

News Review of Current Events

"LITTLE BUSINESS" HEARD
Five Hundred Formulate Program While "Big Business" Gets Another Swat from President



Senator Allen J. Ellender of Louisiana is here seen in action as he established a record for long talking in the senate, at least in modern times. Engaged in the filibuster against the anti-lynching bill, this successor of Huey Long spoke for 27 hours and 45 minutes—and he confined himself strictly to his views on the measure.

Edward W. Pickard
SUMMARIZES THE WORLD'S WEEK
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Turn of Little Business

CALLLED to Washington from all parts of the country by Secretary of Commerce Daniel C. Roper, some 500 representatives of "little business" undertook to formulate a recovery program for submission to President Roosevelt. Mr. Roper and his assistant, Ernest Draper, took part in the preliminary discussions, and since the President could not receive all of them a small committee was named to take their proposals to the White House.

According to reports from the capital, the President desires legislation for federal financing of small industries to stimulate business. This would require the creation of a new government agency unless the power were granted to the Reconstruction Finance corporation.

Three chief complaints of the small business men are: The undivided profits tax has prevented them from accumulating a "rainy day" surplus. The capital gains and losses tax has frozen capital and prevented the encouragement of new enterprises.

Monopolistic practices are presenting increasing hazards to their successful operations. Congress and the administration already are busy with steps to correct these alleged abuses.

Big Business Scared Again

MEANWHILE big business—and the country generally—was discussing with considerable apprehension the declaration by the President that industry must reduce prices and at the same time keep wages up. An immediate result was the crash of prices on the stock exchanges, the decline reaching as high as 7½ points. Commodities declined in sympathy with stocks.

"If industries reduce wages this winter and spring," the President said at his press conference, "they will be deliberately encouraging the withholding of buying—they will be fostering a downward spiral and they will make it necessary for their government to consider other means of creating purchasing power."

Many congressmen, Democrats as well as Republicans, took issue with Mr. Roosevelt's logic and economics, pointing out that industries lack the resources to keep wages up on a falling market because their funds have been depleted by the undistributed profits tax.

In his statement the President said: "I am opposed to wage reductions because the markets of American industry depend on the purchasing power of our working population. And if we want to restore prosperity we must increase, not decrease, that purchasing power."

Those in charge of a well managed and solvent industry should no more consider casting the burden of a temporary business recession upon their workers than upon their bondholders. To cast such burden on the bondholders is financial bankruptcy. To cast such burden on its workers is not only moral bankruptcy, but the bankruptcy of sound business judgment."

Lynch Bill Doomed

FIFTY-ONE senators voted against a motion to invoke the cloture rule for the purpose of choking off the filibuster against the anti-lynching bill, and the measure which the southerners were fighting so determinedly was thus doomed to failure.

Majority Leader Alben W. Barkley of Kentucky, who had supported the bill and voted for cloture, immediately served notice that the senate had made it impossible for the bill to be passed and that it must be displaced promptly by other legislation.

Miners for Third Term

MINERS from three states, attending the convention of the United Mine Workers of America in Washington, presented eight resolutions urging that President Roosevelt be drafted for a third term in the White House. Echoing the description of Mr. Roosevelt by John L. Lewis as "the only President who has given the common people a square deal," the third term resolutions were submitted by unions from Royal, Pa., Avella, Pa., New Salem, Pa., Uniontown, Ky., Rivesville, W. Va., Everettsville, W. Va., Scottsdale, W. Va., and Lochgelly, W. Va.

In response to innumerable demands that the C. I. O. make peace with the A. F. of L., Lewis proposed that his organization march into the A. F. of L. February 1 and that units be granted charters.

President Green of the federation, which was in convention in Miami, said this was just the same old proposition and would merely transfer the conflict into the midst of the federation.

The building trades department of the federation enlisted in a campaign to develop on a national basis a "build America" plan started by the Cleveland Building Trades council. A committee was named to co-operate with real estate men, manufacturers, and distributors of building materials to promote definite housing projects.

Steiner Resigns

FREDERICK STEINER resigned as senator from Oregon in order to enter the private practice of law in Washington and Portland, Ore. Steiner was keynoter of the last Republican national convention and has been a steady opponent of the New Deal.

Jackson Gets Reed's Place

ROBERT H. JACKSON, assistant attorney general, was nominated by the President to be solicitor general of the United States. He succeeds Stanley Reed, whose appointment to the Supreme court was confirmed by the senate. Jackson has been much in the headlines lately because of his speeches attacking business and his avowed intention to seek the governorship of New York.

