

CURRENT EVENTS IN REVIEW

By Edward W. Pickard

New Federal Reserve Board Takes Office

FIVE of the members of the new federal reserve board were inducted into office with due ceremony. A sixth, Ralph W. Morrison of Texas, was to arrive later and be sworn in. The seventh member had not yet been named by President Roosevelt.



Marriner S. Eccles

Reconstruction Finance Corporation, and Joseph A. Broderick of New York.

The reserve board, which has been called "a supreme court of banking," has powers unparalleled in American financial history. Among these is authority to double present margins that member banks are required to maintain against deposits; the dominant voice on the open-market committee—which charts the system's participation in the government bond market, and over which it had no authority under the former law; power of veto over the heads of the various reserve banks which insure the selection of a president who will co-operate with the board, and the power to fix margins governing relations between banks and brokers.

President Asks Repeal of Three AAA Acts

IN A surprise message to congress President Roosevelt recommended the prompt repeal of three acts auxiliary to the AAA. These are the Bankhead cotton act, the Kerr-Smith tobacco act and the potato control act. The first named is the only one whose enforcement has been attempted and its validity is up for decision by the Supreme court. In view of the court's decision invalidating the AAA it was agreed by everyone that there was no value in keeping the three auxiliary acts on the books.

New Farm Program Bill Comes Up in Senate

WHAT is known as the Bankhead-Jones bill for soil conservation, the administration's substitute for the AAA, was given the hesitant approval of the senate agricultural committee by a vote of 15 to 2, although Chairman Ellison D. Smith of South Carolina said he "personally had some doubts" as to its constitutionality. The measure would enable the secretary of agriculture to remove 30,000,000 acres from cultivation and give him even wider powers than he had under the AAA. It was evidently headed for a hot debate on the senate floor.

Dickinson Also Has Program to Save the Farmer

EVERY Presidential possibility these days must have some plan for the salvation of the American farmer. Senator L. J. Dickinson of Iowa, often mentioned for the Republican nomination, now brings out his permanent farm program which he says would divorce the farm problem from "bureaucratic control" in Washington. His plan would embrace erosion control, soil conservation, and restoration of fertility of lands. Administration would be handled jointly by the states and the federal government in a manner similar to highway construction.

The Dickinson program, similar to that advocated by former Gov. Frank O. Lowden of Illinois, includes payment of the balance due signers of AAA contracts, a higher tariff on farm products, continued corn loans, and extension of farm mortgages at a low rate of interest.

Inflationists Ready for Battle in Congress

INFLATIONISTS in congress, led by Senator Thomas of Oklahoma and Representative Patman of Texas, were all prepared to wage a great battle to force the printing of new money. They were just waiting for the introduction of a new tax program, declaring they would try to block such legislation if it were attempted. It was believed that, if the tax issue were not raised soon, the fight would start over the Frazier-Lemke farm mortgaging re-financing bill.

The forces behind this bill, which calls for the refinancing of farm indebtedness on easy terms through the issuance of up to \$3,000,000,000 in new money, had succeeded in getting 215 signatures on a petition to force a vote in the house. Only 218 were needed and its backers were pressing for the three names.

Administration leaders were confident they could defeat the inflationists by a wide margin.

The tentative tax program being considered by the administration calls for 500 millions of excise taxes for subsidies to the farmers and 230 millions of taxes of an undetermined character to "amortize" the soldier bonus in ten years. The 500 millions of excise taxes are not considered "new" taxes for the reason that they would take the place of the processing taxes levied under the defunct AAA.

United Mine Workers Defy William Green

UNITED Mine Workers of America, in convention in Washington, shouted boisterous defiance at William Green's plea that they drop their campaign for industrial organization.

The A. F. of L. president opened his speech before the 1,700 delegates from the coal pits with a plea for co-operation to prevent a split in the ranks of American labor. The A. F. of L., which favors the craft (or skilled worker) unions, had ordered the miners, led by John L. Lewis, to abandon their committee working for industrial unions.

But as he warmed up to his subject, Mr. Green clashed more directly with the views of the miners and the scattered applause which had greeted his remarks changed to boos and shouts of opposition.

When Lewis arose to reply to Green he was given the support of almost every delegate in the hall.

