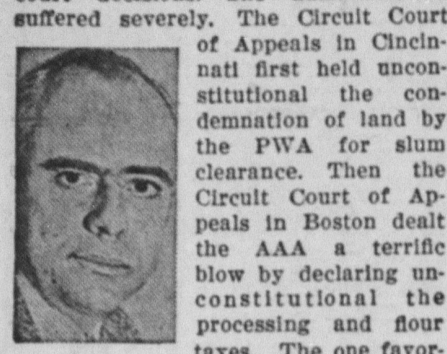


News Review of Current Events the World Over

New Deal Badly Hurt by Ruling That AAA Processing Taxes Are Unconstitutional—Democratic Senators Score Schall of Minnesota.

By EDWARD W. PICKARD
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TWO to one against the New Deal was the week's score in Federal court decisions. The administration suffered severely. The Circuit Court of Appeals in Cincinnati first held unconstitutional the condemnation of land by the PWA for slum clearance. Then the Circuit Court of Appeals in Boston dealt the AAA a terrific blow by declaring unconstitutional the processing and flour taxes. The one favorable decision was by the Circuit Court of Appeals in New Orleans and was that the sale of cheap electric power by the Tennessee Valley authority was constitutional.



Chester Davis

Harold Ickes, who is PWA administrator, said the slum clearance work would be carried on, though necessarily in modified form. But Chester Davis, AAA administrator, openly admitted that "the end of the processing taxes would mean the end of the Agricultural Adjustment administration in all its important aspects." He would not confess that he believed for a minute the Supreme court would confirm the ruling of the court at Boston. He asserted he had expected that decision to be adverse, saying: "That section around Boston is a hotbed of resistance to the processing taxes. Why, it's right up there among all those cotton manufacturers." This was most extraordinary comment from a high government official, but the Appeals court in Boston has not yet cited Davis for contempt.

Most well informed and unbiased persons have never believed the processing taxes would stand up under court test. The Guffey coal bill has some similar features, so that those who debate it should read these paragraphs in the Boston decision: "The power of congress to regulate interstate commerce does not authorize it to do so by taxing products either of agriculture or industry before they enter interstate commerce, or otherwise to control their production merely because their production may indirectly affect interstate commerce. 'The issue is not, as the government contended, whether congress can appropriate funds for any purpose deemed by congress in furtherance of the 'general welfare,' but whether congress has any power to control or regulate matters left to the state and lay a special tax for that purpose."

Several hundred suits to enjoin collection of the processing taxes have been filed in Federal courts by processors. If they pay the taxes and the act is held unconstitutional by the Supreme court, they will not be able to recover, under a provision of the pending amendments prohibiting recovery suits against the government.

DROPPING all their rebellious indignation, the Democrats of the house did everything the administration wished in considering the social security bill as altered by the senate. The conferees had settled all differences after two weeks of hard work, but one of the amendments they accepted was that permitting private pension systems to function under the measure. The majority members of the house were informed that President Roosevelt was opposed to this, so they refused to accept it. The senate would not permit the elimination of the amendment, so back to conference went the bill.

THOMAS D. SCHALL, the blind senator from Minnesota, has been one of the sharpest tongued critics of the administration in the senate. Recently he described President Roosevelt as a "megalomaniac," and, though the word was subsequently eliminated from the Record, the Democratic senators were decidedly miffed. So a little later Senators Robinson, Black and Bone found opportunity to tell Schall what they think of him and to demand that he conform to the rules of "decency."

The argument started when Schall had read by a clerk an editorial from a Texas editor, and an address of his own—all critical of the administration. Robinson protested. He asserted "when one whose moral obligations are so great as are those of the senator from Minnesota, it becomes necessary for some one to object." He added Schall "cannot shield himself behind an unfortunate affliction."

The Schall speech said President Roosevelt was imitating Mussolini, and that Ben Cohen, an administration aid and bill drafter, had "assumed the legislative functions—usurped by the Executive."

Robinson called Schall the "misrepresentative from Minnesota" and expressed the opinion the senator had "employed" some one to write his speeches.

