power in spending the proposed five billion dollar appropriation.

Since next year will bring another Presidential election, a third of the senators will be up for re-election, and all of the house members. They are watching closely the present situation because, if the President is slipping, they want their own records back home in good order.

MUSSOLINI has sent 5,000 more Italian troops to east Africa, making 10,000 that have been dispatched for the possible war with the empire of Ethiopia. With the latest contingent went Gen. Rudolfo Graziani, who will be in command of the expeditionary army. The soldiers were given a fine send-off at Naples, Crown Prince Humbert being present. Mussolini has set European governments buzzing in a speech in which he roared defiance at Italy's foes, asserting that he could put eight million armed men in the field if necessary. Newspapers during the past few weeks have openly referred to the possibility of a war between Italy and Germany over Austria, and it was thought that Il Duce's speech was made to impress upon the Nazis that he was prepared to defend Brenner pass, although a part of the troops are being used in Ethiopia.

Britain is keeping a close watch on Ethiopian developments. Sir John Simon, foreign secretary, told the house of commons. Simon said that the agreement of 1908 between Italy, France and Great Britain to preserve the political and territorial status quo in Ethiopia is in force and that Britain has drawn Italy's attention to this fact. He added, that the whole trouble is over the frontier between Ethiopia and Italian Somaliland which has never been properly defined.

THE Blue Eagle lost another tall feather the other day, when Federal Judge Nields at Wilmington, Del., held that the collective bargaining provision of NIRA is unconstitutional when applied to companies not engaged in interstate commerce. The administration and organized labor immediately joined in a fight to preserve the validity of Section 7-A, and announced that an immediate appeal would be taken before the United States Supreme court.

The Wagner labor relations bill making Section 7-A the law of the land and outlawing company unions may have to be revised, if Judge Nields is upheld by the high court. The ruling also gives support to opposition now forming in congress against extension of NIRA unless it is reorganized. Judge Nields' ruling was on an injunction suit brought by the government against the Weirton Steel company to enjoin the steel firm from alleged violations of Section 7-A of NIRA and the labor section of the fair com-

petition code of the iron and steel industry. He upheld the right of employees to form company unions for collective bargaining, thus upsetting the claim of the Amalgamated Association of Iron, Steel and Tin Workers, that the company intimidated employees and dominated the company union. The court held that the company is primarily engaged in interstate commerce, which congress is not empowered to regulate. Judge Nields stated:

"Power to enact Section 7-A was not conferred upon congress by the 'general welfare' recital in the preamble of the Constitution, nor by the welfare clause, Article I, Section 8, of the Constitution."

Unless the Supreme court reverses Judge Nields, the decision will prevent the New Deal from interfering with employee-employer relationships of a vast majority of American business.

New Deal policies received another jolt the same day when Judge Charles L. Dawson on application of 35 west-ern Kentucky coal operators issued a writ enjoining the government from enforcing the bituminous coal code, reaffirming an earlier decision that the national industrial recovery act was unconstitutional. Judge Dawson declared that the coal mining is an intrastate business, and beyond the power of congress to regulate.

He had previously issued a temporary writ, on petition of the operators on the ground of invalidity of the code, but the court of appeal remanded the case for a finding of fact on the question of irreparable injury. "When the government unconstitutionally interferes with the right of a citizen to do business in his own way, that interference constitutes an injury to the property rights of the citizen," said Judge Dawson, who labeled as fallacious the government lawyers' contention that gains resulting from the coal code should offset losses.

FEDERAL JUDGE W. I. GRUBB of Alabama gave the New Deal a sharp rap that threatens the great electric power development in the Tennessee valley. He ruled that the Tennessee Valley Authority has no legal authority to dispose of surplus power generated at hydro-electric plants on the Tennessee river. The administration is depending on this enterprise to bring about the lowering of private power plant rates, and it was believed there would be an immediate appeal from the decision.

In Washington especial note was taken of the fact that Judge Grubb made permanent an injunction restraining 14 north Alabama cities and towns from negotiating with the Public Works administration for loans to build electric distribution systems. There was speculation as to what effect, if any, this might have nationally on PWA's policy of giving financial encouragement to municipal power developments.

INTERNAL troubles continue to rock Cuba, and President Carlos Mendietta's regime appears tottering. Manuel Desaigne, the only member of Mendietta's cabinet who was in office, has resigned as secretary of the treasury, completing the rout of the ministry brought about by the school strike. And twelve assistant cabinet secretaries have also deserted the administration.



