News Review of Current Events

SMALL BUSINESS TURBULENT

Bedlam Reigns in Roper's Conference . . . Housing Bill Enacted . . . German Army Versus Nazis

SUMMARIZES THE WORLD'S WEEK

Business Men in Uproar

SECRETARY OF COMMERCE ROPER thought the thousand "little business" men he invited to Washington to tell their troubles and needs to the President would hold a nice quiet meeting and formulate a program that wouldn't embarrass the administration. But they fooled him.

Their opening session in the Department of Commerce auditorium was decidedly riotous and finally the police were called in to restore order. Every man present wanted to make a speech and dozens fought for possession of the microphone of the loudspeaker system in order to tell what they thought was wrong with the country and what should be done about it. Mr. Roper tried valiantly to deliver a message of greeting from Mr. Roosevelt, but the throng refused to listen even to that. Assistant Secretary Ernest Draper had little better luck. Draper announced that Fred Roth, shoe manufacturer of Cleveland, was temporary chairman, and this led to further disorder because he was "hand-picked."

RFC Chairman Jesse Jones, who tried to speak, was cheered but soon retired from the room with Roper

and Draper. Some of the business men who could make themselves heard condemned the administration for high taxes, reckless spending and unwarranted attacks on industry and business. Others called on the President to declare he will not accept a third term. They demanded he get rid of his theorists. They voted to consider the problem of taxes, shouting down the attempts of Commerce officials to sidetrack it.

Finally nine small groups were formed to discuss as many phases of the problem and carry their findings to the White House. These, with their topics and chairmen,

Small loans, James G. Daly of Columbus, Ohio; wages and hours, Dr. W. K. Gunter of Gaffney, S. C.; fair trade practices, Howard D. North of Cleveland; government research, Bernard McLean of Dallas, Texas; housing, D. E. McAvoy of New York; social security, O. L. Roach of Danville, Va.; develop-ment and planning of small business, Leslie E. Sanders of Orlando, Fla.; unemployment, Wallace Kimbal of Long Island City, N. Y.; installment selling, R. P. Hastey of Chicago.

Housing Bill Passed

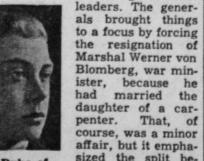
ENOUGH Democratic senators switched their votes on the Lodge prevailing wages amendment to the housing bill, so the senate by a vote of 42 to 40 adopted the conference report on the housing bill and the measure went to the White House for the President's approval. This was the first item on the administration's program to be enacted since the special session was called November 15 last.

The measure provides for government insuring of mortgages on privately constructed housing up to 90 per cent of the value of the property on homes costing not more than \$6,000; and on 80 per cent on homes costing up to \$16,000.

With the prevailing wage amendment eliminated, legislators and labor leaders are disputing as to the effect it will have on the wage scales in the residential building industry. Senator Lodge's amendment was approved by the American Federation of Labor, but proponents of the measure said it would defeat the whole housing program. At any rate, it appears to have served the opponents of the administration by getting it in bad with organized labor.

____ Generals Versus Nazis

A CCORDING to dispatches from Berlin a crisis is pending between the high officers of the German army and the Nazi government | Navy Fliers Perish



affair, but it emphasized the split be-Duke of tween the army clique and the Nazi Windsor party chieftains concerning the control of the Reich's armed forces. It was said Hitler was considering following Mussolini's example and himself taking over the war port-

All this leads to a revival of the reports current in diplomatic circles that the army set may try to ease Hitler into virtual retirement, revive the monarchy and make the duke of Windsor the kaiser of Germany. When all the circumstances are considered, this isn't as foolish as it may sound at first.



Admiral Claude Charles Bloch, shown above, has assumed command of the United States fleet, succeeding Admiral Hepburn. The transfer was made at San Pedro,

A. F. of L.'s Big Offer

SEEKING to organize the purchasing power of its members behind manufacturers who employ them, and to undermine the position of the C. I. O., the American Federation in its Miami convention promised to spend \$6,000,000,000. annually on goods made or serviced by federation affiliates. Officials explained that what was wanted was agreement with as many manufacturers as possible to sign contracts with the federation unions in return for a guaranteed market. The union label trades department has sent a brochure to business men to enlist their support.

