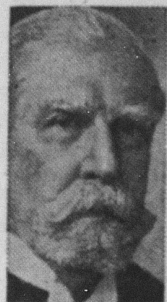


News Review of Current Events the World Over

Supreme Court Finds AAA Unconstitutional—Democrats Pick Philadelphia for Convention—Bonus Measure Is Pushed Through House.

By EDWARD W. PICKARD
© Western Newspaper Union.

SIX justices of the United States Supreme court, including Chief Justice Hughes, joined in an opinion that killed the Agricultural Adjustment act. Three associate justices, Stone, Brandeis and Cardozo, dissented. The majority decision, read by Associate Justice Owen J. Roberts, held that the AAA was wholly unconstitutional because it invaded the rights of the states in seeking to control farm production.



Chief Justice Hughes

Not only are the processing taxes illegal but the court apparently declared the farm benefit contracts void and put up bars against any attempt of the federal government to regulate farm production by whatever means. Senators and representatives who immediately began planning legislation to continue benefit payments to farmers and to balance agricultural output did not seem to grasp the full significance of this part of the decision. The court said flatly that regulation of farm production is not within the scope of the federal government and of its powers to accomplish this, nor can it purchase adherence to a control scheme by federal payments.

The decision destroyed not only the original AAA but also the amended act of the last session of congress.

The dissenting opinion held that the AAA was a legitimate employment of the power to tax for the general welfare. It attacked the theory that the preservation of our institutions is the exclusive concern of the Supreme court and suggested that under the majority decision the unemployment work relief act is unconstitutional.

In his budget message President Roosevelt included revenue from processing taxes, so the Supreme court decision had the effect of throwing the 1937 budget still further out of balance by something like a billion dollars.

In his speech at the \$50 a plate Jackson day dinner in Washington, President Roosevelt declined to comment on the Supreme court decision killing the AAA. "It is enough to say," he said, "that the attainment of justice and prosperity for American agriculture remains an immediate and constant objective of my administration."

Secretary Wallace called into consultation at Washington about 100 representatives of farm organizations to try to formulate some plan for speedy legislation to supplant the discredited law. Assurance that farmers who have fulfilled contract agreements would be paid was given by President Roosevelt when he advised administration leaders in congress to push through a \$250,000,000 appropriation.

Clarification of the status of \$1,200,000,000 paid in taxes by processors was expected when the court decides the eight rice processing tax cases argued recently. Legal experts in congress said an act of congress would be required if the \$979,000,000 in processing taxes paid into the treasury are to be refunded.

AUCTIONED off to the highest bidder, the Democratic national convention of 1938 was sold to Philadelphia by the party's national committee. The price was \$200,000, plus some prizes and concessions. Chicago and San Francisco also bid for the convention. The former offered a certified check for \$150,000. The California city made the same bid and later raised it to \$202,500.

During a brief recess Chairman Farley telephoned, presumably to the White House, and Vice President Garner moved among the members of the committee urging the selection of Philadelphia. Therefore the City of Brotherly Love won the prize. The opening of the convention was set for June 23, two weeks after the Republican convention in Cleveland.

NO TIME was lost in putting through the house the bonus measure that had been agreed upon by veterans' organizations and approved by the ways and means committee. It carries the name of the Vinson-Patman-McCormack bill and is a compromise that authorizes immediate payment of the bonus but offers no definite plan for raising the money. It would provide 3 per cent interest until 1945 for veterans refraining from cashing their adjusted service certificates at once, and cancel all interest still due on loans on the certificates.

NEUTRALITY legislation desired by the administration does not meet with the approval of Senator James Hamilton Lewis of Illinois who, though a loyal Democrat, is sometimes opposed to measures fostered by the President. He says the law under consideration in senate and house committees would close the markets of the Middle West to world commerce, and

has asked the Illinois Manufacturers' association and the Chicago Association of Commerce to support his opposition to it.

As a substitute for the general neutrality law proposed by the President, Senator Lewis advocates enactments granting the chief executive authority to issue regulations placing embargoes upon shipments of commodities which would threaten American neutrality, but stipulating that these regulations should be submitted to the senate for acceptance or amendments.

