

Weekly News Review

New World Crawls Into Shell As Revitalized Reich Expands

By Joseph W. La Bine

International

The U. S. has long maintained splendid trade relations with Western hemisphere nations, has more-over done this without resorting to heavy armaments. Until five years ago the U. S. was similarly strong in China. Reason: European and Asiatic nations have always been busy at home, not daring to risk invasion of the Western hemisphere.

But since Japan became supreme in the Far East, the U. S. has been forced to expand her Pacific fleet. If this was cause for worry, a much greater cause is the Munich pact which sheared friendly France and Britain of their power. Dominant in Europe, anxious to increase their foreign trade, Italy and Germany

that city's capture easier; (2) to cut the Hankow-Canton railroad and stop war supplies; (3) to force Canton into an independent peace with Japan.

But if Japan hopes thereby to force surrender of China's Generalissimo Chiang Kai-shek, she will be disappointed. Though 70 per cent of China's war materials have come through Canton, General Chiang has foreseen that city's fall and developed four alternative lines of entry. Two railroads enter from Indo-China and highways can carry supplies from both Burma and Russia. Moreover, Chinese are resigned to a 10-year struggle if necessary.

Far more likely than Chinese capitulation is a breach between Great Britain and Japan. Not since the siege of Japan has the British lion been so imperiled. Canton lies a scant 75 miles from the crown colony of Hong Kong, whose prosperity depends largely on trade with Canton. The maddening air of righteousness surrounding Japan's invasion of South China, coupled with warnings to Britain, France and the United States, shows clearly that Japan now considers herself the Far East's No. 1 power.

Races

During the World war Great Britain helped liberate Palestine's Arabs from the Turks, thereby winning Arabic support against Turkey. Although Arabs expected they would be rewarded with complete domination over Palestine, England's Lord Balfour led a successful campaign to establish part of the Holy Land as a haven for the wandering Jew.

Since then world Jewry has sent 400,000 persecuted Hebrews to Palestine, investing \$385,000,000 to build a national home. But disgruntled Arabs have protested with warfare, keeping harried Britain busy policing the land over which she was given a mandate in 1923. While blood ran freely through the streets of Jerusalem, Bethlehem and Jaffa, Colonial Secretary of State Malcolm MacDonald has led a commission in search of amicable settlement.

Meanwhile, Jew-hating Germany and Italy have given restrained cheers for the Arabic cause, cheers that need no longer be restrained since the Munich peace treaty has placed Great Britain on the defensive. Faced with threats of Italian intervention unless Arabs were given a square deal, Prime Minister Neville Chamberlain has been reported ready to "sell out" the Holy Land's Jews.

Thoroughly miserable, Prime Minister Chamberlain and Secretary MacDonald (son of the late Prime Minister Ramsay MacDonald) were bombarded with protests the minute their weakened position was ru-



BRAZIL'S PRESIDENT VARGAS
His door is closed to Germany.

can now be regarded as a serious threat to U. S. commerce. Of the two, Germany will be a greater threat because she has adopted an aggressive foreign expansion program, moreover because her new Sudeten territorial acquisitions bring glassware, leather and textiles into the Reich for export sale.

Focal point of German expansion will be Latin America, which last year gave the Reich 14 per cent of its trade, compared with 34.7 per cent to the U. S. In this trade war, it has become apparent the U. S. will attempt to sell South Americans on democracy, while Germany sells them Nazism. Today, as the war gets under way, the U. S. appears to hold an upper hand.

Long favored in South America through her Monroe doctrine, the U. S. has just helped preserve Western hemisphere peace by joining in settlement of the 100-year-old Chaco dispute between Paraguay and Bolivia. Indirectly, the U. S. could place another feather in her cap when Brazil called home its ambassador to Berlin, apparently breaking off diplomatic relations with the Reich. This is President Getulio Vargas' answer to Chancellor Hitler's efforts for Brazilian Nazification.