First step in the drive will be a "momentous national educational campaign," President William Green said. This will be marked by a national exhibition of products and services of A. F. of L. affiliates which will be held in Cincinnati May 16 to 21.

The federation's executive council | during 1938. indorsed a proposed change in the Wagner labor relations act that would insure to the members of craft unions within an industry the right to elect their own collective bargaining representatives.

The United Mine Workers, of which John L. Lewis is president, voted unanimously at their Washington convention to oppose any change in the act.

Franco's Program

GENERALISSIMO FRANCO. chief of the Spanish rebels and now the dictator-president, has created a cabinet to administer the territory he controls and announced the

policies of the government thus: A labor charter. "based on the working class," and providing separate unions for workers, technicians and employers.

Gen. Franco

A press statute guaranteeing freedom of the press. Municipal organization for effi-

cient local government. A public works program for reconstruction of devastated regions and an agrarian plan for loans to farmers and "judicious redistribution of land."

Revision of legislation created by the republic.

A freign policy based on "peace compatible with the dignity of great peoples."

A financial program claiming "all that belonged to Spanish soil as well as treasures which have been stolen from Spain."

DURING the naval maneuvers off the southern California coast two navy planes collided 70 miles from Point Loma, and ten of the men aboard lost their lives. Three were rescued from the sea and taken aboard the battleship Tennessee. Bodies of eight of the victims were quickly recovered. Only small bits of wreckage were found.

League Asks Aid for China

MEMBERS of the League of Nations were asked by the council to consider whether they can lend individual aid to China in its war with Japan.

Dr. V. K. Wellington Koo, China's chief delegate, urged the league to halt Japan's campaign and assure a just settlement of the conflict through the co-operation of peace-

loving countries. "So long as Japanese aggression in the Far East is permitted to rage unrestrained, so long will the peace of Europe remain precarious and general European settlement will be difficult of realization," he said. New York.

Japs Raid Our Salmon Beds

A NTHONY J. DIMOND, delegate from Alaska, told a house committee that Japanese fishing operations in Bristol bay, off the Alaskan coast, will utterly ruin the salmon fishing industry there if allowed to

Some years ago the Japanese invaded the waters of Bristol bay, Dimond said. They denied they were packing salmon, but were interested merely in "experimental" work. In 1936, however, American merchant seamen observed a Japanese steamer apparently packing salmon. Last year the Japanese began to operate there in earnest, establishing floating canneries.

Dimond is sponsor of a bill to extend the jurisdiction of the United States over the waters adjacent to the Alaskan coast in order to prevent illicit fishing operations by foreign nationals.

Japan Warns Foreigners

JAPAN'S embassy in Shanghai issued a warning to foreigners to evacuate more than 100,000 square miles in central China "in view of the possibility of extensive operations." This meant the battle north of the Yangtze river, which was fast developing into what promised

to be the decisive battle of the war. The Japanese reported their troops had occupied Chefoo on the Shantung peninsula and that their planes had bombarded the Amoy area between Shanghai and Hong Kong.

Rush Defense Plan Bill

L EADERS in congress lost no time in carrying forward the national defense program which President Roosevelt had offered in a special message.



February.

Legislation to authorize the expenditure of \$800,000,000 in naval construction was introduced immediately in both the house and senate, and steps were taken to provide the additional requirements of the army. It was predicted the house would pass

Chairman Carl Vinson of Georgia called together his house naval affairs committee and began hearings on the measure, certain that it would be reported favorably with

the expansion bill by the middle of

little delay. The President in his message recommended:

That the present naval building program be increased 20 per cent. That congress authorize two additional battleships and two cruisers

That congress authorize \$8,800,000

for additional anti-aircraft equipment. That congress provide for better establishment of an enlisted reserve

for the army. That congress legislate to prevent profiteering in war-time and to equalize the burdens of possible

Opposition to the bill in the house was expected to come from certain members from the middle western states. Tinkham of Massachusetts also didn't like the program, saying it was one of offense, not defense, and that the President was preparing to get the United States into the League of Nations.

Senators Vandenberg of Michigan and Frazier of North Dakota demanded that Mr. Roosevelt make public the foreign policy he expects to follow behind increased arma-

New Dutch Princess

THERE was great rejoicing in the Netherlands when Crown Princess Juliana gave birth to a baby girl who some day may become the third queen of the country. The infant was promptly baptized, being given the name of Beatrix Wilhelmina Armgard.