WITH the obvious intention of building up public sentiment in favor of the special brand of neutrality legislation he desires, Senator Nye had before his senate munitions committee for several days J. P. Morgan, Thomas W. Lamont and other members of the great Morgan banking company. Nye and Stephen Rauschenbusch, investigator for the committee, sought to prove that the United States was drawn into the world war by the loans made to the allies by Morgan & Co. and its associates. The testimony concerning these loans and their implications was long and complicated. The financiers were well prepared for the inquiry and were armed with a great quantity of documents, and though there was a good deal of acrimonious talk, Mr. Morgan appeared entirely unperturbed.



J. P. Morgan

WHEN the delegates to the naval conference in London resumed their deliberations Admiral Osami Nagano, chief representative of Japan, firmly repeated his demand that Great Britain and the United States concede the party's claims of Japan as preliminary to any agreement. This attitude stopped all discussion of the British, French and Italian proposal for exchange of information about naval building plans and threatened the conference with early collapse. The crisis was so serious that Foreign Secretary Anthony Eden himself took a part in the affair, calling the Japanese to his office in an attempt to induce them to adopt a more conciliatory attitude.

Japanese spokesmen declared they were interested first and last in the total tonnage question—under which they demand equality—and were not at all interested in other aspects of naval limitations.

SURROUNDED by kilig lights, microphones and movie cameras, President Roosevelt stood before the senate and house in night joint session and delivered what was nominally his annual message to the state of the nation. Actually it was not that at all, but a statement concerning the warfare and international disturbances on the other continents, followed by what the press generally considered an eloquent and militant political speech addressed to the people of the United States, who by the millions were listening in on their radios. Partisan opinion of his message is perhaps worthless. Of course his supporters praised it highly, and his opponents were equally emphatic in derogation.

Democrats and Republicans alike commended the President's opening paragraphs in which he boldly condemned the aggression of Italy and Japan, though without naming those nations; and there was little dissent from his assertion that the United States must maintain its neutrality while seeking to "discourage the use by belligerent nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports to them in time of peace."

The remainder of the message, devoted to domestic affairs, was devoted chiefly to a belligerently worded defense of the New Deal measures of the administration, an attack on those who oppose them and a spirited passage in which Mr. Roosevelt defied and dared his critics to move for the repeal of those measures instead of "hiding their dissent in a cowardly cloak of generality." In only two paragraphs did the President dwell on "the state of the nation." In these he said that after nearly three years of the New Deal national income is increasing, agriculture and industry are "returning to full activity," and "we approach a balance of the national budget."

One passage in the message was interpreted by some as a threat to close the lower courts to suits attacking the constitutionality of federal laws. The President told congress that its enactments require "protection until final adjudication by the highest tribunal," and added that congress "has the right and can find the means to protect its own prerogatives."

Secretary Perkins

JAPANESE military commanders in the North China area are evidently preparing for further encroachments. Their latest complaint is that two Japanese stores in Tientsin were looted and a Japanese flag trampled on by soldiers of Gen. Sung Cheh-yuan, chairman of the Hopel-Chahar political council. While Japanese airplanes flew threateningly over Peiping and Tientsin, the Japanese commanders filed a demand for an apology for the incident, an indemnity, punishment of the culprits, complete elimination of anti-Japanism, a guarantee against its repetition, and the appointment of Japanese advisers in the Chinese police departments.

THROUGH the rainy season that will check his campaign is fast approaching, Mussolini continued to send fresh troops by the thousands to Ethiopia. It was estimated that Italy's East African forces already numbered more than 250,000, and there were reports that 100,000 more would be sent in the near future.

The Ethiopian government, accusing Italy of continued employment of poison gas in a policy of "merciless extermination" of the Ethiopian people, urged the League of Nations to dispatch a commission of inquiry to the scene of strife. League officials announced that the request would be handled by the league council, which meets January 20.

SECRETARY of Labor Frances Perkins found in the developments of the last year much of benefit for the American workingman. In her annual report she cited these five great advancements for labor:

1. Unemployment compensation, accomplished through the social security act.
2. Old-age security, brought about also by the social security act.
3. Establishment of boards for settling industrial disputes locally.
4. Greater co-operation between the states and the Labor department, through regional conferences.
5. Development of the United States employment service.

Even the large number of strikes during 1937 could be viewed with some satisfaction by her, for she said they were "due in part to the natural expectation of labor to share in the early fruits of business improvement."