Aiding the U. S. will be increased domestic desire to woo South America. Already a campaign is under way to boost our consumption of South American goods.

A natural result of this activity has been growing American disinclination to complete the long-pending U. S.-British trade pact, a sentiment resulting from the rebirth of isolationism which followed Munich's peace treaty. The greatest stumbling block is that isolationism calls for strengthened trade relations with Canada, a plan blocked by Great Britain's renewed efforts to tighten her dominion bonds. A U. S.-Canadian trade treaty is bound to hurt American agriculture; a U. S.-British treaty will hurt American manufacture. Therefore economists are betting the "most favored nation" agreements now pending with Canada and Britain will never be consummated.

Meanwhile, Germany is cocksure of her position. Busily flitting from one European capital to another, Economics Minister Walter Funk has completed bilateral accords based on barter of goods with several Balkan states. In this way the Reich hopes to increase its economic orbit. But when Minister Funk optimistically announced he would next attempt a barter treaty with the U. S., state department officials made it clear that optimism is unfounded.

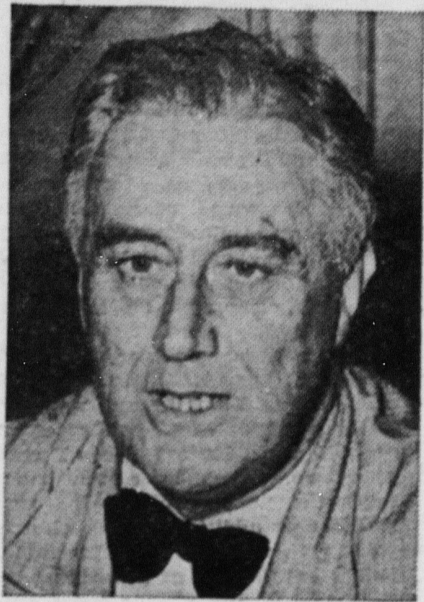
War

A large part of China's war supplies for defending Hankow have come up the railroad from rich, southerly Canton. Moreover, Cantonese troops have shown remarkable bravery, reportedly wiping out 10,000 Japs near Tehan early this month. Although Canton has therefore been a thorn in Japan's side, Tokyo feared to move into South China lest Great Britain might object. But since Britain capitulated in the Czech crisis, Japan has become bolder. Result is the landing of 25,000 troops near Canton for any or all of three purposes: (1) to force frightened Cantonese to withdraw troops from Hankow, making

Politics

On Tuesday, November 8, the United States will elect an entire house of representatives, one-third of its senate and a host of governors. Since U. S. politics swings back and forth from Republican to Democratic domination, since the Democratic swing which began in 1933 has reached and passed its peak, the safest prediction is that Republicanism will start swinging back into power this year.

Obviously, it is Franklin Roosevelt's ambition to stymie a Republican comeback. But his chief interest in last summer's primaries was not Republicanism, but the construction of a coherent liberal party through so-called "purge" tactics. Since "purge" failed, since preservation of New Deal gains already made is now more important than



FRANKLIN ROOSEVELT
At election time, a peacemaker.

party purification, November's election has resumed normal political color for the first time since 1930.

As in 1936, this year's Republican candidates can base a strong campaign on New Deal failure. Unlike 1933 and 1936, this year's Democratic campaign becomes essentially a defensive proposition. But developments of the past month show that the New Deal's defense will not feature such argumentative points as AAA, relief and budget-balancing, will attempt instead to shift public interest on Franklin Roosevelt's accomplishments as a peacemaker. Three points of peace:

World Peace: The world may never know if President Roosevelt helped smooth over the Czech-German crisis, but his final message to Adolf Hitler and simultaneous pleas to every other world power came only a few hours before the Reichsfuehrer called his historic Munich parley. But, coming when it did, Roosevelt intercession looked tremendously successful. Thus, praising the administration's foreign policy as a safeguard to world peace, Democrats hope the voting public will overlook the fact that Munich's meeting did nothing to help democracy's cause, was instead a bloodless victory for Germany.