Carlos Mendietta

The cabinet resignations began over differences of opinion as to how to deal with the strike of several hundred thousand students and teachers which has developed into a national movement to oust the Mendietta administration. Communist-led labor organizations are ready to throw their strength behind a revolutionary general strike, and the situation is becoming critical. Although armed forces are being held in readiness to quell disorders, there is some doubt as to their loyalty to the president. Col. Fulgencio Batista, army chief of staff, was reported ready to throw his support to Dr. Carlos Mendietta if the Mendietta government falls, but leaders of the anti-Mendietta movement have indicated Batista's choice would not be acceptable to them.

Terrorism continues rampant. Bombing has become general, railroads have been blown up, and Havana has suffered considerable damage to property.

POSSIBILITIES of a merger of Democrats with Republicans in fighting for repeal of the "pink slip" or income tax publicity section of the 1934 revenue act was seen as Representative Bell, Missouri, pleaded for immediate passage of his bill eliminating the publicity provision.

"Not only is there fear on the part of the people of the country on account of gangsters and racketeers," Bell asserted "but there also is concern among business men, because their competitors will have the opportunity of nosing into their secret files."

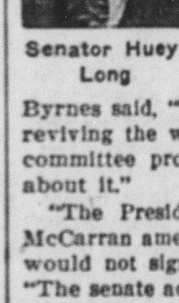
SEEN and HEARD around the National Capital

By CARTER FIELD

A SWEEPING investigation of NRA and charges of graft and corruption was started by the senate, when it passed the Nye-McCarran resolution for a finance committee inquiry after a series of floor conferences between the sponsors, administration leaders, liberal Democrats, and western progressives. Sponsors of the bill originally demanded a special committee to investigate NRA, but finally agreed to the finance committee handling the inquiry. Since the finance committee is headed by Senator Pat Harrison, administration follower, this may mean little. However, it is understood that Harrison agreed that counsel and professional investigators be employed, and also yielded to demands that the committee confer with McCarran and Nye in planning the investigation. If Harrison attempts to "whitewash" the NRA, it is rumored that Nye will take the floor to demand that the inquiry be placed in the hands of the judiciary committee.

THE Irrepressible Huey Long announced in Baton Rouge that he will be a candidate for governor of Louisiana in 1936. That may be just more Kingfish conversation. However, it is known that Long has not preferred the office he now holds, and there is some possibility that he may seek the chief executive's chair of his state. When asked what would become of his candidacy for the presidency, he said that being elected governor and being a candidate for president would not interfere with each other.

DETERMINED not to accept the McCarran-Federation of Labor prevailing wage amendment, the administration forces in the senate sent the work relief bill back to the committee. What will happen now to the President's big program is problematical. Senator Byrnes of South Carolina, one of the administration men, declared the measure had met its death.



Senator Huey Long

Insisting he was expressing his own belief and not talking for the President, Byrnes said, "There is no prospect" of reviving the works program and "The committee probably will do nothing about it."

"The President stated that if the McCarran amendment were adopted he would not sign the bill," Byrnes said. "The senate adopted it, therefore, so as far as the works part is concerned, the bill is gone."

He expressed the thought the committee would report out an appropriation of \$880,000,000 or \$1,880,000,000 to carry out the present relief program for six months or a year.

Adoption of the McCarran amendment by the senate was brought about only after a hard fight and by means of a rather tricky shifting of pairs in which Huey Long took a leading part. It won by a margin of one vote, whereupon Senator Robinson, Democratic leader, moved that the bill be sent back to the committee. This was done, Senator Glass expressing the hope that the committee would report out a bill "that will not be quite so controversial."

Senator Long, who loses no opportunity to pester the administration and to display his political shrewdness, has started a movement for the specification of \$2,500,000,000 of the work relief measure's total for the purpose of highway construction. Highway commissions in every state were asked by him to endorse this plan. Long said he had discussed it with some other senators and that they liked it.

CHANCELLOR HITLER has been forced to abandon his intensive campaign against the Jews. Economic pressure has caused Der Fuehrer to give up public manifestations of his cherished anti-Semitic policy, speeches at a meeting of political leaders and Nazi party members indicated. Boycotts, foreign exchange difficulties and other troubles cannot be risked by the reich at the present moment.

THE Saarland after fifteen years under League of Nations rule returned to Germany. Baron Pompeo Aloisi, Italian chairman of the league's Saar committee, took over the reins from Col. Geoffrey Knox, British chairman of the territorial governing commission. The next day, Aloisi formally surrendered the Saar to Germany, and the German flag was hoisted over the territory for the first time since the World war.

CELEBRATING the seventeenth anniversary of the establishment of its army of 900,000 men, Soviet Russia renewed its defiance of "imperialistic" nations. All over the country there were fetes, and the speakers took occasion not only to glorify the Red warriors but also to attack Germany and Japan.