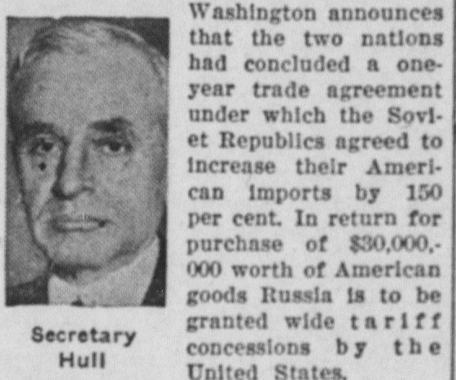
"It is small business and only could be done by a man of small mentality," said the Arkansas senator.

Replying, Schall said, "If the people knew what was behind this government they would not stand for it a minute."

SENDING floods of telegrams to senators or representatives for or against pending legislation will not be so effective in the future, as a result of the disclosures before the senate lobby investigators. They heard evidence to the effect that large numbers of telegrams against the utilities bill were sent from Warren, Pa., by an employee of the Associated Gas and Electric system, that the messages were signed with names taken from a city directory and that the originals were destroyed at Warren.

The senate committee, evidently planning a nation-wide inquiry, asked the Western Union Telegraph company to prohibit the destruction of any messages transmitted during the last year, and officials of the company promised to co-operate.

TWENTY months of apparently futile moves to revitalize the commercial relations between the United States and Russia, and then suddenly Washington announces that the two nations had concluded a one-year trade agreement under which the Soviet Republics agreed to increase their American imports by 150 per cent. In return for purchase of \$30,000,000 worth of American goods Russia is to be granted wide tariff concessions by the United States.

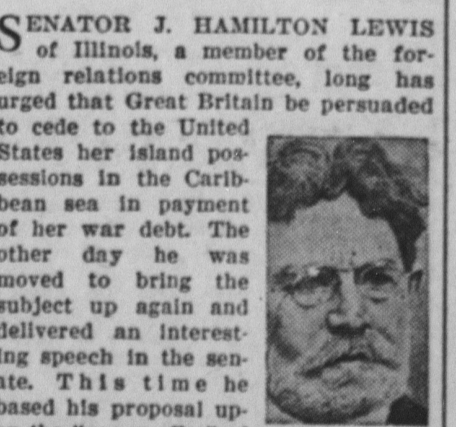


Secretary Hull

Russia will buy railroad equipment, machinery for making new automobile models and other products of heavy industry. In addition the Soviets will buy cotton. The railroad equipment is needed badly for modernization of a weak transportation system.

In return Russia expects to sell sausage casings, certain grades of iron ore, manganese, furs and dairy products in large quantities to the United States. The pact, concluded by the exchange of notes between Ambassador Bullitt in Moscow and Maxim Litvinov, commissar for foreign affairs, provides for no further loans to Russia and makes no mention of the more than \$700,000,000 in debts contracted by former Russian governments. It is in line with Secretary Hull's policy of trade agreements. For these two reasons especially it is attacked by many Republicans and not a few Democrats in congress. Senator Pat McCarran of Nevada was one of the angriest of these gentlemen. He declared Secretary Hull was a "prize diplomatic dupe" and announced that he would demand an immediate modification of the reciprocal tariff act to rescind powers under which Hull is negotiating such treaties. Key Pittman, chairman of the senate foreign relations committee, also is earnestly opposed to Hull's trade program.

SENATOR J. HAMILTON LEWIS of Illinois, a member of the foreign relations committee, long has urged that Great Britain be persuaded to cede to the United States her island possessions in the Caribbean sea in payment of her war debt. The other day he was moved to bring the subject up again and delivered an interesting speech in the senate. This time he based his proposal upon the "peace offer" of England to cede a portion of her territory in Somaliland to Ethiopia, which in turn would cede certain territory to Italy with a view of averting the impending war between those countries.



Senator Lewis

The senator also suggested that England surrender all rights she claims to privileges of constructing a Nicaraguan canal, recalling, as a precedent, that England compelled France to yield all claims to territory adjacent to the Suez canal.

The British islands in the West Indies, the senator said, are both useful as defense and necessary as protection for the United States. They "could be seized in time of war between nations fighting among themselves to possess the Caribbean and Southern seas. They could be used as the backyard of the United States from which supplies could be stored to be used in assault on America."

CHARLES TAUSSIG, who had served the administration for two years without official title or position, has been appointed chairman of the advisory committee of the National Youth administration. In announcing the creation of the NYA the President allocated to it \$50,000,000 of work-relief funds.

