

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

Europe Veers Away From War After Der Fuehrer's Speech; New Peace Overtures Possible

(EDITOR'S NOTE—When opinions are expressed in these columns, they are those of the news analyst and not necessarily of this newspaper.) Copyright, 1939.

FEDERAL SECURITY AGENCY

- Social Security Board
- Office of Education (from Labor Dept.)
- Public Health Service (from Interior Dept.)
- National Youth Administration (from W. P. A.)
- Civilian Conservation Corps

FEDERAL WORKS AGENCY

- Bureau of Public Roads (from Agr. Dept.)
- Public Buildings Procurement (from Treasury Dept.)
- Buildings Management (from National Park Service)
- U. S. Housing Authority
- Public Works Administration (to become Works Projects Administration)
- Works Progress Administration

FEDERAL LOAN AGENCY

- Reconstruction Finance Corporation
- Electric Home and Farm Authority
- Home Owners' Loan Corporation
- Federal Home Loan Bank Board
- Federal Housing Administration
- Export-Import Bank (from Credit Administration, Federal Farm Mortgage Corporation and Commodity Credit Corporation to be transferred to Agricultural Department)

TO THE PRESIDENCY

- Budget Bureau (from Treasury Dept.)
- Central Statistical Board (to be combined with Budget Bureau)
- National Resources Committee (to be President's planning agency)
- Federal Employment Stabilization Office (from Commerce Dept., to be consolidated with National Resources Committee)

GOVERNMENTAL REORGANIZATION (SEE WHITE HOUSE)

"To make democracy work . . . to ensure . . . free government . . ."

EUROPE:

Prelude, Song, Postlude

Democracy was adamant one week before Der Fuehrer gave Reichstag and the world his answer to President Roosevelt's peace appeal. By four days before speech time Hitler had become adamant, Britain and the U. S. cautiously shifting their stand to show simultaneously that democracies (1) will not, and (2) can be persuaded to, participate in another Munich conference.

Britain showed appeasement inclinations by rushing her previously recalled ambassador, pro-Nazi Sir Neville Henderson, back to Berlin. Next day, as Nazi Foreign Minister Joachim von Ribbentrop delightedly kept Sir Neville waiting outside his door, Britain indignantly inaugurated her first peacetime conscription and presented parliament with a \$6,213,000,000 budget (of which 47 per cent will go for arms). In the U. S., Secretary of State Cordell Hull warned Hitler to eschew more conquests in favor of "peace before war" via negotiation. Meanwhile the treasury wood Hitler's good will by modifying its 25 per cent penalty against German imports.

Poland prepared to defend her borders at all cost. Rumania decided to avoid an anti-Nazi pact. Japan fidgeted excitedly and complained she did not want war with democracies despite her anti-Com-

ened nations as Ireland and Palestine, which—according to Hitler—have more to fear from English suppression than German aggression. Point-by-point rebuttal:

(1) Mr. Roosevelt pointed to three European and one African nation whose independence has been terminated since 1936. Answer: What is "independence," anyway? Albania, Austria, and Czechoslovakia really had their "independence" terminated after the World war. As for Africa, Mussolini's Ethiopian conquest merely followed a precedence of aggression established by France and Britain.

(2) Has Germany been aggressive? Answer: No, Germany has kept peace since 1918, compared with repeated U. S. intervention in the world's wars.

(3) Has any nation the right to wage war except in self defense? Answer: No, and certainly the U. S. did not enter the World war in self defense, which gives Mr. Roosevelt little right to speak of such matters.

(4) Can world problems be solved via conference? Answer: Yes, theoretically; no, practically. Example is the League of Nations which the U. S. shunned, thereby admitting the failure of peace by conference. Hence Germany followed U. S. example and left the League. The freedom of North America was not solved by conference any more than was the U. S. civil war.

For U. S. citizens, biggest news of the speech was (1) a promise that Germany intended no invasion, (2) a supplication that President Roosevelt take the lead in world peace efforts. For British, biggest news was a very obvious bid for good will despite denunciation of the naval pact.