Niagara Bridge Falls

THE Falls View bridge at Niagara Falls, from which many thousands of honeymooners have looked at the cataract, was crushed by a terrific ice jam in the river and fell into the gorge in a great mass of twisted steel. The bridge had been closed to traffic a few hours earlier, so there was no loss of life.

Jap Slaps American Diplomat

JOHN ALLISON, third secretary of the American embassy in Nanking, was slapped in the face by a Japanese sentry when he tried to enter a house occupied by Japanese troops. Allison's protests brought an apology from the Japanese officer in command of the unit involved. An official Japanese announcement said Allison adopted an insolent attitude and criticized the Japanese army.

The Japanese embassy in Shanghai ordered all commercial firms there, regardless of nationality, to give the Japanese censor copies of their code books.

"Guilty" Is Oil Verdict

UNCLE SAM won the long drawn out trial of oil concerns and their executives before Federal Judge Stone in Madison, Wis. Sixteen oil companies operating in 10 Middle West states and 30 individuals were found guilty of conspiring to violate the Sherman anti-trust law. Prominent among the men convicted are Henry M. Dawes of Pure Oil, E. G. Seubert of Standard Oil of Indiana, Jacob France of Mid-Continent Petroleum, I. A. Shaughnessy of Globe Oil and Refining, Dan Moran of Continental Oil and Frank Phillips of Phillips Petroleum.

Formal motion for a new trial was filed but will not be ruled on for several weeks.

The defendants were accused of entering into a secret agreement to purchase quantities of oil from independent oil producers at artificially high prices. These prices were then quoted as the market price to jobbers, who had signed contracts with the defendants to purchase the fuel at the spot (or daily) market price.

The defense denied having artificially influenced the market and pleaded unsuccessfully that the companies merely bought distress gasoline to save the independent refiners from failure and did so in accordance with a policy approved by President Roosevelt and Interior Secretary Harold L. Ickes.

President's Birthday

PRESIDENT ROOSEVELT was fifty-six years old on Sunday, January 30. He and Mrs. Roosevelt decided to have the birthday dinner the evening before, and twenty guests were invited, among them being members of the "Cuff Link club," wearing gold cuff links which Mr. Roosevelt gave them to commemorate their experiences in vice presidential and presidential campaigns, as well as in the days when he was assistant secretary of the navy.

After the dinner Mr. Roosevelt made a brief radio address in connection with the birthday balls being given all over the nation to raise funds to combat infantile paralysis.

Younger Service Chiefs

REAR ADMIRAL WILSON BROWN, former naval aide to the President and not yet fifty-six years old, has been named head of the naval academy at Annapolis, to succeed Admiral D. F. Sellers. Mr. Roosevelt said the army and navy, at his suggestion, had adopted a policy of assigning younger officers as superintendents of the military and naval academies. Brig. Gen. Jay L. Benedict, fifty-six, is slated to take command at West Point in place of Maj. Gen. W. D. Connor, who retires February 28.

Bridges' Record Demanded

HAVING heard from many witnesses that Harry Bridges was responsible for maritime labor violence, the senate commerce committee ordered Secretary of Labor Perkins to produce all records in her department concerning the alien Communist and West Coast C. I. O. leader. The resolution of Senator Vandenberg, adopted unanimously, specifically directed Madame Perkins to report on recommendations of inspectors of immigration and naturalization for the deportation of Bridges.

King Zog to Marry

EARLY announcement was expected of the engagement of King Zog, young bachelor ruler of Albania, to the beautiful Countess Geraldine Apponyi of Hungary. The countess, who is twenty-two years old, recently resigned her job as an office girl in the Budapest national museum. She is a daughter of the former Gladys Virginia Stewart of New York, who was married in Geneva on July 29, 1914, to Count Julius Nagy-Apponyi, member of the old Hungarian families of Apponyi and Karolyi.

Australia Celebrates

WITH elaborate ceremonies the Commonwealth of Australia began a three month celebration of its one hundred fiftieth birthday as a white settlement. The first fetes were in Sydney, where Capt. Arthur Phillip landed on January 26, 1788, with soldiers and 800 British convict settlers. Representing the United States in the water pageants were the cruisers Memphis, Trenton and Milwaukee.

Fall Kills Congressman

REPRESENTATIVE EDWARD A. KENNEY of New Jersey was killed by a fall from a sixth story window of a hotel in Washington where he had attended a party given by the New Jersey state chamber of commerce. Kenney, who was first elected to congress in 1932, won prominence by his persistent advocacy of a national lottery.

Flying Cadets Needed

MORE aviation cadets are urgently wanted by the War department. It announced that 232 unfilled vacancies exist for the March flying cadet class at the air corps training center, Randolph field, Texas. Only 112 qualified candidates thus far have been authorized out of the class' total of 344.