Troubles in Egypt

YOUNG King Farouk of Egypt is having difficulty in maintaining the regime of Mohammad Pashe Mahmud, whom he made premier after the resignation of Mustafa Nahas, Nationalist leader. The other day the followers of Nahas created a bad riot in Cairo, and King Farouk thereupon dissolved parliament and ordered a general election. ----*---

Democrat in Stiewer's Seat GOV. CHARLES MARTIN of Oregon appointed Alfred Even

Reames of Salem to serve out the unexpired 11 months of the term of Sen. Frederick Stiewer, who resigned to enter private law practice. Mr. Reames, a lawyer sixtyseven years old, thus becomes the first Democratic senator from Oregon since 1921. He is chairman of the executive committee of the Democratic state central committee. He will not seek to succeed himself in the senate.

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



frequently that 90 per cent of the residents of Wash-Washington ington are located here because it is News

the site and seat of the federal government. In other words, Washington is a great city because it is the capital of the nation. The statement is not completely the truth, but a bare analysis by whomever made cannot fail to demonstrate that there are thousands who live in Washington for the reasons mentioned.

In consequence of this condition, therefore, Washington news does not get into the newspapers of the country as does other news. The Washington date line in ninety-nine out of each one hundred cases is over a story that deals with some phase of government or politics. Since Washingtonians have no vote, Washingtonians cannot be in poli-

Nevertheless, sometimes there is news about Washingtonians that is of interest to all of the country. The observation is peculiarly true of a circumstance that has lately developed. Moreover, the case in point holds a lesson for the country as a

Lately, congress passed a law establishing a minimum wage for women workers in the District of Columbia. The statute was rather loosely drawn, as it had to be if it were to work at all. It left much to the discretion of a controlling agency called a minimum wage board. One of the reasons why so much discretion was left to the local agency, however, was because the subject with which the legislation deals contains political dynamite and congress did not want to establish a precedent by going too far in fixing wages. So the District of Columbia was left a rather wide scope within which to build its minimum wage structure.

That was the basis for the circumstance above mentioned, the news about Washingtonians, the les-

son for the nation. The wage board started out to the wage level and what was needstores and this and that and the other type of employed women. Finally, the board got around to waitresses and their wages. That was does not know that waitresses collect considerable money in tips? Promptly, up bobbed a red hot question: should the tips, or the average monthly "take" in tips be considered as a part of the wage of wait-

Well, the question has not been settled yet and even when an order is issued, it will not have been settled. It will go on and on and there will be some racketeers who will organize a society or something to fight for exclusion of tips as part of the wage, if that be the order. If the board eventually decides to exclude tips and fix a minimum wage without regard to tips, the employers will carry on a drum fire of criticism about it. Why? Because the question strikes at the very heart of the relationship between employer and worker.

Any worker naturally wants as much of a return for his or her labor as can be obtained. Any employer feels equally that he is entitled to obtain needed labor as cheaply as is possible. The waitresses, therefore, took the position that the proprietor had no right to consider the tips as a part of the wage. On the other hand, the proprietor - probably with the same justification - said in effect that without the job the waitress will not get tips, and that the owner who to count those tips as part of the compensation.

taurant were entitled to some consideration, said Consider the proprietors. That is, they ar-Customers gued that the customers were charged prices for food and service that would yield the proprietor a fair profit. The tips, it was held, were gratuities on the is headed by Secretary Ickes. part of the customer and they vary in amount, some large, some small. If the wage rate was to be raised and the tips excluded-somebody would have to pay more for food.

The waitresses used the argument

that the tips were gratuities, just

as the owners did, but since they

are gratuities, said the waitresses,

Further, the customers of the res-

in no wise was it fair to include them in the wage scale. And so the argument went! But the lesson remains. No better illustration is possible, I think, than the Washington waitress wage controversy; there is no better way to show how utterly silly it is for government to mess into private affairs. Whenever government sticks its hooked nose into private affairs. just there begins an unbalancing of human nature. That is to say, there | in the room. is no substitute for negotiation be-

Washington .- It has been stated tween humans, each inately fair, each desirous of gaining justice according to his light.