Postlude. Best opinion held the two-hour harangue a conciliatory refusal of Mr. Roosevelt's appeal. Said Kansas' Sen. Arthur Capper: "After listening to Hitler, I still hope Europe's troubles can be settled by peaceful methods." Informed observers left their loud speakers expecting both the U. S. and Britain to make new overtures, confident that war had been averted for the nonce, but certain above all else that Adolf Hitler positively holds the European whip hand.



SIR NEVILLE HENDERSON Herr von Ribbentrop had fun.

mitern pact with Italy and Germany. The Balkans were apparently a solid Nazi front. With Rome and Paris waiting in strange silence, the world finished its quavering prelude to the most vital speech Adolf Hitler will ever make:

Song. Never a brief speaker, Der Fuehrer took more than an hour to lay foundation for a point-by-point rejection of Mr. Roosevelt's peace plea, a rebuttal he interlarded with fine sarcasm. Biggest pre-sarcasm revelations:

(1) Germany considers the Anglo-French-Polish non-aggression pact unfriendly, therefore denounces its 10-year friendship pact with Poland. But Poland can still have the treaty Germany secretly proposed several months ago, a 25-year friendship pact contingent upon return of Danzig to the Reich and designation of a pathway from Germany to East Prussia through the Polish corridor. In return, Hitler guarantees the Polish corridor and recognizes Polish commercial rights in Danzig.

(2) Treaty or no, Danzig must be returned to Germany.

(3) Hitler denounces the Anglo-German naval limitations treaty, but will gladly discuss the problem to prevent a naval race.

Highlight of the rebuttal was that Germany will give non-aggression promises to each of the nations allegedly "threatened," but that each guarantee will be made individually upon petition and on a basis of absolute reciprocity. Greatest rebuttal sarcasm concerned such "threat-

ened" nations as Ireland and Palestine, which—according to Hitler—have more to fear from English suppression than German aggression. Point-by-point rebuttal:

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WHITE HOUSE: Reorganization

"Dictator" criticism notwithstanding, U. S. governmental reorganization is substantially a sound idea if it promotes economy and efficiency by lumping miscellaneous, isolated and similarly functioning offices under a single administrator. Last year's reorganization bill stumbled partly because it might have given an unscrupulous future President too much power. Modified and passed this session, it allows the President six administrative assistants and permits him to draft reorganization plans which congress must accept entirely or reject within 60 days.

Already submitted is the major portion of Mr. Roosevelt's plan (see chart above) designed "to make democracy work—to strengthen the arms of democracy in peace or war and ensure the solid blessings of free government . . ." Three new agencies (public works, social security, loans) will be managed by three of the six new \$12,000-a-year administrative assistants, each of which will have a \$9,000-a-year assistant administrator. Lacking cabinet portfolio (the original plan contemplated new cabinet posts for security and work agencies), the new administrative assistants will nevertheless be virtually of that rank.

Two more reorganization plans to come will (1) shift bureaus from one department to another, thus securing more logical classifications, and (2) reorganize intra-departmental machinery. Biggest contemplated objective in the latter plan, since dropped, was consolidation of all six of the treasury's investigative units, a step the President finally decided might lead to a U. S. copy of Germany's Gestapo or Russia's Ogpu.

PHILIPPINES: Problem Child

Less than a decade has passed since the U. S. fought Philippine independence demands, but tables have a way of turning. Given congressional assurance of early freedom, Philippine President Manuel Quezon hardly had time to exult before Japan turned imperialistic, swaggered into China and began grabbing off every piece of unprotected real estate within Asiatic waters. Since Japs already hold a strong commercial position in Manila, moreover since even a double-strength U. S. Pacific fleet might not be able to hold the islands against sudden attack, many Americans believe their nation should leave the Philippines before getting involved in war. Added impetus is given by U. S. agriculture's resentment over concessions to Filipino sugar.

Sensing that the U. S. was anxious to pull stakes, Manuel Quezon last year appealed to President Roosevelt and won an administration-sponsored proposal calling for political independence in 1946, the 25 per cent tariff being increased by 5 per cent a year until wholly effective in 1961. Since President Quezon will not be able to attend hearings this year, the bill is being tabled until next session. When he does arrive, Mr. Quezon will be offered an even stronger deal which members of the Senate committee on territories and insular possessions have already accepted unanimously, albeit secretly. The deal: If Filipinos will cut political ties with the U. S. in 1942, current 25 per cent tariff rates will continue until 1946 as under the administration bill. Then rates will jump 10 per cent annually until the U. S. washes its hands of the whole affair in 1953.