CHANCELLOR KURT SCHUSCHNIGG of Austria paid a visit to Ramsay MacDonald, British prime minister, and was told that while Britain is all for maintaining the independence of Austria, return of the Hapsburgs in Austria and more British loans were strictly tabooed. Incidentally, Britain hinted that Austria might be a little more popular if it were a little rougher with the Socialists and trade unionists. Austria saw the light, and gave a half promise to be a little gentler. Everything was very friendly, but the Austrians came to London without invitation, and little effort was made to conceal official Britain's feeling that they would rather they had stayed at home.

Washington.—Increasing evidence of under-cover moves to discredit President Roosevelt from both the extreme conservative and the extreme radical sides is obvious to the most casual observer in Washington.

It is difficult to prove any given case, for in every instance some senators or members of the house are honestly and enthusiastically for the particular thing that the White House thinks would hamstring its program. Proof of the real underlying desires of any given senator being so difficult to obtain, it would be very misleading to name names.

The interesting point about the whole situation, however, lies not in any particular move against the administration which may gain unexpected support, but in the possible consequences for 1936.

It muddles what until now had been a very clear view of what seemed certain to happen, and which in all probability still is very sure. It is only the fact that there is now a bit of a cloud on the horizon—which may or may not grow—that is really interesting at all.

The cloud is the possibility that a group of the extremists may get together and form a third party next year. For such a move to get anywhere it must surmount several rather tall hurdles. One is whether they could even get together on a candidate, there being no such person in the office as the elder La Follette was in 1924.

With that hurdle surmounted, and assuming—which is much easier—that the third party leaders could agree on a platform, the next hurdle is something over which the radicals have no control whatever—what the regular Republicans will do.

Big Handicap For the only possible importance of a third party entering the field would not be the possibility of electing its own candidates, but of giving the Republicans a chance to beat Roosevelt, just as the elder La Follette's candidacy in 1924 assured the election of Calvin Coolidge by a landslide. The third party would draw votes from the New Deal. It would not get any of the 13,000,000 men and women who voted the Republican ticket last November.

Even with this big handicap, however, the Republicans would have to make a good showing to win, a bigger showing, in fact, than there is any apparent probability at this time of their making. Their difficulties revolve not only around the candidate, but the platform.

What could they agree on in a national convention as to platform? Talks with half a dozen leading Republican survivors in the house and senate indicate almost that number of widely varying views as to the proper course to be taken as to issues. And the same is true with respect to candidates, with the notable difference that here it is not a case of warmly advocating different candidates, but of coldly rejecting nearly all candidates in sight.

There is not the personal angle which usually is so apparent at this stage of the Presidential term among the outs. No one is screaming for this or that candidate. All unite in saying they do not know what candidate would make a good run.

There is less opposition to Senator Arthur H. Vandenberg of Michigan, and to Frank Knox, the publisher, than to most, but even those who like these particular men disagree as to what the platform should be.

Altogether, even with more success for the radicals than is now anticipated, the picture is not very disconcerting to the New Deal. Actually, the far more important element is whether business can revive sufficiently by November, 1936, for America to see its path leading out of the present difficulties.

The Baby Bonds

Anticipated objections from the life insurance companies to the baby bonds the government proposes to sell at post offices have not materialized, most representatives of the companies saying there is no strictly insurance feature, in that the amount of return is not changed by the death of the holder.

Actually the baby bonds present an ideal arrangement for the purchaser only in one set of circumstances: If the purchaser figures that ten years from now he or she will need a sum of money for some purpose, and that there is no reasonable possibility that the money will be required before that time.

For example, if a father has a son now six years old, and is figuring on providing a sum of money for that son's education at college, ten years hence, the bonds might be very attractive. The rate of interest would not be high. It would be slightly under 3 per cent. But the money would be as safe as anything can be—the direct obligation of the government.

On the other hand he should find it necessary to use the money before the expiration of that ten years, he would be forced to take a lower rate of interest. For during the first year no interest whatever accumulates. And for the next six years the rate is only a little above 2 per cent. It is only in the last three years, when the rate per year goes over 4 per cent, that the average is pushed up—and then not quite to 3 per cent.

The government is figuring on a very

large sale of the bonds, and bankers and insurance men are rather skeptical as to any such large amounts being taken. There is plenty of idle money waiting for safe investment. Every banker, broker and insurance man knows that. The government knows it. It is proved every time a short term loan is asked by the government.

There are always lots of applications which cannot be filled. And the government has been able to get money at around 1 per cent repeatedly.