Business Peace: If the administration's foreign policy helped win world peace, it also helped U. S. business. Upshot has been a tremendous stock market upturn, greater steel and automobile production, higher railroad loadings. But part of this upturn is also due to governmental "pump priming," which is just beginning to show its effect. Nevertheless these signs of optimism came at a time when U. S. business decided to quit warring on the administration, choosing instead to play ball until a Republican government throws out New Deal measures which it considers oppressive. President Roosevelt has asked for less "saber rattling" and more cooperation between government and business. Charles Hook, president of the National Association of Manufacturers, has assured him that business is eager for co-operation. Thus, Franklin Roosevelt looms as a peacemaker with business.

Industrial Peace: When the American Federation of Labor convened in Houston, Texas, the President messaged his desire for a settlement of the factional war between A. F. of L. and John Lewis' Committee for Industrial Organization. Obviously a solid labor front, though New Deal, would be a potent vote getter. How it could exercise this solidified strength against employers is an unpleasant thought, but the average business man is inclined to hope a patch-up will bring more conservatism to labor. Already the Rooseveltian business upturn has brought men back to work, resulting in fewer disputes between labor and capital. "Though the President's efforts for peace between C. I. O. and A. F. of L. have been unsuccessful, the nation may well appreciate his gesture.

Despite the political connotations these peace efforts must certainly carry during election season, the President's self-chosen role of arbiter wins favor with a war-weary U. S. populace. Whether this popular appeal will overshadow Republican criticism on November 8 is anybody's guess.

Navy

Few navies have a definite system for naming their armor-clad war chariots. Even England's huge navy mingles historic and geographical names with unconcern. But the U. S., having started its gigantic naval construction program, will not permit such confusion. The new nomenclature system: Battleships named after states, cruisers after large cities, aircraft carriers after historic ships and battles, destroyers after naval officers.

Bruckart's Washington Digest

Old Trickery Again Being Used In Writing Views of a President

That Intangible Personality, the 'White House Spokesman,' Is Back on the Job; Makes Goats of Writers; Taxes Blamed for Added Burden Business Carries.

By WILLIAM BRUCKART
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WASHINGTON. — The "White House Spokesman" is back! That ghostly, shy and sometimes playful figure has been resurrected from the grave where President Roosevelt interred his intangible personality early in March, 1933. He was placed there with proper ceremonies by Mr. Roosevelt after his witchlike voice had served during the administrations of Presidents Coolidge and Hoover, and after he had served valiantly as the source of one inspired news story after another. Mr. Roosevelt unmasked the "White House Spokesman" as just the President of the United States, speaking behind his hand. But lo! Here is that man again.

I could not help laughing a bit the other day when the "White House Spokesman" reappeared on the front pages of metropolitan daily newspapers, in the work-a-day clothes of "authoritative White House sources." Grieving as most writers did that this trickery had to be employed in order to write a President's views, I enjoyed the humor of the situation, nevertheless. If the White House Spokesman was going to be reborn, what more proper place could there be than Hyde Park, N. Y., the President's summer home. That delightful home on the banks of the Hudson river is only about the length of an airplane runway from the fiction scenes of nightly riding by "the headless horseman of Sleepy Hollow."

But restoration of the "White House Spokesman" to his place of eminence is a serious matter. Use of such a disguise, such a mask, has no place in American life. Many a time in the period when Calvin Coolidge and Herbert Hoover occupied the White House, there were stories sent to all parts of the nation that came from the "White House Spokesman." It was a silly procedure. It was both silly and cheap. The head of the government was simply using the correspondents as vehicles to carry the responsibility which then occupant of the White House should have assumed.

Some stories were trial balloons; some were expressions of a personal opinion by the President which he was not quite ready to espouse publicly, and others were pieces of just plain trickery, given out with the understanding that the President should not be directly quoted. The course was adopted, so it was claimed, as a means of giving the writers all of the available facts right up to the minute.