Still officially unannounced, the substitute bill (suggested by Maryland's Sen. Millard E. Tydings) has been hushed for fear Japan may sail into Manila immediately, confident the U. S. does not care to defend the harbor Admiral Dewey stormed so heroically in 1898.

BOLIVIA: Democratic Dictator

Forbearers of Bolivia's 35-year-old President German Busch came from the country which supplied his baptismal name, but for two generations Busches have been loyal Bolivians. In 1935 German Busch emerged from the Gran Chaco war



BOLIVIA AND BUSCH His plan may work.

with Paraguay to find his country's government in horrible shape. Friendly to labor and business, boasting strong Catholic support, Youngster Busch became provisional president in July, 1937, when Col. David Toro's "socialistic" state was toppled. Last May he was constitutionally re-elected, beginning a task from which lesser men might have turned away.

Plagued by Nazism and Fascism, bankrupt and facing possible revolution if Bolivia's three Chaco war parties (Liberal, Republican, Socialist Republican) won the May legislative election, President Busch surprised the world by announcing a new type political animal, dictator-type to prepare for "a real democracy."

Observers give German Busch a good chance of succeeding. Having canceled the election, dissolved his congress and abolished constitutional guarantees on the plausible assumption that restive Bolivia does not deserve democracy at this moment, Colonel Busch is the world's first dictator to (1) invite "patriotic" criticism of his regime; (2) reject his cabinet's resignation; (3) view Fascism and Nazism "with pain," and (4) promise an election five to eight months hence to let Bolivia decide its own destiny.

PEOPLE: Shortstop to Cardinal?

Named archbishop of New York to succeed the late Patrick Cardinal Hayes, Most Reverend Francis J. Spellman, 49-year-old auxiliary bishop of Boston whose boyhood friends at Whitman, Mass., remember him as the town's best baseball shortstop and a better-than-average boxer. Forecast: That Archbishop Spellman will also be named cardinal at the June consistory in Rome.

Appointed to the securities and exchange commission, liberal Leon Henderson, 44-year-old former NIRA board man and WPA economist.

Silenced by Scotland Yard, Mrs. Franklin D. Roosevelt, from telling reporters about White House living quarters planned for King George and Queen Elizabeth during their June visit.

Ousted from Rome, Richard Mower, correspondent for the Chicago Daily News, for his "unfriendly" dispatches. Last November 26 another Daily News man, Frank Smothers, was also invited to leave Italy.

Bruckart's Washington Digest

Restore Jobs by Helping in Sale Of Products of Farm and Factory

That Is Philosophy of Head of Export-Import Bank Which Is Doing Good Work in Financing Trade With South America; Outstanding Commitments 229 Millions.

By WILLIAM BRUCKART WNU Service, National Press Bldg., Washington, D. C.

WASHINGTON.—"I am supremely confident of one thing—we are making a dent in the job of getting back some of our foreign trade that was lost to other nations in the last few years. Nobody can be sure that we ever will get all of it back, but I am hopeful because this little institution of ours here is showing that it can function safely and satisfactorily."

That statement, perhaps, is the best summary I can give of the philosophy of Warren Lee Pierson, the president—and pretty largely the heart and soul—of the export-import bank. Likewise, it rather delineates the program of that little-known federal agency; because Mr. Pierson is determined to see American products, farm or factory, moving as of old into the hands of users and consumers in foreign lands. Moreover, to analyze the outlook of the man is to reach a conclusion that he believes the way to restore people to jobs in this country is to assist American farms and factories in the sale of their products.

It is curiously true that some of the federal agencies which are doing important work and doing it efficiently are least known to the general public. They have no staff of press agents; they seldom "break into print," yet they seem to be serving all of the people well.

Department of commerce reports have been showing how our exports have declined through many months. The records give one the impression that the lines on the chart, showing totals each month, are in a race to see which one can dive faster or deeper. I have wondered where we were headed, as a nation of producers. Secretary Hull's reciprocal trade treaties have been getting exactly nowhere; and have done so at enormous speed. Secretary Wallace's ideas for selling our farm products have proved to be nothing but dreams and, like dreams, they vanished the next morning, except that perhaps the next day Mr. Wallace's publicity staff announced another plan.