EMPEROR HAILE SELASSIE appeared before the Ethiopian parliament and made an impassioned appeal to his countrymen to fight Italy to the death, declaring he had prepared himself to die in the contest if need be.

"Ethiopia knows how to fight to preserve its independence and its sovereignty," he said.

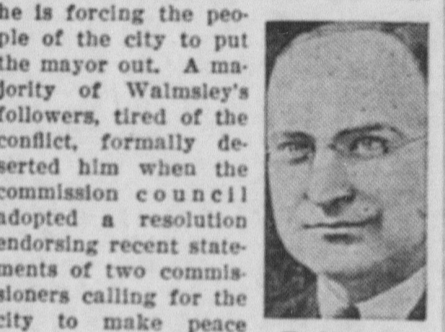
"Soldiers! Follow the example of your warrior ancestors. Soldiers! Traders! Peasants! Young and old, men and women: Unite to face the invader! Your sovereign will be among you and will not hesitate to give his blood for the independence of his country."

Though the League of Nations council was scheduled to meet for consideration of the Italo-Ethiopian quarrel between July 25 and August 2, there were indications that the European nations were about ready to abandon Ethiopia to its fate and that if "The Lion of Judah" doesn't give in completely, Mussolini will be permitted to have his way with him. That probably will mean a long guerrilla warfare the details of which will not be pleasant reading.

Newspapers of northern Italy intimated that Premier Mussolini might abandon his projected war with Ethiopia if he could find a way of backing out without losing face. But the Roman public was quite sure the duke's aggressive policy would be unimpaired. This opinion was strengthened by the sending of more troops to East Africa.

Secretary of State Hull entered the picture again with a rather mild statement expressing America's abhorrence of war and confidence in the Kellogg pact. The Italians didn't like this at all.

SENATOR HUEY LONG has the political fate of his chief opponent, Mayor T. Semmes Walmsley of New Orleans, in the palm of his hand. But he is forcing the people of the city to put the mayor out. A majority of Walmsley's followers, tired of the conflict, formally deserted him when the commission council adopted a resolution endorsing recent statements of two commissioners calling for the city to make peace with Long. The mayor, standing almost alone, declined to yield. He told the council he "would not deal with men who have been called 'crooks and thieves' by every member of the commission council."



T. Semmes Walmsley

In a caucus preceding the council session, 13 of Walmsley's 17 ward leaders voted for his resignation "for the good of the city." The mayor told them he was "going to stick from h—) to breakfast."

WHEN Chinese rivers overflow they do the thing in a big way. The Han, which joins the Yangtze near Hankow, broke through the dikes and rushed through the densely populated land, drowning about 10,000 men, women and children.

UNOFFICIALLY and informally, the general opinion seems to be that the Wagner labor disputes act is unconstitutional and will be so declared by the United States Supreme court when that tribunal is called on for a decision. William Green, president of the American Federation of Labor, urges labor leaders to pay no attention to claims that the law is invalid.

"Leading legal authorities of the nation are of the opinion that the act is Constitutional in every respect," he wrote, but added in a letter that he expects a court test and that the American Federation of Labor will get "the best legal talent."

Even if the Wagner law is knocked out by the Supreme court, the administration believes it has a plan that will avert at least 90 per cent of the usual number of strikes, walk-outs, lock-outs and other disorders. It is being launched in Toledo, Ohio, and has been called the "Toledo plan" because it was conceived by Assistant Secretary of Labor Edward F. McGrady when he was trying to settle a dispute in that Ohio city.

It has no sectional characteristics; carries no federal compulsion, and rests solely upon the willingness of workers and employers in every city that adopts the plan, to abandon the harsh economic weapons of old and substitute peaceful discussion for violence.

Here again Green throws a monkey-wrench into the machinery. He says the A. F. of L. will not co-operate in promoting the McGrady plan because it provides that the mediation panels would include on the labor side representatives of company unions and of independent and rival unions. Under Green's leadership the policy of the A. F. of L. evidently is all for the federation, or nothing for anyone.

WITH the approval of the house labor committee a new bill intended to replace the NRA was brought forward in congress, but its chances of passage at this session were small. It would create a federal commission to license industries sending goods or commodities into interstate commerce. To obtain a federal license, an industry would be compelled to: Work employees not more than 30 hours a week, provide wages adequate for "a decent and comfortable standard of living," accept collective bargaining, outlaw dealings with parties to "yellow dog" contracts and ban workers under sixteen years of age and convict or forced labor.

