

The Washington Merry-Go-Round

DREW PEARSON and ROBERT ALLEN

'CROQUET CLIQUE' AND FRANCO LOAN

WASHINGTON.—The inside story of how the career boys nearly put over the \$100,000,000 credit to Fascist Spain indicates the strength of "the croquet clique" inside the state department. This is the group which plays croquet almost every evening with Cordell Hull, and is equivalent to the "Cliveden set" in England.

As a matter of fact, it was a part of the old Cliveden clique—Lord Halifax and Sir Samuel Hoare—who started the idea of helping General Franco. Sir Samuel Hoare is now British ambassador to Spain, and it was he who sold the idea to American Ambassador Weddell, long famous for his ability to follow rather than lead.

Lord Halifax and Hoare apparently thought it would be smart politics to get the United States to lend a hundred million dollars to Spain, in which case Britain might win a few months of Spanish neutrality and certainly could not lose—since only American money would be invested.

So Ambassador Weddell had several talks with General Franco and later sold the idea to some of his friends in the state department, notably Assistant Secretary Breckinridge Long and James Dunn. Jimmy Dunn, adviser on political relations, today has become one of the most important figures in the state department. For he is Cordell Hull's chief croquet partner. In fact, it is on Jimmy Dunn's lawn that many of the croquet matches take place.

So Jimmy Dunn sold the idea of the Spanish credit to his croquet partner, and for a time it looked as if Mr. Hull would put it across. It was at this point that Under Secretary of State Sumner Welles stepped into the picture. He communicated direct to the President who at that time was away on his Caribbean cruise.

Roosevelt agreed with Welles that to throw a hundred million dollars into the lap of Fascist Spain would be extremely unwise. However, a compromise finally was worked out, largely for the purpose of saving Mr. Hull's feelings, since he had already gone rather far out on a limb in favor of the Spanish credits.

Therefore the Red Cross will send a certain amount of food and medical supplies to Spain. How much this will be remains to be seen, but the croquet clique will see that it is enough to keep Franco in power despite the rising tide of discontent among the Spanish people.

HIGHWAY HITCHES

One major item of the new defense budget to be submitted to congress in January is a system of super-highways linking key industrial centers. The plan calls for the greatest road building program in the history of the country.

Elimination of transportation bottlenecks, such as prevailed during the World war, is one goal; also the problem of conflicting state highway laws which are a serious impediment to defense.

For instance, the war department entered into a contract with a truck line last summer to transport small arms and ammunition from Chicago to Sparta, Wis., where maneuvers were being held. It was a rush order, but was held up because the trucks didn't conform to Wisconsin limitations. In another case building materials for an urgently needed powder plant in Indiana were delayed because of highway statutes.

In an effort to unravel the maze of state traffic rules, the interdepartmental committee on interstate trade barriers has surveyed 301 statutes. Thirty-nine state legislatures meet in January, and defense authorities plan a vigorous drive to persuade them to remove these defense obstacles. The highway report has already been sent to the legislative heads of Kentucky, Louisiana, Mississippi, Nebraska, New Jersey, New York, Rhode Island, South Carolina and Virginia.

Federal officials want the states to solve the problem themselves, but if they don't, congressional action will be sought under the constitutional prohibition against interstate commerce barriers. Such a move doubtless will stir up the hot opposition of railroads, who favor the existing system as an aid in fighting truck competition.

MAIL BAG

L. K., St. Louis—Senator Clark's isolationist views are completely consistent and sincere; doubtless going back to similar views held by his father, the celebrated Champ Clark. Senator Clark always has been an ardent opponent of war. He had a distinguished record in the last war.

J. H., Muncie, Ind.—Secretary of Labor Perkins is not foreign born; she was born in Boston, Mass., April 10, 1882.

MERRY-GO-ROUND

In speaking Spanish, Henry Wallace has difficulty with the words meaning "Swiss" and "Swede." Result is he sometimes refers to his Swiss brother-in-law as a Swede.

Everybody who enters Justice Murphy's chambers in the Supreme court is asked by his secretary to sign a guest book.

GENERAL HUGH S. JOHNSON Says:

Washington, D. C. MILITARY BURDEN

It is astonishing to find in my mail and to hear in talk—most recently here among leading industrialists at the convention of the National Association of Manufacturers—a sort of half-formed opinion that if we can keep out of war, either by aiding Britain to preserve her empire by some sort of peace acceptable to her, or by aiding her to do much more, we can avoid the continuing necessity and burden of maintaining an army and navy invincible in every area in which our national safety is or may be endangered.

That is a cruel illusion. We have slept too long on our rusting arms. Force and not good faith is the rule in the world today. It is only realistic for us to recognize that. With its resources reasonably organized and mobilized for war, this is the strongest nation on earth. Stronger than any probable combination of other nations.

Considering its strategic position behind two oceans, it can become impregnable in this hemisphere. But it can do so only if it is and remains so organized and mobilized. It can do so only if it confines its defense to the areas in which its strategic territorial advantage exists.

At this war-dance stage of world conflict, as in any war, leaders on both sides say their only war aims and the only basis of peace is the complete destruction and subjugation of its enemy. In the present balance of power that is most unlikely. Hitler, with the military equipment of all Europe accumulated in many countries through years of rearmament in his hands and his heel on the necks of all the fighting peoples, is little likely to be completely disarmed on land in Europe without a vast internal upheaval, which now seems unlikely.

Yet Hitler, with little distant naval strength and many strategic and territorial handicaps, is little likely completely to destroy either the British navy or the British empire.

