

News Review of Current Events the World Over

President Demands Economy, Predicting Deficit of \$418,000,000, but Asks Billion and Half for Relief— Franco Creates Authoritarian State.

By EDWARD W. PICKARD
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REVISING his budget estimates for the fiscal year 1938, President Roosevelt told congress in a special message that the deficit probably would amount to \$418,000,000 exclusive of debt retirement payments of \$400,000,000, instead of the "layman's" balanced budget he predicted in January. He recommended the appropriation of \$1,500,000,000 for relief; and he demanded a rigid economy to combat an anticipated drop in federal revenues amounting to \$600,000,000. Mr. Roosevelt also said there must be a careful survey of the nation's tax structure, and intimated that a new tax bill would be introduced at the next session of congress.

In correcting the over-estimation of revenue and the under-estimation of expenditures, the President indicated that the national debt will rise over the 36 billion dollar mark. Though he made no specific recommendations as to economy, the President spoke sharply about "special groups" who are exerting pressure to bring about increases in government expenditures. It was understood he referred especially to the farm tenancy program, proposing an annual expenditure of \$135,000,000; the Wagner housing bill, calling for an expenditure of \$50,000,000 a year, and the Harrison-Black education bill, calling for allocations among the states beginning at \$100,000,000 for the first year and reaching a maximum of \$300,000,000 a year.

Mr. Roosevelt had rejected these measures at a White House conference and his attitude provoked various prominent senators and representatives so much that they declared they would favor cutting down the relief appropriation he asked to one billion dollars. Among the Democratic leaders taking this stand were Senator James F. Byrnes of South Carolina, representing the appropriations committee, and Senator Pat Harrison of Mississippi. Said Senator Byrnes: "I think the President's estimate of one and a half billion dollars for work relief is too high. It would make possible a monthly expenditure of \$125,000,000. Each month it will be possible for Mr. Hopkins to further reduce the number on the relief rolls and consequently reduce the expenditures."

"It is my purpose not only to urge that the work relief appropriation be limited to one billion dollars, but that the law require larger contributions from the sponsors of projects. If the sponsors could be required to put up 50 per cent of the cost of the projects, we would not have applications for a billion dollars during the next fiscal year."

Senator Joe Robinson, majority leader, made an earnest plea for economy in all directions; and Senator Charles L. McNary, Republican leader, assured Senator Robinson that the Republicans would cooperate in every way possible with the Democrats in their "be-lated" efforts to balance expenditures with income. In the house the economy program lost a point when Representative Vinson of Kentucky succeeded in getting through his \$1,000,000 stream pollution bill.

TWO cabinet members were quick to comment on the President's economy orders. Secretary of Agriculture Henry A. Wallace forecast an immediate curtailment of the administration's farm activities. Federal aid to farm tenants, production control and the ever-normal granary are among the projects to feel the economic ax, Mr. Wallace said. He is still hopeful that the crop insurance program, to be applied to the 1938 wheat yield, may be salvaged.

Secretary of Commerce Daniel C. Roper and his first assistant, Ernest Draper, joined in predicting that business recovery will not be retarded by the apparent inability of the administration to balance the budget in the 1938 fiscal year, as the President anticipated in January. They said they regarded lagging treasury revenues as a temporary condition and added: "The present headway of business is so strong that it will offset the effect of a probable deficit."

PRESIDENT ROOSEVELT announced his plans for another fishing trip, to begin April 28 and last two weeks or longer. This time he is going to angle in the Gulf of Mexico while congress struggles with his latest recommendations. After leaving Washington his first stop will be at Biloxi, Miss. From there he will go by motor to New Orleans, pausing en route at Beauvoir, the old home of Jefferson Davis that is now a home for Confederate veterans. At New Orleans Mr. Roosevelt will board the Pres-

idential yacht Potomac and cruise out into the gulf after tarpon. A navy cruiser will accompany the yacht. The fishing trip will end at Galveston and Mr. Roosevelt will go from there to Fort Worth to visit his son Elliott.

While the Potomac is at sea Secretary McIntyre will maintain headquarters at Galveston with a small staff.