Solution of Unemployment Is to Encourage Industry

"What," I asked Mr. Pierson, "is the answer?"

His reply was quoted as the introductory paragraph. He seemed fully to recognize all of the difficulties confronting the United States at the moment. Further, there was every evidence that Mr. Pierson is one of the few officials of government who are aware that the solution to our unemployment problem is to assist industry so that it can re-employ workers. Unless industry can be encouraged, it appears that the nation is going to continue with 10,000,000 unemployed as it has for the last few years. I found it refreshing, therefore, to hear Mr. Pierson talk about how a few dozen large factories have been kept open and with relatively full payrolls because the export-import bank was able to help foreign buyers who wanted American products but could not pay cash for them.

For reasons that I will mention subsequently, however, I had some misgivings about the operations of the export-import bank. I doubted that there would be repayment of money advanced by the bank.

"Well, the default is a thing that happens to a greater or less extent wherever credit is extended," Mr. Pierson explained. "If there were never any defaults, there would be no risk attached to banking business. But, unfortunately, that element must be taken into consideration. The fact that there is credit risk is why this export-import bank was organized. Of course, there were other reasons, but the instability of some foreign governments, the lack of exchange and such conditions made it necessary for our government to step in and help those who are trying to export American-made goods."

Collateral Behind Notes Is Guarantee of Payment

"It is to be remembered that goods for export go in larger quantities and that necessarily larger sums of money are needed to handle the transactions. In addition, we have found that, in many instances, the buyers were what can be termed as good credit risks, but they were unable to make payments of such large sums at one time. Nor were the American manufacturers able to wait for three or four or five years. To do so would exhaust their resources. That is where we come into the picture."

"Take a case like this: A South American railroad company wanted to buy some locomotives. Those things cost money. They wanted to pay the bill on an installment basis. We agreed to take about 60 per cent of the notes. Commercial banks with which the manufacturer was dealing agreed to take over the remainder on a short term basis."

All of which sounded very well. But having watched the negotiations with foreign governments over repayment of the loans made by the United States during the World War, I had some misgivings. It seemed that here was another agency doing exactly what Mr. William Gibbs McAdoo had done as secretary of the treasury during the World War. In other words, the futility of ever expecting a payment on foreign loans rather than had been impressed upon me. I told Mr. Pierson of my feelings.

"That cannot be so in our case," he explained. "We have collateral. We have ways of collecting. There are guarantees behind the notes we have received, for example, in the locomotives. We have no fears at all."

The guarantees, the collateral, about which Mr. Pierson spoke, I learned, were in the shape of a bank endorsement. That is to say, one of the South American banks, with deposits in New York and other large cities in the United States, has added its promise to pay to the promissory notes given by the purchaser. Mr. Pierson did not say so, but it became readily apparent to me that, should the South American nation concerned decide to forbid payments to foreigners, as has happened before, the export-import bank, if need be, could grab for the South American deposits in this country. Mr. Pierson gave no intimation that such a course had entered his thoughts.

Concentrate on Financing Exports to South America

At the moment, there seems to be quite a concentration of effort to aid in financing exports to South America. Of course, there have been credits arranged for several places in Europe, too, and also in China. Mr. Pierson is very optimistic about future trade with China. But the bulk of the loans have been in connection with South American propositions.

And the fact that the export-import bank is paying so much attention to South America is important in another way. The fascist dictators, Mussolini and Hitler, are driving hard to gain trade footholds in South America. Having the type of government Germany and Italy have, it is easy for them to make any kind of arrangements desired by using whatever government resources are necessary. It strikes me, therefore, that if the export-import bank is making that dent about which I quoted Mr. Pierson in the opening sentence; if it is gaining a toehold in South America against the high-pressure methods employed by the dictators, then it is performing a great service for the citizens of the United States. It is conceivable, indeed, that extension of credits in the manner described might possibly be the means by which North and South America can be tightly bound to each other in war as well as in peace.