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

Washington.—The month of January, 1938, has come and it is now gone with the wind. Dozens of big business men have been called to the White House for conferences with the President on means of solving the depression problem. And dozens have gone away from the White House after those conferences without any announcement from the head of the government as to what is to be done. Much conversation and much noise—totaling much conversation and much noise. That was January at the White House.

A new session of congress started with the opening of January. The house and the senate appear actually to have no definite program; certainly, no program for a constructive course that will lead the country out of the terrific business decline. Instead, the senate has been debating and debating a bill to punish any community where a lynching takes place and the house has been indulging in its annual sport of passing appropriation bills, voting money without knowing too much about the items for which it votes. Southern senators filibustered against the anti-lynching bill because of the burdens, the burdens, such legislation would load on them and the northern Democratic senators seemed willing to let business die, unemployment increase, etc., in order to gain a few negro votes. That was January in congress.

An analysis of the situation, therefore, would seem to be in order. To do that, we have to go back to 1933 when President Roosevelt took office. The nation was in chaos. There is no need to review those conditions. The new President came in with an overwhelming majority to support him. His majority was so large that he needed only to express his view and it was translated into action. The country liked the aggressiveness thus shown. Members of the house and senate, however, developed a habit—not all of them, but a majority of them. That habit was one of waiting for the word from the White House.

While this habit was growing, business interests were pushed and kicked around and generally given to understand that they did not know what the shooting was all about. Like a country school boy, the business man was sent to his seat and told to stay there. Otherwise the hickory stick would be brought into use. Indeed, the hickory stick in the form of several pieces of legislation was laid onto the business of the country, not as a pat on the back, but much further down toward the end of its spine. So business, too, got the habit of standing in the background. It was afraid to venture forth.

Things began to look up. There was something approximating good business and it looked as if Mr. Roosevelt's policies were correct in every sense. But something happened; the boat struck a snag. For several months last year the administration refused to admit that conditions were alarming. It was just temporary, officials said. The country would pull out of it—and it will some time if there is anything left. But the problem is immediate and January has gone into history, as did December and November. It was in this circumstance that the results of the habit formed in 1933 began to show their worst phases. Business interests have gone to the White House to tell their side of the story, at the President's request, and nothing has come of those conferences.

In the criticism of congress, I did not intend to indict all of the members. There are those who see their mistakes and are willing to do something about them. Unfortunately, they are in minority. Blind followers of the President, generally speaking, constitute the majority. So that those who want to take constructive action haven't had an opportunity.

Lately, I heard Worth Clark, a Democratic member of the house from Idaho, make a radio speech on this fact; or rather he touched on this fact. Mr. Clark is a pretty hard-boiled Democrat, but he believes he was elected to represent his people and not to throw them down simply because his party leadership wanted to do something else. In the radio speech that I mentioned, Mr. Clark referred to mistakes that had been made in the last five years and asked: "What is the remedy?"

"First," he continued in his answer to that question, "we must squarely face the problem. We must realize that we have done some things wrong. We must retrace our steps where necessary and start anew."

"One of the difficulties involved here is the lack of independence of thought and courage among us in congress. The worst injustice that can be done a great leader is to blindly follow his every suggestion. That frequently causes him to make more mistakes than he otherwise would. A man's best friends are not those who crouch at his feet with blandishment, flattery and subservience. His real friends are those who disagree with him when they think him wrong and who give him their utmost in support when they think him right."

There are many others in congress who feel as does Mr. Clark about the present situation. They recognize, I think, that Mr. Roosevelt must assume his fair share of responsibility, as President, for the current depression. It is apparent, too, that he must assume responsibility for the failure of some of his policies in that he turned to "yes" men for advice instead of recognizing that there could be honest disagreement with him on the part of many who desired to be helpful. It is, in other words, another result of the type of leadership that he has assumed, a leadership that worked hunkily dory but a type that obviously will fail when the tide runs against you.

Perhaps I was a bit unfair when I said Mr. Roosevelt's conferences with business men had yielded nothing. It is true that he has "persuaded" the automobile manufacturers and finance companies to tighten up the strings somewhat on installment buying. It is likely that hereafter an automobile finance company will grant credit only for 18 months instead of 24 months on the sale of a car where deferred payments are used. I do not know how that will solve the current depression, but that was the reason given for the change in business practice. As a matter of fact, experts in the Department of Commerce said in published reports in May, 1937, that a majority of the finance companies were holding to the 18-month limit even then.