Eastman Plans to Unify Terminal Facilities

JOSEPH B. EASTMAN, co-ordinator of transportation, is trying to wipe out an estimated annual waste of \$50,000,000 in railroad terminal operations, and announced that he would soon order the unification of terminal facilities in eleven cities. This, he figures, will save the affected railroads at least \$800,000 annually. Mr. Eastman had tried unsuccessfully to have the carriers make the changes voluntarily.

The unifications will be ordered at Worcester, Mass.; Mechanicsville, N. Y.; Grand Rapids, Mich.; Jacksonville, Fla.; Montgomery, Ala.; Meridian, Miss.; Freeport, Ill.; Des Moines, and Council Bluffs, Iowa; Beaumont, Texas, and Ogden, Utah.

After the first group of orders, Eastman said that, if necessary, he was prepared to compel "other steps of increasing magnitude," but would "stand aside if railroads are able to produce their own momentum."

Unless extended by congress, Eastman's office will expire in June. He has recommended that it be continued at least five years.

Neutrality Bill Seared by J. Bassett Moore

ENCOURAGEMENT was given opponents of the administration neutrality bill by the severe castigation of the measure by John Bassett Moore, former member of the World court. His statement was presented at a secret meeting of the senate foreign relations committee but was made public by Senator Johnson of California, who doesn't like the bill.

Calling it "a curious blend of homicidal with suicidal mania," Mr. Moore caustically denounced the bill, which would continue the present mandatory embargo on arms and munitions shipments to belligerents, but give the President discretion in limiting certain other exports to peace-time levels.

"The homicidal mania," Moore said, "glares in the proposal to try to starve other peoples who engage in war; the suicidal mania gleams in the proposal to demoralize and destroy our commerce in order that peoples at war may not be nourished by what we produce."

Especially vehement was his attack on the section giving the President discretion to curb the shipment of such war materials as steel, oil and cotton.

Kansas Republicans Offer Landon for Nomination

KANSAS Republican state committee members, the Kansas Day club and many party leaders from the Missouri valley region, celebrating Founders' day in Topeka, presented to the country Gov. Alf Landon of Kansas as their choice for the Republican Presidential nomination. In a speech to the banqueters the governor told what he hoped to do for the nation if he were nominated and elected. Refraining from "substituting epithets for arguments," he offered a program for ending federal extravagance and restoring prosperity.

Replying to the query "What would you do?" Mr. Landon proposed relief for agriculture through a soil conservation program with the honest purpose of saving the fertility of American farms and not merely that of providing a blind for further dispensation of AAA checks.

Gov. Landon

Lindbergh Case Reopened by Governor Hoffman

ON ORDERS from Gov. Harold G. Hoffman of New Jersey, further investigation of the Lindbergh kidnaping and murder case has been started. Col. H. Norman Schwarzkopf, head of the state police, assigned two of his star detectives for the inquiry, and has enlisted the aid of federal investigating agencies and the New York police.

The governor wants the investigation to be painstaking and thorough. The reprieve which he granted Hauptmann will expire on February 15. After that date at least four weeks, and perhaps five, will elapse before the date for the execution which will be ordered by Justice Thomas W. Trenchard, who presided over the trial.

The governor believes that by that time his power of reprieve will have expired in this case, and he will not grant another unless Attorney General David T. Wilentz concurs. Unless new developments warrant it, the attorney general will not agree to further delay in the execution.

Talmadge Boom Launched in Georgia Meeting

TWO thousand or more "grass roots" Democrats, representing 17 southern and border states—though most of them were Georgians—were assembled in Macon, Ga., and with wild yells launched the boom of Gov. Eugene Talmadge for the Democratic Presidential nomination.



Gov. Talmadge

New Deal. Talmadge, though highly elated declined to comment or to make any announcement at the time.

The platform adopted by the meeting called for preservation of the Constitution, of state sovereignty and of the American form of government. It accused President Roosevelt of abandoning faith in the Constitution and the doctrines of Thomas Jefferson and of "repudiating, abandoning, and side-tracking" the platform on which he was elected in 1932. It said:

"We do not regard the occupant of the White House as a Democrat.

"He has broken the pledge of our party and violated the platform of 1932.

"We here today affirm our faith in that doctrine."

It is not easy yet to establish the possible results of the Talmadge movement. The administration leaders refuse to take the Georgia governor seriously or to admit that he can imperil their control of any of the southern states.