Different Proposition

But, bankers and insurance men point out, this baby bond issue presents an entirely different proposition. In the case of people taking short term government loans, their motive is to obtain a little return on their money while they are waiting. They hope that by the end of the period of that loan they may find some safe investment, which will yield them a larger return. Proof of this is in the fact that for long term bonds the government has to pay from two to four times as much interest.

But in the case of the baby bonds there is no return at all during the first year, and only a very small return for the next six years. Moreover, the holder is compelled, if he wants to cash in before the higher interest rate becomes effective, to take the price fixed in advance by the government. Other investors might be willing to pay more, but the bonds are not transferable.

One of the government's objects here is to save money, of course. Every person cashing the bonds in before maturity takes a very low interest rate. Another object is to keep the bonds out of the hands of the banks. There has been a great deal of criticism of government financing on the score that it was loading the banks up with government bonds, and thus restricting the amount of money which could better be employed at stimulating industry.

Not being negotiable, these baby bonds will stay out of the banks, thus serving this purpose. But the fact that the bonds are not negotiable also lessens their attractiveness to investors. This might not interest the chap who buys just one bond for \$18.75. But it would interest considerably the man or woman with a few thousand dollars to invest. Hence the prediction that the total sales will not figure heavily in the government's fiscal plans.

In fact, this is frankly admitted by some administration officials. They admit they would like to see certain other effects. Just holding a bond of any sort, they point out, has the effect of making the holder just a little more conservative. And incidentally making him in a way a partner in the New Deal.

Gold Clause Decision

One of the most significant things about the gold clause decision of the Supreme court was not only the secrecy which shrouded what that decision would be—indicated by the fact that some of the first news flashes were very misleading—but also the moves the administration had planned to counteract the effects in case the decision should have gone 100 per cent against the government.

For it can now be stated that not even the speaker of the house, nor leading administration senators, had the slightest idea what would be done. Just three people really knew. They were: President Roosevelt, Secretary of the Treasury Morgenthau, and Attorney General Cummings.

And that Cummings knew is the writer's guess. Cummings does not admit it. So it might be possible that the third person who knew was not Cummings, but some other lawyer on whose judgment the President and Morgenthau could rely.

Legal advice was produced for the treasury in plenty, but those furnishing it were not sure how it would be used. Some of the decisions asked for were as to "public utility rates. For instance, in many past decisions, courts have ruled that contracts between utility companies and their customers did not bind either side if a legal body, which had the right to change rates, should change them.

Inference of the employees supplying this information assumed, and still assumes, that this was for calculating the court's decision, in advance, rather than deciding what to do should the court rule otherwise than it did.

But while the actual decision as to what would be done in the event of a decision against the government may never be known, and will not be unless the President should decide to let it leak out, there are some excellent guesses.

Some Deductions

One high treasury official, known for his shrewdness, made some interesting deductions in advance. For example, he had the idea, stressed in the majority opinion by the court, that the amount of damages would have to be determined in court—that certainly no court would force a company to pay the full \$1.69 for each dollar of a gold clause bond.

"And," this official added in a conversation several days before the decision, "I do not think it will be possible actually to demonstrate damages to the extent of the decision."

Now this was not just a haphazard opinion. Nor was it a "leak" from the court. It grew in that official's mind as a result of various questions he had to answer for Secretary Morgenthau.

The administration was sure of several things about the decision—that is as to what it could do in this or that event—but it was hoping there would be some such loophole as forcing holders of the bonds to demand their damages through the courts instead of a flat order to pay \$1.00.

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CRUTCHES FOR EYELIDS

"Eyelid crutches" are now being used by persons suffering from ptosis, the permanent drooping or falling of the upper eyelid, due to paralysis of the lifting muscles, writes W. A. Summers, Lansdale, Pa., in Collier's Weekly. These crutches, which are made of platinum and attached to the ordinary spectacle frames, fit invisibly in the exterior fold of the lid and comfortably support it in a natural open position.

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CONSTIPATION Can be Helped!

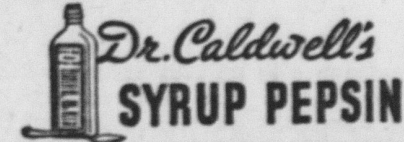
(Use what Doctors do)

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Because the doctor gives a liquid laxative that can always be taken in the right amount. You can gradually reduce the dose. Reduced dosage is the secret of real and safe relief from constipation.

Ask your doctor about this. Ask your druggist how popular liquid laxatives have become. The right liquid laxative gives the right kind of help, and the right amount of help. When the dose is repeated, instead of more each time, you take less. Until the bowels are moving regularly and thoroughly without any help at all.

The liquid laxative generally used is Dr. Caldwell's Syrup Pepsin. It contains senna and cascara, and these are natural laxatives that form no habit—even in children. Your druggist has it; ask for—



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