Just Kidding and Fooling Readers of Newspapers

Well, without questioning the sincerity of purpose, the fact remains that the writers were the goats. And here they are being made the goats again, and the public, the readers of newspapers, are to be kidded and fooled some more. What's the excuse? There is none. It is the same old ostrich and the same old sand in which he is hiding his head; so why do it?

The present, and rejuvenated, "White House Spokesman" had a good deal to say, behind this shadowy veil, about the desirability of a truce between business and labor, a truce with the administration in Washington. The bitterness between industry and government was made almost into a parallel with European conditions, and the "Spokesman" went further to suggest that some method of getting together, comparable to the European "settlement," should be used here.

Well, I imagine there is none in our country who do not hope for, and believe in the need of, a lasting peace between business and government. As the shadowy form said, as it floated over Hyde Park, there has been too much name calling, too many charges and recriminations. The condition has slowed up general business; it has made the relief rolls full to overflowing. But when the "White House Spokesman" seeks a "settlement" like that at Munich, Germany, where Dictator Hitler grabbed everything he wanted—well, let me observe that it was a swell subject as an illustration why the "White House Spokesman" should remain in his grave!

There was another phase of the "Spokesman's" backfence snarling that is bound to disturb the neighbor's sleep. It was tantamount to a demand that business stop misrepresenting the government's attitude—toward business. That is to say, there was a veiled charge that business, which is to say, "the economic royalists," have been lying about the government's programs and objectives, no mention being made of some of the abortive results.

Blame Taxes for Added Burden Business Carries

The news dispatches from Hyde Park made reference to unfair stories about taxes. The "Spokesman"

specifically asserted that business interests were all wet when they asserted that federal taxes are heavier now than one, three or five years ago. It struck me as being a queer complaint, because federal taxes are higher; there are more of them in number and the rates on nearly all the old ones are higher. Treasury figures show that the federal government collected \$3,115,000,000 in taxes five years ago. The same official figures show collections of more than \$4,100,000,000 three years ago, and in the fiscal year ending June 30, 1937, the collections were announced as \$5,290,000,000. Then, on June 30, this year, the official figures recorded collections of \$6,240,000,000. To be absolutely fair, it must be considered that business was at its lowest ebb five years ago. Hence, tax payments were at the lowest. But, without attempting to cite all of the increases in rates and new taxes invoked, new taxes and new rates have been responsible, too, for the increased burden which business carries.

It is important, also, in connection with the consideration of taxes to call attention to the federal government's budget condition. At the end of September, when the first quarter of the fiscal year was completed, there was a deficit of more than \$700,000,000. The Treasury had been called upon to pay out \$700,000,000 more than it had taken in by way of taxes. If my country school multiplication still serves me, there is a deficit indicated for the current fiscal year of approximately \$2,800,000,000 since there are four quarters in each year. It may be less—or it may be more.

No 'Breathing Spell' Ever Has Taken Place

In the matter of a truce between the government and industry, I believe I recall accurately the famous "breathing spell" of several years ago. Roy Howard, the Pittsburgh and New York newspaper publisher, wrote a letter in which he told the President of the need for co-operation between the government and business and suggested at the same time how encouraging it would be if business could be assured that government harassment of business was at an end. If I remember, Mr. Roosevelt said in his reply that the major portion of his New Deal reforms was completed and there would be a "breathing spell." It was about that time, too, that Vice President Garner was reported to have said it was time to let the cattle get fat; that they had been chased around until they were just skin and bones. He meant, of course, that if business was going to expand and re-employ workers, then on relief, the government must quit taxing everything the employers received. Well, neither the "breathing spell" nor the fattening process ever has taken place.