The situation in the South is further complicated by the sudden death of Gov. O. K. Allen of Louisiana. He was the devoted and complaisant adherent of Huey Long and had been selected to fill out the unexpired term of the late senator. Lieutenant Governor Noe succeeded to the governorship, but who will now be the leader of the Long forces was not immediately determined.

League Experts Study Oil Embargo Problem

WHETHER an oil embargo against Italy could be made effective was the knotty problem confronting a League of Nations committee of experts that met in Geneva. About a dozen countries were represented, but Poland refused to take part on the ground that it exports no oil to Italy, but only to Czechoslovakia.

League authorities said the investigation into practical possibilities of enforcing an oil embargo against Italy, in addition to the present war penalties, was likely to center to a large degree on the attitude of the United States.

These sources conceded uncertainty as to whether such an extension of sanctions could be effective if the United States administration applied no oil embargo at all, or limited oil exports to Italy to a definite known amount.

Progress of Mussolini's War in Ethiopia

RECENT heavy fighting in the Temben mountains in Ethiopia resulted in the death or wounding of some six hundred Italians, but Rome announced that the natives were finally completely routed. In the southern sector the invaders with their swift motorized columns succeeded in driving the forces of Ras Desta Demtu 80 miles further back along the Ganale Doria river toward Alatta. The Italians said the Ethiopians were retreating in panic but still fighting fiercely. This reverse was admitted at Addis Ababa and it was announced the emperor was sending strong reinforcements to his son-in-law, Ras Desta.

Death of Gen. Konydis, "Strong Man" of Greece

GEN. GEORGE KONDIS, "strong man" of Greece and leader of the coup d'etat by which the monarchy was restored, died suddenly of a heart attack complicated by asthma.

His associates said his death possibly was brought on by the defeat of the Konydis political group in the general election in which the Liberal Venizelists won control of 142 of the 300 parliamentary seats. King George and all the high military and political leaders joined in final homage to the dead general at the state funeral accorded him.

Kondylis was premier and regent after the restoration was voted, but resigned from office when he disagreed with the king over political issues.

Washington Digest

National Topics Interpreted By WILLIAM BRUCKART NATIONAL PRESS BLDG. WASHINGTON, D. C.

Money Dominates

Washington.—If ever there was a time other than when the nation was at war when money dominated the situation at Washington, it assuredly is now. One can go where he chooses about the government departments, to the White House or to Capitol Hill and the subject under discussion is or soon will be money.

A year or so ago, we heard a great deal about money. We heard of it in connection with an appropriation of \$4,880,000,000—the greatest single peace-time voting of money in our history. And, likewise, we heard money discussed when the President used his power to devalue the dollar in its relation to gold.

Now, however, the subject of money is discussed in a slightly different vein. The question that is paramount is how can the government get the money it needs. In other words, we are now getting around to the question of taxation, and it is a question that neither the President nor his lieutenants in congress like to face. It is an election year and a tax increase in election year is not what the politicians would call smoothing the highway of a campaign.

Passage of the legislation providing immediate payment of the veterans' bonus brought conditions to a head. The President vetoed the bonus bill and congress promptly overrode that veto. So the President promptly told congress that something had to be done about it; that the only funds the treasury could muster would be by borrowing and that since congress had yielded to the vocal minority represented by the greatest lobby ever to populate the Capitol, it thereby captured for itself a problem of raising the money.

Of course, the President must assume some responsibility even though he vetoed the bonus for the reason that some of the funds which must be raised will go to pay the crop control benefits or bonus resulting from invalidation of the processing taxes and the Agricultural Adjustment act. The President, as well as the political leaders in congress, want to continue that payment and they also want to pay farmers on commitments previously made because they regard them as moral obligation under the AAA contracts. Yet the country is likely to think in terms of the bonus for the war veterans and pay little attention to the smaller amount scheduled to go to the farmers and, indeed, the veterans' bonus is almost six times that which the administration desires to pay to the farmers.

There was in this situation a development to which I believe attention should be called.

"It's Up to Henry"

Through many years congress has been an easy spender. Through the same years it has avoided at every turn laying taxes to offset the money it voted out of the treasury. Under the Roosevelt administration the peak of easy spending has been reached and congress has gone along with a vociferous "aye" on every spending proposal sent to the Capitol from the White House. The congressional attitude to which I have referred came up in bulk at the time of the bonus veto. Every time a bonus opponent inquired where the government would get the money to pay the two and one-half billion to the veterans, the answer from the bonus supporters was, in effect, "it's up to Henry."