NEVILLE CHAMBERLAIN, British chancellor of the exchequer, introduced in parliament the biggest budget since World war times, and gave warning that national finances for several years to come would be dominated by expenditures on armaments. He said that the government will require an outlay of 862,848,000 pounds (about \$4,314,240,000) to carry out its plans and pay its expenses during the next year. Revenue obtainable he estimated at 847,950,000 pounds (about \$4,239,750,000), leaving a prospective deficit of 14,898,000 pounds (about \$74,490,000).

Chamberlain said the taxpayers would have to pay 3 pence more on each taxable pound of income, bringing the tax up to 5 shillings, or 25 per cent. He also announced a new tax on business profits, and this especially was bitterly attacked by the Conservatives, led by Sir Robert Horne. They argued that it would demoralize industry.

FRANCISCO FRANCO is well on the way to becoming a real dictator of the part of Spain his insurgent forces control, and of the entire country if they win the war. By decree the general has merged the two chief rightist factions under his leadership and has outlawed all other parties, thus creating a one-party authoritarian state. His decree left open the way to restoration of the monarchy in Spain "if the nation needs it," and the monarchists of the Carlist and Bourbon persuasions agreed that if this takes place, the king shall be Prince Juan, youngest son of Alfonso XIII. He is known as prince of the Asturias and is twenty-three years old.

"The new Spain needs a new king," said a Carlist leader. "We traditionalists prefer the prince of the Asturias, who is a known sympathizer with the ideals of the new Spain."

GOV. LEWIS O. BARROWS of Maine has lined up with other state executives who will not stand for riotous and illegal tactics by strikers. When an unruly mob of 1,000 men tried to storm two of nineteen factories in Auburn involved in a general shoe strike and the local authorities were unable to handle the situation, Governor Barrows ordered eight companies of the National Guard.

"I'll order out the entire military forces of Maine, if necessary, to preserve constitutional authority," the executive said. "When there is open defiance to the orders of our courts and our officers of the law, there is little difference from anarchy. We shall not tolerate this situation for a moment."

The trouble followed a state Supreme court injunction, issued by Judge Harry Manser, outlawing the shoe strike which affects about 6,500 workers. The mob had been aroused by speeches by Powers Haggood, New England secretary for the C. I. O., and other organizers.

W. FORBES MORGAN, who was the able treasurer of the Democratic national committee during the 1936 campaign and who resigned to take the presidency of the Distilled Spirits Institute, died suddenly in a committee room of the Ohio state capitol in Columbus. Mr. Morgan, a relative of Mrs. Franklin D. Roosevelt by marriage, was a major in the World war.

BY UNANIMOUS vote, nearly 4,000 Daughters of the American Revolution, in their forty-sixth annual congress in Washington, adopted a resolution opposing the President's Supreme court enlargement bill. It declared against "unbalancing" the federal tripartite system of government and favored submission of the issues raised by the President to the people through a constitutional amendment.

PRESIDENT ROOSEVELT sent to the senate the nomination of Mrs. Florence Jaffray Harriman of Washington as minister to Norway. She is the widow of J. Borden Harriman, New York banker, and has been active in politics for a number of years. Anthony J. Drexel Biddle, Jr., who now holds the Norway post, was nominated to be ambassador to Poland.

OPEN hearings on the President's Supreme court bill were ended by the senate judiciary committee, which is now engaged in considering the measure in executive sessions. It was believed the committee would debate the bill for several weeks.

Boxes full of petitions against the measure were presented to the committee. Senator Hiram Johnson of California handed in a volume signed by 75,000 voters of his state, and a series numbering 25,000 came from the Women's National Committee for Hands Off the Supreme Court and Women Investors of America, Inc.

One witness heard in support of the bill was Smith Wildman Brookhart, radical former senator from Iowa. He said the President's proposal was an issue in the campaign because the opposition declared what he would do to the Supreme court.

"It was specifically made an issue in the campaign," said Mr. Brookhart. "The President himself did not so urge it because he probably had not fully made up his mind, but former Senator James A. Reed, the ablest, most brilliant and most forceful opponent the President had in the whole campaign, did present in detail the President's plan upon accurate information. He dared the President to deny his statement."

"There was no denial because Senator Reed was telling the truth and the President was content to submit the issue upon the violent arguments against it alone."