Further, reference might be made to the fact that, not the "White House Spokesman," but numerous spokesmen for Mr. Roosevelt have been having great fun riding astride the neck of business. One can refer to the activities of Robert H. Jackson, trust buster extraordinary; to Thurman Arnold, who succeeded to Mr. Jackson's job in the department of justice; to William O. Douglas, or to Secretary Ickes. Each of these has had several turns swinging a bludgeon at business men, and they will swing them some more.

So, perhaps Mr. Roosevelt's analogy in which he compared the European situation and "settlement" with the idea of a settlement between government and business was not so far wrong. Perhaps the "settlement" by which Hitler took over great chunks of Czechoslovakia is the way the "authoritative sources" or the "White House Spokesman" would have our government take over most private industry.

Needs Encouragement From Leaders in Public Life

The "White House Spokesman's" suggestion about a truce and co-operative effort between business and government brought a response from Charles M. Hook, president of the National Association of Manufacturers, who assured the President that "there will be no rattling of sabers as far as the manufacturers are concerned." He said there would be an upward surge in business "if there is encouragement from leaders in public life." I am not able to say what is meant by the "no saber rattling" beyond the obvious meaning of a willingness to keep the collective business mouth shut.

Actually, it appears the crux of the whole problem is to be found in the fact that throughout the Roosevelt administration there are many officials who blab and blab and have little or no idea of the matter they are discussing, while on the business side of the fence the fellows who pop off most are incapable of far vision.

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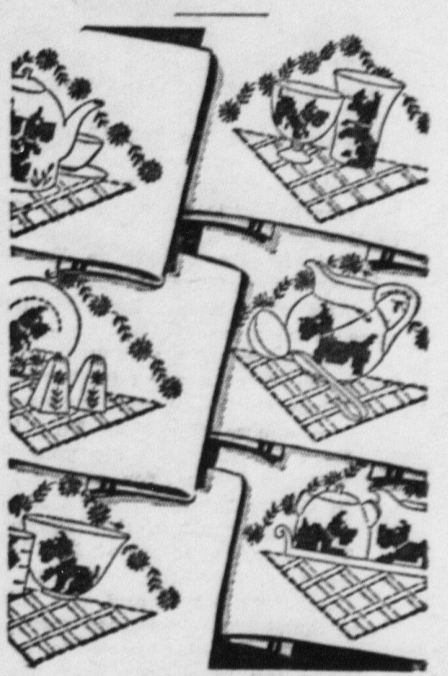
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Smiles

One of Money "Stubbs, my dear fellow, isn't it about time you repaid me that little loan?" "My dear boy, it isn't a question of time."

Practical Minded "Ah!" sighed the tourist, soulfully, "what a view! So magnificent—so grand! Makes a man feel like a little grub." "Good idea," replied his girl companion. "I could put away a nice big sandwich."

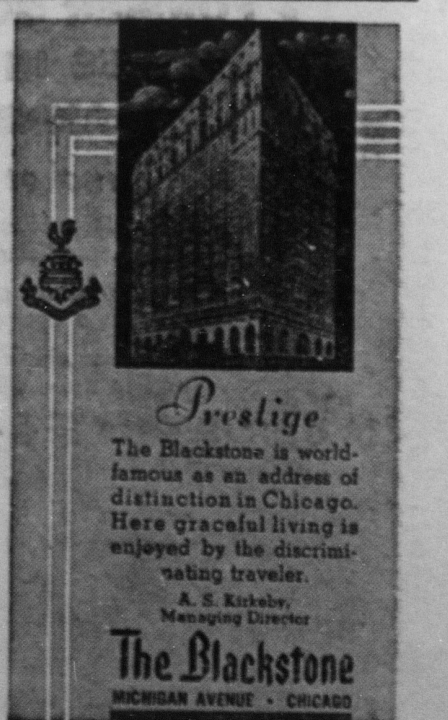
Answer to a correspondent: Always help your wife. When she mops the floor, mop the floor with her.

Or Else— The man's conduct was suspicious, and the watchman asked why he kept hanging about the gunpowder factory. "I want to make myself give up smoking," replied the man.

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