I can recall a familiar slogan, current when I was a boy, that was used always when one desired to shift responsibility—to pass the buck. It was "let George do it." In the bonus controversy, Senator Bankhead, Democrat of Alabama, was the first member of congress whom I heard say "it's up to Henry." He meant that the job of raising the money belonged to Henry Morgenthau, secretary of the treasury, but Senator Bankhead spoke more than his own feelings when he made the statement. He put into words a thought which permeated the minds of a vast majority of unthinking representatives and senators.

Perhaps I should not say unthinking because those men were, in truth, thinking very deeply. Their thoughts, instead of turning to song in the spring, were turning to votes in November. That was the reason for passage of the bonus. Senators and representatives seeking re-election were afraid to go into the battle for nomination and re-election this summer and have war veterans drag out the skeleton of a vote in opposition to immediate payment of the bonus.

It will be a long time before those who voted for the bonus can live it down. A keen political maneuver has something in it that calls for admiration but an obvious political maneuver such as was the passage of the bonus did not give any reason for commendation except, perhaps, the justification that if the Roosevelt administration was committed to passing out hundreds of millions of dollars on bono-dogging and other more or less useless projects, then the war veterans were entitled to be paid now the sums which congress promised them would be paid in 1947. That really is a powerful argument but if Roosevelt supporters make that argument they are at the

same time damning the New Deal spending policies, so I fancy that such an argument will be rarely advanced.

May Be No Tax Bill

It is entirely probable that there will be no tax bill this year unless the President's letter to Speaker Byrnes pointing out the necessity for raising revenue causes an unheard of number of senators and representatives to do a flip-flop. No imagination is required to see that a representative or senator is in a tough spot when he goes back home asking the suffrage of his constituents and must tell them at the same time that he added to the tax burden which they must pay.

Well, if that be true, how is "Henry" going to get the money? It will have to be borrowed and it will have to be borrowed on government bonds which add up into an increasing government deficit. It means that instead of a deficit of around three billions in the next fiscal year, the treasury will be confronted with a deficit of more than five billions and the public debt, in the meantime, will have been correspondingly increased. It means, in addition, that the banks of the country will have to pile more government bonds on top of the government bonds they have thus far absorbed in financing a policy of spending our way out of the depression.

The tragedy of the situation in congress that brought about Senator Bankhead's remark of "it's up to Henry" is that it indicates that congress has been looking upon the treasury as a source of revenue. It is not and it never has been. Government is non-productive. It can get funds only by taxation, by taking them away from the people—or by borrowing and if it borrows it has to pay back. In either event, new taxation must come and if congress doesn't have the nerve to pass tax legislation in this session, it must lay taxes in the next session.

Campaign Starts Early

The newspapers throughout the country have been full of reports concerning the early start of the political campaign. The Al Smith speech, coming from the man who made it, brought about a sudden expansion in the political fire. It really opened up the fight and henceforth we are due to be surprised with this claim or that, this charge and that denial or counter-charge, as the various leaders marshal their forces.

Thus far, in addition to President Roosevelt's Jackson day speech to the \$50-a-plate diners and Mr. Smith's Liberty league dinner outburst, we have had active campaigning by former President Hoover, by Governor Talmadge of Georgia, by Senator Borah, the Idaho Republican; by Governor Landon, the Kansas Republican, and by Senator Robinson of Arkansas, the Democratic leader in the senate, who spoke in reply to Mr. Smith. Others are in the offing for the Republican and Democratic national committees are engaging radio times in a big way.

As speeches and statements increase in number, and as fanfare grows louder, I find myself getting a bit callous to them all. I have been wondering whether the American people have lost their sense of humor completely, because the situation really has a humorous side. Unless the people's sense of humor has been dreadfully seared, it seems to me they ought to be highly amused over ridiculous statements now being made on one side of the fence or on the other. Take, for instance, Mr. Roosevelt's handwritten bonus veto message. It presented something a bit unusual because in my time in Washington it had happened only once before that a President vetoed a bill with a handwritten message to congress. Of course, it was intended to be dramatic—and it was. But the point is this: A year ago when congress passed the bonus the President made a personal appearance in the halls of congress and read his own veto message. He made his vigorous fight and he rallied his supporters in line to sustain his veto. There has been so much talk around Washington since the handwritten message went to congress that the President really was not vigorously opposing passage of the bill over his veto that I am coming to believe that was true. In other words, he thought that immediate payment of the bonus was wrong but he had a weather eye out for the forthcoming campaign and the votes the bonus might bring.