There is another thing about the export-import bank that impressed me. It is operating on borrowed money, of course; and the taxpayers will have to make up any losses because the federal government obviously is morally bound to pay off the bank's bonds if it were to collapse. But thus far in its life, the export-import bank has had no losses. Thus far, it has been able to pay all of its own expenses out of the interest charged its borrowers.

Export-Import Bank Stands To Make Large Profit

And important also is the fact that in the current year, barring unforeseen developments, the export-import bank stands to make a profit of something like \$5,000,000. That ought to be good news to taxpayers during an era when spending money is the first thing to which attention is given. I believe that fact will impress you as much as it impressed me.

Mr. Pierson told me that the bank has made commitments, now outstanding, of slightly more than \$229,000,000. That is to say, the bank has agreed to help finance exports to that extent, provided the terms are met, and it must not be overlooked that the bank is rather hard boiled. Mr. Pierson pointed out that the export-import bank had to be really as careful as any commercial bank, but it can do something the commercial banks cannot do—make longer-term loans. Those are the loans represented in the \$229,000,000.

The figures showed that \$67,000,000 actually has been paid out to borrowers in financing foreign trade and, of this amount, repayments under the terms of the loans have amounted to \$38,000,000. Which is to say that of the loans outstanding, well over half have been liquidated in orderly fashion.

That is the record to date, and Mr. Pierson repeated that a dent has been made with a comparatively small sum of money.

New Play Dress and a Bolero Ensemble

JUST see how much playtime fashion this one design (1557) gives you. The backless, slim-waisted play suit is perfect for summer sports. Wear the skirt with it, and you have a smart daytime dress. Add the bolero, too, and you have a charming little suit. Make this of linen, broadcloth, sharkskin or percale, and trim it with gay ricrac braid.

Bolero Ensemble With Bows. The bolero dress with princess skirt (1731) is one thing you simply must have. It's so useful for



street and afternoon wear both, and extremely becoming, with its slim-waisted silhouette, wide revers and bow trims. Flat crepe, silk print, georgette and strept cottons are good choices for this.

The Patterns.

No. 1557 is designed for sizes 12, 14, 16, 18 and 20. Size 14 requires 5 1/2 yards of 35-inch material; 10 yards of ricrac braid to trim.

No. 1731 is designed for sizes 12, 14, 16, 18 and 20. Size 14 requires 5 1/2 yards of 39-inch material; 2 1/2 yards of ribbon for bows. New Spring-Summer Pattern Book

Send 15 cents for Barbara Bell's Spring - Summer Pattern Book! Make smart new frocks for street, daytime and afternoon, with these simple, carefully planned designs! It's chic, it's easy, it's economical, to sew your own. Each pattern includes a step-by-step sewer chart to guide beginners.

Send your order to The Sewing Circle Pattern Dept., 247 W. Forty-third street, New York, N. Y. Price of patterns, 15 cents (in coins) each.

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SAFETY TALKS

Driving Ability

THE National Safety council reports that automobile drivers reach the peak of their skill and ability after 20 years of age. Recent studies, said the council, indicate that drivers under 20 years of age have the highest accident rate. This rate decreases quite steadily to the age of about 50, and then increases sharply.

HEADACHE?

Here is Amazing Relief for Conditions Due to Stagnant Bowels. If you think all laxatives are alike, just try this all vegetable laxative. No mild, thorough, reliable, headache, bilious spells, tired feeling when associated with constipation. **Without Risk**! Get a 25¢ box of N.R. from your drugist. Make the test—then if not satisfied, return the box to us. We will refund the purchase price. That's fair. Get N.R. Tablets today.



ALWAYS CARRY QUICK RELIEF FOR ACID INDIGESTION

Prompt Prudence Prudence is of no service unless it be prompt.—Francis Bacon.

How Women in Their 40's Can Attract Men

Here's good advice for a woman during her change (usually from 35 to 42), who fears she'll lose her appeal to men, who worries about hot flashes, loss of pep, dancy spells, upset nerves and moody spells. Get more fresh air, 8 hrs. sleep and if you need a good general system tonic take Lydia E. Pinkham's Vegetable Compound, made especially for women. It helps Nature build up physical resistance, thus helps give more vivacity to enjoy life and assist calming jittery nerves and disturbing symptoms that often accompany change of life. WELL WORTH TRYING!

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