Government can and does function admirably as the agency for protection of rights that are important rights of life, liberty and pursuit of happiness. It can and does prevent encroachment upon individuals where such individuals can not protect themselves. But in matters of earning a living, just plain making money, government, in my opinion, has no place. Labor has organization where organization is necessary. Such organization does protect labor, generally speaking, because it has the right to strike. And in all probability, fixing of wages will hurt more than help labor.

While on the subject of expansion of government into every cranberry patch, it is inter-Butting esting to note that some of the left Into Business wing New Dealers

would like very much to put the federal government into the business of making small industrial loans. I think probably it will be some time yet before the nitwit section gets anything tangible into the open on the newest of their schemes, but it is true that they are

now planning along those lines. The thought of this group of socalled presidential advisers is that the federal government should start loaning money to small businesses so that those businesses will be independent of "the great banking trust." In short, it is proposed that the federal government should be equipped to make a loan of ten thousand or twenty thousand or fifty thousand to a small manufacturer so that he can expand his plant and take on new workers, etc., etc. It is suggested that perhaps there ought to be a new governmental agency created to handle this work so that it will be done "sympathetically" and with an understanding.

It all comes about apparently from the fact that the present administration has discovered, after hold hearings to obtain facts about | five years in office, that there are great monopolies or trusts or someed by the women workers. Stenog- thing else in the way of combinaraphers, office workers, clerks in | tions in existence. They have found that these monopolies are in control so far that the little fellow in business can not borrow money when he needs it to carry on his business. where the lid blew off, because who | Something must be done for them, or else they can not have the more abundant life of plenty.

President Roosevelt has become intensely interested in having business become "home owned" or something of the kind. He has shown, for example, in his shots at utility holding companies how much he likes the type of operating company that serves its patrons and doesn't mix up in the tangle of corporations that operate in more than one town or city. They are good, according to the President, and they ought to have consideration. It might be that federal money loaned to them would save them from bankruptcy-or it might be that if they can't make a go of their business, they will go bankrupt anyway. If the federal government had a loan and a mortgage on their assets, they would become federalowned after foreclosure. That surely would be one way for the federal government to enter the public utility business. It is just a possibility, I mean.

Every now and then some information leaks out about "emergency action" that was Emergency taken by government officials dur-Action

ing the hectic days of the Hoover depression as distinguished from the Roosevelt detakes the risk ought to be allowed pression. (The depression that was on when President Roosevelt took office in 1933 was labeled the Hoover depression in New Deal propaganda.) One of these incidents came out before the senate committee on public lands the other day. The committee was investigating the nomination of E. K. Burlew to be assistant secretary of the interior. and that formed the basis of an inquiry into general practices of the Department of the Interior which

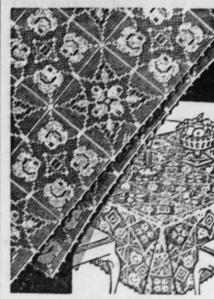
Mr. Burlew was answering questions as to how the department spent much of the three or four billion dollars appropriated to it for public works. Those were pump priming appropriations, if you remember, although as far as I can see the water has not started coming out of the pump yet. Anyway, Mr. Burlew let the fact drop that Secretary Ickes had bought two new automobiles in 1933. He said the purchases were due to the "emergency" and, of course, money for them came from the emergency appropriations. Senator Stiewer of Oregon asked what was meant by

the "emergency." "Well, the secretary wanted the cars, and that was the emergency," Mr. Burlew replied amid laughter

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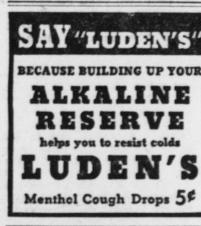
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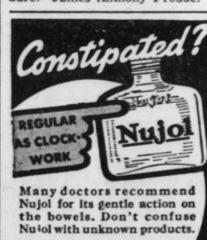
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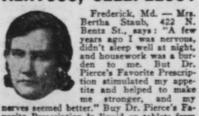
Victors in the End The universe is so made that truth and justice alone can endure .- James Anthony Froude.



INSIST ON GENUINE NUJOL

Not by Reason Alone We know the truth, not only by the reason, but also by the heart. -Blaise Pascal.

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