IN HIS message to congress submitting his approved budget for the 1937 fiscal year, beginning July 1 next, President Roosevelt followed the double system of accounting his administration has always employed—one set of books for regular expenditures and income and another set for emergency spending and appropriations. He asserted that receipts from all sources in the next fiscal year will aggregate an estimated \$5,654,000,000. Expenditures for all regular government departments are estimated at \$5,649,000,000. So the "regular" budget will be in balance, with a surplus of \$5,000,000.

But the message went on to say, after explaining that the regular government books will show fiscal affairs in the black, as to income and outgo, they will show red to the extent of \$1,103,000,000 in works-relief spending, less the \$5,000,000 "surplus," this leaving the new appropriation for further works-relief open for at least two months.

That figure of \$1,103,000,000 represents the President's estimate of unexpended balances on July 1 from the \$4,880,000,000 and previous emergency appropriations. It does not take into account probable new appropriations for similar purposes yet to be determined.

HAROLD L. ICKES, in his capacity of administrator of the PWA, went to Brooklyn to take part in the ceremony of breaking ground for the \$12,785,000 Williamsburg slum clearance project, and took the opportunity to speak very harshly about those who oppose the New Deal, dubbing them "the coupon clipping gentry," "the Lord Plumbobots of the club windows," and "reactionists" who "about that enlightened progress is unconstitutional."

"The slum is but one vicious product of that old order whose passing, we hope, is at hand," Mr. Ickes said. "I refer to the old order of special privileges, the creator and upholder of a social system containing vicious contrasts of opulence and squalor that have shamed the democracy of our own times. Its day in America is facing the setting sun, but the harsh cracklings of its senile prophets are still heard in opposition to every progressive proposal; predicting disaster for every humanitarian attempt to ameliorate the lot of the least fortunate of our people."

"There are those who take an almost sadistic delight in dashing the hopes of our underprivileged citizens by ill-advisedly proclaiming that the public housing program of PWA is a failure. The facts prove the contrary. Somewhere a housing program had to be started."

"We have 47 active projects on our demonstration program, all under construction. Eleven thousand persons are already enjoying the splendid modern accommodations of limited dividend housing projects financed by PWA, and the first federal developments will be occupied early in the spring."

SEEN and HEARD around the NATIONAL CAPITAL

By Carter Field

Washington—Lurking in the minds of a group of very prominent conservative Democrats, men who secretly agree with the views of John W. Davis and other Liberty League directors, but who have not and will not come out into the open, is a contingency with respect to the Republican party which has received little, if any, attention.

What they are afraid of is that the Republican party will nominate no one now prominently mentioned for the place, but some radical figure such as Senator Gerald P. Nye of North Dakota. One such Democrat, who has been one of the heaviest contributors to Democratic campaign funds for a generation, told the writer that Nye was his chief fear.

"If the Republicans nominate any fairly conservative candidate, not too objectionable," he said, "I will even contribute, say, \$1,000 to the campaign fund. But down in my heart I will hope the Republican wins. But if the Republicans nominate a man like Nye, every ounce of force I can bring to bear will be put behind the re-election of Roosevelt, little as I agree with his policies."

This particular Democrat was enthusiastically for the Roosevelt and Garner ticket in 1932—after the convention. He particularly approved the Democratic platform as adopted at Chicago. But economically he agrees with Davis and Al Smith, with Glass of Virginia and Tydings of Maryland.

Now the importance of all this is not this man's views, nor the effect of his active support or contributions. Actually the Democrats will not have any real trouble getting all the money they want. The assured success of the Jackson day dinners, to be held all over the country, is a sufficient demonstration of this. And there are always plenty of rich men eager to ingratiate themselves with the President of the United States—or for that matter with a man who has a good chance of becoming President. There is not only the possibility of appointments in the diplomatic service, so glitteringly attractive to many rich men's wives, but the mere prestige of being invited to an occasional White House dinner is worth a lot to a great many rich families.

Calvin Coolidge understood this well. On one occasion, on one of the famous week-end trips on the Mayflower, which rarely extended more than the six miles down the Potomac river to Alexandria, he spoke to a guest just before retiring.

"Thought you might want to write to some of your friends," he said, handing his guest a handful of envelopes and writing paper embossed with the name "U. S. S. Mayflower" and the Presidential seal. That sort of reflected glory is worth a mint to more people than one might hurriedly suppose.

The really interesting thing about this fear felt by some rich and conservative Democrats is that they are usually pretty well informed. They keep their eyes on the situation, and their ears close to the ground. And they are accustomed to figuring out situations with some accuracy.