SMALL NEED YET TO WORRY ABOUT ICE RECESSION

It appears that our refrigerating plant is breaking down. The matter of the receding polar ice cap has for a long time engaged the attention of scientists. Within recent times the recession of the cap has been of such proportions that evidence of it has been observed within the span of only a few decades.

For instance, the Russian Arctic expert, N. G. Datsky, in re-examining areas surveyed 40 years before, found that in Siberia, where his predecessor, Professor Shrenk, found eternal frost at the depth of two meters, there was now no frost at any depth, not even in the marshes. In other localities, where Professor Shrenk found only shrubless tundra, Mr. Datsky saw new growths of timber!

Only recently, Prof. R. T. Belknap of the University of Michigan came upon a pyramid of rocks and a note originally placed at the foot of the Cornell glacier by the late Professor Tarr. The note was dated 1896. In the time intervening, the glacier had moved back three-quarters of a mile from the marker.

R. F. Griggs of the University of Washington tells us that in the Alaskan tundra country the forest line is advancing at the rate of a mile a century. Trees are now growing on land which had been barren for 100,000 years.

If this keeps on, you say, Hudson bay will eventually become a subtropical body of water. Well, what of it? It has been several times before, and, if geological evidence is anything to draw conclusions from, it will be again.

According to W. J. Humphries of the United States weather bureau, if all the ice of the polar caps melted, the ocean levels would be raised 151 feet! And that's something else to try out on the slide rule.—Earl Chapin in Forum and Century.

America Leads in Cars

Of the 35,058,378 motor vehicles known to be in operation throughout the world, at the close of 1931, the United States had 25,514,103, or 73.6 per cent; one car for every 4.7 persons.

England, France and Canada were the only other countries who exceeded the 1,000,000 mark in motor car registrations.

HERE'S A TIP

ON A PIP

IT'S A FAVORITE

HOW THEY CRAVE FOR IT

SWEET AS HONEY IT'S THE MONEY

GRAPE-NUTS FLAKES!

ONCE you taste Grape-Nuts Flakes, you'll cheer too! These crisp, golden flakes have a delicious flavor—and they're nourishing. One dishful, with milk or cream, contains more varied nourishment than many a hearty meal. Try it—your grocer has it! Product of General Foods.

CARL MAKES A COME-BACK

CARL'S DISPLAY OF TEMPER CONVINCED ME I CAN'T USE YOU IN THE TOURNAMENT! YOU'RE ALWAYS BLOWING UP!

AW—TELL HIM TO GO STRING HIS RACKET—HE'S A LOUSY COACH ANYWAY!

HELLO, CARL! I HEAR YOU'RE GOING TO PLAY IN THE INTER-STATE TENNIS TOURNAMENT!

WELL, I'M NOT! THE COACH KICKED ME OUT! SAID I LOSE MY TEMPER TOO EASILY!

I NEVER DID LIKE THIS DOCTOR! HE'S TOO SMART... HE'LL MAKE TROUBLE FOR ME YET!

AS I'VE TOLD YOU CARL, YOU HAVE COFFEE-NERVES. THAT'S WHAT CAUSES YOUR HEADACHES AND INDIGESTION—AND BAD TEMPER!

SHUCKS, DOCTOR... COFFEE DOESN'T HURT ME!

IF I HAD MY WAY, I'D TAKE ALL THE DOCTORS IN THE WORLD AND DROWN 'EM!

MY ADVICE IS CUT OUT COFFEE AND SWITCH TO POSTUM. YOU'LL SEE THE DIFFERENCE!

WELL—ALL RIGHT, DOCTOR—IF YOU SAY SO!

CURSES! THAT BLASTED MEDICO KNOWS THAT POSTUM ALWAYS DRIVES ME OUT!

“Why was coffee harming me, Doctor? I thought only children should never drink it!”

“Oh, no! Many adults, too, find that caffeine in coffee can upset digestion, or nerves, or prevent sound sleep!”

If you believe coffee disagrees with you... try Postum for 30 days. Postum contains no caffeine. It's simply whole wheat and bran, roasted and slightly sweetened. It's easy to make... and costs less than half a cent a cup. It's delicious... and may prove a real help. A product of General Foods.

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