Then consider the activity of Senator Borah. I believe the Idaho senator is too smart to feel that he can be the Republican nominee against Mr. Roosevelt, but he is going through all manner of gyrations just the same. He has purposes and objectives in mind, obviously, but they are not the Republican Presidential nomination as he leads his various audiences to infer. It is to be recalled that Senator Borah has not at any time actually said he was a candidate. We have also the circumstance of Senator Robinson replying to Al Smith over the same radio and through substantially the same number of broadcasting stations.

© Western Newspaper Union.

All Around the House

Cacti plants grown in the house should be given air and light. To water set pots in a pan of water and do not remove until soil has become moist.

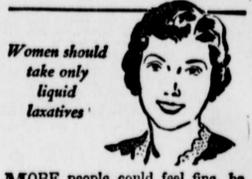
Apply paint remover with a brush. When paint begins to curl remove with a putty knife. Remover takes time and cannot be hurried.

When poaching eggs let water come to a full rolling boil, drop eggs into it, turn out gas and eggs will finish poaching in the boiling water.

Dr. Pierce's Pleasant Pellets are the original little liver pills put up 60 years ago. They regulate liver and bowels.—Adv.

Push It Aside When you meet trouble, just go ahead. Often, it skedaddles.

IT WORKED FOR ME



Women should take only liquid laxatives. MORE people could feel fine, be fit and regular, if they would only follow the rule of doctors and hospitals in relieving constipation. Never take any laxative that is harsh in action. Or one, the dose of which can't be exactly measured. Doctors know the danger if this rule is violated. They use liquid laxatives, and keep reducing the dose until the bowels need no help at all. Reduced dosage is the secret of aiding Nature in restoring regularity. You must use a little less laxative each time, and that's why it should be a liquid like Syrup Pepsin. Ask your druggist for a bottle of Dr. Caldwell's Syrup Pepsin, and if it doesn't give you absolute relief, if it isn't a joy and comfort in the way it overcomes biliousness due to constipation, your money back.

Yawn Explained A yawn is only a gap in the constellation.

VEGETABLE CORRECTIVE DID TRICK

They were getting on each other's nerves. Intestinal sluggishness was really the cause—made them tired with frequent headaches, listless spells, but that is all changed now. For they discovered, like millions of others, that nature provided the correct laxative in plants and vegetables. Tonight try Nature's Remedy (N.R. Tablets). How much better you feel—invigorated, refreshed, important—you do not have to increase the dose. They contain no phenol or mineral derivatives. Only 25c—all druggists.

CLASSIFIED ADS

ELECTRIC LIGHTS Wind driven. You build them. Write Wind Motor Electric, Ridgway, Montana.

AGENTS to sell high grade all purpose Cream. Sample 2 oz. Jar, 25c. Postpaid. Write for particulars. First name and address. MacDonnell Laboratory, 89 Lakewood St., Worcester, Mass.

A Three Days' Cough Is Your Danger Signal

No matter how many medicines you have tried for your cough, chest cold or bronchial irritation, you can get relief now with Creomulsion. Serious trouble may be brewing and you cannot afford to take a chance with anything less than Creomulsion, which goes right to the seat of the trouble to aid nature to soothe and heal the inflamed membranes as the germ-laden phlegm is loosened and expelled. Even if other remedies have failed, don't be discouraged, your druggist is authorized to guarantee Creomulsion and to refund your money if you are not satisfied with results from the very first bottle. Get Creomulsion right now. (Adv.)

CHERRY-GLYCERINE COMPOUND

For Coughs due to Colds, Minor Bronchial and Throat Irritations JAS. BAILY & SON, Baltimore, Md.



Beauty is more than skin deep. Ask your doctor. Ask the beauty expert. GARFIELD TEA—a cup nightly—often does more for your skin and complexion than costly cosmetics. Expels poisonous body wastes that clog the pores and eventually cause muddy, blotchy, erupted skin. A week of this natural "beauty treatment" will astonish you. Begin tonight. Brooklyn, N. Y. (At your drug store) GARFIELD TEA A Splendid Laxative Drink