Which would seem to indicate that underneath all the maneuverings on the surface, in this fight for the Republican nomination, is something which most of us have been missing. This writer cannot bring himself to believe that Gerald Nye or anyone like him has a chance for the Republican nomination. But he thinks the present fear worth recording for the simple reason that he has scoffed several times before at information from the same sources, and has lived to regret the scoffing.

Silverites Disappointed

None of the groups and blocs in house and senate feel so cheated as they return to Washington as the silver advocates, particularly these among them who were more interested in the inflation aspect of the "cause" than the expected benefits to the silver miners.

The answer to the last is quite simple. In the first place, there are practically no silver miners, as such. Practically all the silver produced in the United States is a by-product of lead, zinc, copper or some other metal. Further, the Treasury department has been and still is paying a high price for newly mined silver. Right at the moment it is around 50 per cent more than the world price, which means that the treasury is losing nearly 25 cents an ounce over every ounce it buys. It could buy the white metal just that much cheaper on the world market.

But the silver men in congress feel cheated two ways. In the first place, they are tremendously disappointed at the net results of the silver policy as worked out by President Roosevelt and Secretary of the Treasury Morgenthau. In the second place, they feel that Morgenthau purposely "let them down"—that he did not want the policy written into law, and that he has gotten around actually carrying it out.

One very shrewd speculator, very close to most of the silver senators, has advised some of them that, in his

opinion, if the secretary of the treasury, even at this late day, should simply take all the silver offered in the world markets for a brief time, he would absorb all the "floating supply."

This speculator believes that the floating supply is not more than sixty million ounces at the outside. But the way to it, if the desire to put the price up is real, he insists, is simply to stand there and take all that is offered as long as it is around the present price. Which, incidentally, is just under the price at which the government commandeered all silver held in this country—50 cents an ounce. This speculator thinks such a stand would have the effect of reconquering the world that this country was going to do something about silver, which belief was what put the price up above 70 cents, while the collapse of that belief was what dropped it back to below 50 cents.

But the real, starry-eyed silver boys are those who think in terms of bimetalism, and \$1.29 an ounce, or more than \$2 if you figure gold devaluation and the 16 to 1 ratio.

A fight will be made for bimetalism at this session of congress. There is no doubt about that. But it is highly doubtful if the fight gets very far. For one thing, the silverites will not have so much co-operation from the inflationist group as they did when they forced Roosevelt and Morgenthau to accept the silver law. For it was only because it was the only way to avoid having a straight-out printing press money measure jammed down its throat that the administration accepted the silver bill in the first place.

The considerable improvement in business has taken some of the steam out of the inflationists. Others who believe implicitly in inflation have come to believe that there is no use fighting for it right now, because it is on the way anyhow!

They figure that the national debt will go on mounting, further devaluation of the dollar will be the only way out for the government after a few years, and then inflation will be here. So they think it is easier to wait until the train comes along than to run toward it.

So the silverites do not know what to do, but they are mighty unhappy.

Utilities Watch Court

If the United States Supreme court should declare unconstitutional the public utility holding company law forced through by President Roosevelt at the last session of congress, there is a very fair chance indeed that the new law, to take its place, might follow the lines of the compromise suggested by Wendell L. Willkie, president of the Commonwealth and Southern corporation.

If the Supreme court upholds the present law, there is not the proverbial Chinaman's chance that congress will repeal the present statute, and substitute anything so mild. To put it another way, if congress were about to write the public utility bill, with the President unchanged in his attitude, it would undoubtedly be a milder bill—much milder—than the present one. But that is a very different thing from putting through a repeal measure and modifying the existing law.

The answer to this somewhat paradoxical appearing situation is found in the difficulty of putting through any new legislation to which the President is opposed. If the law were not on the books, the President would try to whip and spur to get it there. He would then be forced to take considerably less than he got last year.

But to hope, as some utility officials do, that congress will substitute a more "reasonable" measure at this session shows abysmal ignorance of how the wheels go "round in Washington." It would require not only the tremendous push necessary to get the measure through both house and senate, but the mustering, after the President's certain veto, of a two-thirds majority in each house. Which is just about unthinkable.

Notwithstanding which, the Willkie compromise is very appealing to a great number of senators and representatives. Their usual comment, of course, is: "Why didn't the utilities come before congress with this sort of proposition long ago, instead of pretending they didn't need any regulation?" The answer to that, of course, is very human. Nobody goes looking for trouble. No one openly admits he needs to be cured. Human minds don't function that way.