Judge William Denman of the United States Circuit Court of Appeals at San Francisco, an appointee of President Roosevelt, argued against Chief Justice Hughes' contention that a Supreme court working in two or more separate panels would be unconstitutional.

IN THE last five months strikes in the automotive industry have cost the workers between \$65,000,000 and \$70,000,000 in wages. And still, at the behest of John L. Lewis and his C. I. O., they are planning further strikes. What they gain, beyond recognition of their union which probably could be obtained by negotiation wherever it is desired, is problematical. The figures are from Ward's Reports, Inc., which says of losses to companies affected that the net volume of business "delayed" by the strikes would approximate \$200,000,000, but what proportion of this actually is lost cannot be calculated.

Keeping "foreign agitators" out of the picture, the representatives of General Motors of Canada and of the workers at Oshawa, Ontario, reached a settlement of the strike in that plant. The company agreed to raise wages and shorten work hours, but does not recognize the United Automobile Workers of America. J. L. Cohen, Toronto attorney who represented the strikers, said the settlement was "eminently satisfactory."

"Let me tell Lewis here and now that he and his gang will never get their greedy paws on Ontario as long as I'm prime minister," said Premier Hepburn.

He thereupon let it be known that he was prepared to push through legislation that would exclude the C. I. O. from Ontario if this became necessary to save the pulpwood and mining industries from C. I. O. control.

The executive board of the union at a meeting in Washington decided to postpone until November the drive to unionize the Ford company plants.

TEST flights by the army air corps' new big bombing plane were being made at Seattle, Wash., where it was built by the Boeing Aircraft company. This machine is the largest military airplane in the world, with an all metal fuselage 100 feet long, a wingspread of 165 feet, and a cruising range of 6,000 miles. It weighs about 40,000 pounds unloaded and 75,000 pounds when carrying a full complement of fuel and armament. It has four twin row engines of a new type which will deliver 1,400 horse power each for takeoff. The speed is about 250 miles an hour. There are five streamlined blisters on the new machine which are emplacements for small, quick firing cannon, instead of machine guns. These cannon will outshoot any guns mounted on any other military airplane in the world and make the great machine virtually impregnable.

PATROL of the coasts and borders of Spain by the navies and land observers of Great Britain, France, Italy and Germany, as arranged some time ago by the international non-intervention committee, is now in effect.

Under the command of British Vice Admiral Geoffrey Blake, aboard the battle cruiser Hood, the British fleet patrols the northern coast on the bay of Biscay. Germany patrols the southwestern coast while France guards Spanish Morocco and the Balearic islands and Italy the eastern Mediterranean coast.

Merchant vessels of the committee's 27 members entering Spanish territorial waters must first call at specified ports and take aboard non-intervention committee supervisors who will have the right to examine the cargo.

Washington Digest

National Topics Interpreted
by William Bruckart
National Press Building Washington, D. C.

Washington. — Although it has been three weeks since the Supreme court of the United States upheld the Wagner labor relations act, I doubt that there is more than a mere handful of people in this nation who are able to comprehend the full significance of those decisions of the highest court. The chances are, if our present form of government remains and we continue to adhere to our Constitution, the full import of the so-called Wagner act decisions (there were five of them) will not be discovered within a quarter of a century.

No decision of the Supreme court in several decades contains the wide range of potentialities found in the decisions of April 12 and it may well be that the findings of the court at that time will constitute a turning point in United States history.

There are so many potentialities to be found in the Wagner act decisions that one may reasonably express a doubt whether states have any rights left. Likewise, one may express a doubt whether labor and the friends of labor have won or lost in the determination by the high court that the National Labor Relations board has power to compel an employer to deal with a majority of his workers, organized into union form. Above and beyond these phases lies another, namely, the question whether the United States congress does not have power to legislate strikes out of existence.