There can be no doubt that installment buying is a dangerous thing because of the abuses that accompany it. My objection to it is the same as I have often stated in these columns respecting other types of debt. Any time debt is made easy, there has been created a fresh danger at the very same time. Installment buying has been generally used and the general result is, as it was bound to be, that hundreds of thousands of people put themselves into debt. When their income from wages or otherwise was reduced, their installment obligations became a burden that had first call on whatever money was available. In the case of the automobile finance companies, it seems clear that there have been abuses. High pressure salesmen, anxious to get commissions, drove hard to sell cars "and you can pay in two years." The companies found out long ago, however, that the dangers existed and they were trimming their commitments accordingly. Since these sales are comparatively small in ratio to the whole country's business, I think the White House announcement will not result in immediate restoration of prosperity.

Getting Nowhere

Well, That's Something

And then its importance is further minimized by the President's course in another field, namely, housing. We all recall the housing legislation that was proposed as a panacea for what was called a "recession" last fall. That legislation is approaching conclusion now and will soon go to the President for his signature. So let us take a look at its principal features and find what they mean.

The heart of the legislation was a provision to permit the construction or the purchase of small homes without much money as a down payment. In fact, only 10 per cent of the total cost of the property is required as a down payment. Private money lenders will finance the other 90 per cent, and the federal housing administration will insure that amount with government bonds to back the insurance. So, it is soon to be provided that I can buy a house with a value up to \$6,000 if I have \$600 to pay down. Anybody can get himself into deep debt with as much ease as the man on the flying trapeze, and instead of obligating himself for 18 months (as in the case of the automobile) the buyer is hooked for about 15 years. It is definitely unsound and will make not the slightest bit of improvement in general business.

Stewart MacDonald, the federal housing administrator, ought to be a good witness on the soundness of the plan. When hearings were being held in the house appropriations committee, Mr. MacDonald was asked about the idea of government insurance of as much as 90 per cent of a debt.

"Do you think that that is good business—to have a man build a home without any more equity than 10 per cent?" asked Representative Houston, Kansas Democrat.

"I don't think it is good business," replied Mr. MacDonald.

TIPS to Gardeners

Start Them Indoors
TOMATO, cabbage, broccoli, egg plant and pepper crops usually prove more satisfactory when they are started indoors from seed. The gardener thus may use seed of a known variety from a dependable source.

About eight weeks before plants are to be set in open, sow seeds a quarter-inch deep in good soil in a regular florist's flat. Water thoroughly but not too frequently—preferably on bright days.

Good sunlight and good air circulation are important in preventing "damping off." Keep temperature fairly even at 70 to 75 degrees. When young plants are about one and one-half inches tall, transplant to a larger box or cold frame, spacing about three inches apart.

If the plants are grown in a box, place them indoors in the shade on six or eight mild days to harden them off. When plants are set in open soil, space them far enough apart to allow for full development.

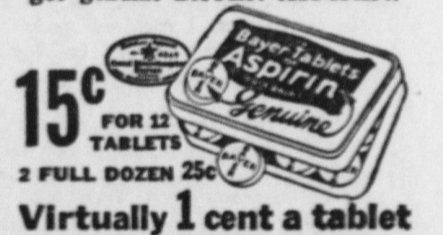
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Not Deeds Alone
It is not alone what we do, but also what we do not do, for which we are accountable.—Moliere.

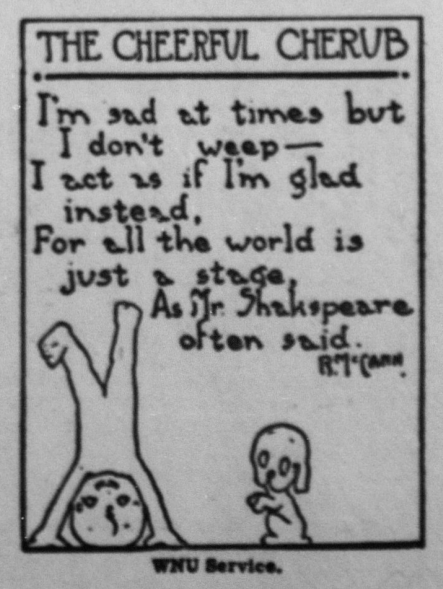
THIN, NO APPETITE?

Baltimore, Md.—Mrs. Mary E. Sachse, 1423 W. Lexington St., says: "I was thin, underweight, and my appetite was poor before I used Dr. Pierce's Golden Medical Discovery, but after using it I could eat more, gained weight, and felt like myself again. Buy it in liquid or tablet at your drug store today. See how much more vigorous you feel after using this reliable tonic."

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Our Vocation
The vocation of every man and woman is to serve other people.—Count Tolstoy.

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