When the blow finally fell, and when the utilities, last year, realized that a law was going through, they made their drive against the death sentence, thinking that if the evil day could be delayed, the law might be changed later. But they lost.

The Willkie compromise would end governmental competition with the utilities. It would give the securities and exchange commission authority to supervise the issuance of holding company securities. It would subject all utilities companies to the securities exchange act. It would accept imposition of uniform accounting systems for all utility companies, leaving the final word as to how accounts should be kept to the securities commission.

Striking at one of the most complained of abuses by holding companies, it would regulate charges made against operating companies for management and services by holding companies, thus eliminating the milk-milk of operating companies and maintenance of high rates to consumers because of unnecessarily high fees to the parent companies.

Further, it would set up interstate power boards, and would permit the fixing of rates on interstate business by these boards whenever a state utility commission should so request.

Scientists Believe Ice

Layer in Air Storm Cause
French scientists who have been conducting experiments in east Greenland say there is a layer of ice in the air over the polar regions. This ice ceiling (congealed atmosphere a million times finer than water) is situated approximately 60 miles above the earth.

The discovery was made when electrical impulses from an electric sounding machine were reflected back. Time of the impulses in transit was recorded and computations made which gave the height of the ice layer. This ice is believed to be the cause of the storms at sea.—Pathfinder Magazine.



I'M SOLD

It always works

Just do what hospitals do, and the doctors insist on. Use a good liquid laxative, and aid Nature to restore clocklike regularity without strain or ill effect.

A liquid can always be taken in gradually reduced doses. Reduced dosage is the real secret of relief from constipation.

Ask a doctor about this. Ask your druggist how very popular Dr. Caldwell's Syrup Pepsin has become. It gives the right kind of help, and right amount of help. Taking a little less each time, gives the bowels a chance to act of their own accord, until they are moving regularly and thoroughly without any help at all.

Dr. Caldwell's Syrup Pepsin contains senna and cascara—both natural laxatives that form no habit. The action is gentle, but sure. It will relieve any sluggishness or bilious condition due to constipation without upset.

Clouds Will Break
Saving for a rainy day is difficult when it seems to be a rainy season.

FOUND!
My Ideal Remedy for PAIN
"Though I have tried all good remedies Capudine suits me best. It is quick and gentle." Quickest because it is so gentle. Its ingredients are already dissolved. For headache, neuralgia, or muscle aches.

CAPUDINE
Break up that COLD

Perhaps the surest way to prevent a cold from "catching hold" and getting worse is, at once, to Cleanse Intestines with FREE nelly. Do it the pleasant way. SAMPLE cup only. Flush the system with a hot cup of Garfield's GARFIELD TEA—The mild, easy-to-take tea. Best at drug stores.

GARFIELD TEA
BACKACHES Need Warmth
Misericordia backaches or muscle pains caused by rheumatism, neuritis, arthritis, sciatica, lumbago and strains all respond instantly to Allcock's Porous Plaster. The glow of warmth makes you feel good right away. Treat the pain where it is. Insist on Allcock's... lasts long, comes off easily. Get relief, or money back. 25¢ at drug stores.

BEFORE BABY COMES
Elimination of Body Waste is Doubly Important
In the crucial months before baby arrives it is vitally important that the body be rid of waste matter. Your intestines must function—regularly, completely without griping.

Why Physicians Recommend Milnesia Wafers
These mint-flavored, candy-like wafers are pure milk of magnesia in solid form—much pleasanter to take than liquid. Each wafer is approximately equal to a full adult dose of liquid milk of magnesia. Chewed thoroughly, then swallowed, they correct acidity in the mouth and throughout the digestive system, and insure regular, complete elimination without pain or effort.
Milnesia Wafers come in bottles of 20 and 48, at 35¢ and 60¢ respectively, and in convenient tins for your handbag containing 12 at 20¢. Each wafer is approximately one adult dose of milk of magnesia. All good drug stores sell and recommend them.
Start using these delicious, effective anti-acid, gently laxative wafers today. Professional samples sent free to registered physicians or dentists if request is made on professional letterhead. Select Products, Inc., 4402 23rd St., Long Island City, N. Y.

MILNESIA WAFERS
35¢ & 60¢ bottles
20¢ tins

The Original Milk of Magnesia Wafers