First, I am convinced in reviewing the court's action that there has been a tremendous amount of misinformation spread about the findings of the court. Never in my period of service in Washington have I seen so many different constructions placed upon an official act. We have seen and heard unmeasured criticism of the court for turning business over to the labor unions; we have witnessed a renewal of attacks on the Supreme court because it did not go far enough to the radical side in granting power to congress and the President, and we have been deluged with talk of what can now be done in a legislative way to carry out Mr. Roosevelt's theme song, "The More Abundant Life." The truth is, however, that the Supreme court in deciding the Wagner act cases actually restated in a clarified manner a position the court took twelve years ago. It was in 1925 that the court decided the so-called second Coronado coal mining case. In that opinion, the court laid down the rule, although it was obscured, that obstacles to production constituted an interference with interstate commerce. In the cases this month the court reaffirmed and restated that very theory of law and government, because it declared in the Jones and Laughlin Steel company case that failure of the employer to permit settlement of the strike through an official agency of the government constituted interference with interstate commerce. Hitherto, the conception of interstate commerce generally has been limited to transportation of goods or communication across state lines.

To show the similarity, it is necessary only to recall that striking miners attempted to close entrances to the Coronado mines in Colorado. The cases went to the Supreme court which held that illegal attempts to close the mines constituted an interference with shipment of the products into interstate commerce. So, I am quite convinced that the job the Supreme court did in this instance and as far as it relates to the only of New Deal theories consists only of clarifying the legal definition of interstate commerce. Laymen are not concerned with legal technicalities, nor do they understand them, but they do understand facts and it was facts in the Jones-Laughlin case upon which the court predicated its decision notwithstanding the wild acclaim by New Dealers for the "enlightened" construction of the Constitution in that opinion.

Any attempt to point out what the Wagner act decisions mean and how far they go is bound to lead into a maze of complicated discussion. I have no intention of getting myself so entangled despite the degrees in law that I hold. I am a firm believer in the declaration that human nature works out its problems after the manner of slow and orderly development.

But there are certain circumstances connected with the present court rulings and conditions of this day that may probably be discussed without becoming involved in despised legal technicalities.

I mentioned earlier that if the court, as it did, could find that obstruction of production constituted interference with interstate commerce, it seems quite obvious that interference may come from employees as well as employers. It is a fact, therefore, that when the steel company here concerned refused to obey the mandate of the

Unsettled Issues

All that has been obtained under the Wagner act decisions is complete recognition of the right of organized labor groups to bargain collectively free from employer domination. The principle of majority rule is laid down. An employer must deal with the representatives of a majority of his workers. The rights of the minority, whether that minority be a company union or an independent union are rather much overshadowed although they can present their grievances to the National Labor Relations board.

It is in that situation that trouble is foreseen. Most of the recent strikes have resulted from disputes over union recognition. Largely this union recognition question resulted from the maneuverings and agitation by John L. Lewis and his Committee for Industrial Organization. But it is not to be forgotten that the American Federation of Labor has several million members in its craft unions. Thus, it can easily be foreseen that the National Labor Relations board is going to be confronted many times with a fight between the C. I. O. and the A. F. of L. Each one of these organizations will claim that it represents a majority of the workers and, therefore, is entitled to be the spokesman for all of an employer's workers.

Most of us have seen how bitter internal labor rows can become. I am sure that most of my readers will recall cases within their own knowledge where carpenters and bricklayers have fought it out over the question of which one was to do certain work in construction. It has happened hundreds of times and each time bitter hatred has developed. When the right to speak for a whole body of employees becomes the question for determination, it seems to me perfectly obvious that the controversy will develop into one of white heat. And the labor board will have to decide which one should serve as the employees' representative. In the meantime, the employer can have nothing to say.

All of this may sound a bit fantastic; it may sound as an attempt to borrow trouble. It is neither. The situation is discussed for the reason that it is quite apparent there will be new attempts in congress now to write legislation controlling hours and wages. Representative Connery of Massachusetts, speaking as chairman of the house labor committee, declared the other day that such legislation would be drafted and he entertained no doubt that it would pass the house. Conditions in the senate are different, but Mr. Connery's opinion must be accepted as worthwhile in so far as the house is concerned.

Thus, if congress undertakes such legislation it is confronted with the necessity of doing something by way of amendment of the Wagner act that will make union labor comply with federal regulation instead of leaving the Wagner act one-sided as it is. In other words, labor is entitled to its dues, to its fair share of profits, but it seems to me it is also entitled to be as subservient to law as those who pay the wages

Fix Hours and Wages

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If they should make us hate as they
Our victory is lost.
A war that's won
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