Suppose this is wrong. Suppose a peace of complete conquest, subjugation and revenge were imposed upon either side as it was at Versailles or a century earlier at Vienna. Would either result—a conquered peace or a negotiated truce—create a condition, in which, after both these lessons, we could ever rely on anything less than our own strength completely adaptable to any military or naval problem in our own defense in this hemisphere?

It is a vain hope. We should aid Britain to the full extent that does not involve us in a war for which we are not remotely ready, carrying financial obligations that could ruin us and with an equally important qualification—to the full extent that it can be done without postponing our own rearmament for any eventuality—all-out rearmament on land, sea and in the air and all-out preservation of our great financial and industrial solidarity and strength.

We are not following this rule, or we are following it too slowly with too many exceptions and too many blunders. Every informed observer in Washington knows that our defense program of production is about 30 per cent behind the most pessimistic advance schedules.

DEFENSE PRODUCTION

Bill Knudsen's speech at the National Society of Manufacturers was like a breath from a mountain top on a muggy day. He was a practical production man talking their language. He was an honest man mixing the bitter with the sweet and handing it out with the bark off.

Production lags. Our machine for defensive manufacture is not on an all-out basis. It doesn't mean anything to report the production of so-and-so many airplanes or ships unless you tell what types you are talking about. Some are big and complicated. Some are little and simple.

Two years before he was called to Washington, or even mentioned elsewhere for that purpose, this column began to urge that the government make use of Mr. Knudsen in the speciality in which he is a veritable genius. That speciality is the mechanical aspects of production in the American model of vast mass output through factory organization and method. The present program, now that so many of the contracts have been placed, is now moving into exactly that phase. In that phase you could sift America with a fine-meshed sieve and find no better man for that job.

But that is not the whole job. It is only one part of the whole job. The whole job is insurance of the flow of materials, power, labor, finance and transportation. It is careful watchfulness of the procurement program of the various government agencies themselves to keep them in balance and to prevent duplications, cross-wires, counter-bidding and waste-through-haste.

It is also a constant vigilance for the supply of civilian needs. Military and naval needs must have an absolute right of way, but we should not create hardships elsewhere.

WHO'S NEWS THIS WEEK

By LEMUEL F. PARTON (Consolidated Features—WNU Service.)

NEW YORK.—This writer happened to be down in Elizabethton, Tenn., in 1928 when Edward F. McGrady was kidnapped from his hotel in the middle of the night. McGrady was put down in the wilderness and told to keep going. He was an A. F. of L. representative, organizing the rayon mill workers. He walked straight back to town, met his assailants, and explained to them there had been a mistake. Always dapper, smiling a wry smile, he never so much as lost the crease in his trousers in this adventure. The vigilantes bought him a drink.

Nobody knows the trouble he's seen, but he's straightened out a lot of it, too, and now at 68, he becomes the special labor aide to the army as special labor consultant to Secretary Stimson. He has held down many a sizzling-hot lid of labor strife and, respected by ownership for wise counsel and fair-dealing, he is equally respected by labor as a hard-hitting contester for its rights.

It was in September, 1937, that he was upped 53 stories to a mahogany and mono-metal office and a salary of \$25,000 a year as director of labor relations for the Radio Corporation of America. His singular success as a labor conciliator during the preceding five years, while assistant secretary of labor, lay in keeping the friendship of both sides. But no one ever called him a yes man. He is hard-headed and tough-minded.

He was a newsboy in one of the sleaziest of Boston slums. He became a newspaper pressman, and a union organizer. Samuel Gompers sent him to Washington, where he remained 14 years as the legislative agent of the A. F. of L.

His habits of speech, never bookish or turning to double-talk, have had much to do with his success in clearing up what he calls "misunderstandings." In short, hard-hitting words, he has preached the responsibility of labor to co-operate and produce, as well as bargain, along with the responsibility of ownership to give the worker a fair break. He was assistant administrator of the NRA under Gen. Hugh Johnson. In his new post, he serves without salary, having been partially released from his duties by President David Sarnoff of the R. C. A.

PORTUGAL'S austere, ascetic little \$2,500-a-year dictator, Dr. Antonio Oliveira Salazar, is the shrewdest man in the business, when it comes to

One for Ripley—Dictator Disliking Uniform, Oratory

keeping out the influence of bad trouble, and making a general showing of solvency and peace. Just now, reports from Europe that he is putting out peace feelers are interesting if not important. He is on middle ground. With his co-dictators, he has assailed democracy, but his country has been for centuries more or less in British leading strings, and he is charged with none of the brutal excesses of the other Continental tyrannies. It was in May of last year that he made a sharp break with Italy and Germany and swung into the British orbit.

In 1928, when Gen. Antonio Carmona seized power, he summoned the acidulous, little, bespectacled professor to take a hand in the government. Dr. Salazar said it would be all or nothing. With the understanding that England would continue its benign mandate over Portugal, he took over as premier.

He dislikes uniforms and never wore one, and dislikes oratory even more. He has made four short speeches in the 12 years of his premiership. By cutting out all social reforms, and curtailing expenditures for public health and education, and by developing a guild system of his own devising, he has conserved resources and cut down the external debt. There is a disagreement as to what has happened to the internal debt. His critics say it has risen sharply and that real wages and the standard of living of his people have been lowered.

Right at the start of his regime, there were complaints from tourists that Portuguese hotels were infested with fleas. Dr. Salazar, a recluse with no fear of detection, tried out one of the hostilities and didn't get much sleep. The next day, there was an official decree, with ribbons, a wax seal and everything, fixing a \$25 fine on hotel keepers for each flea caught. This decree, like all his others, was signed, "Professor of Finance in the Law Faculty of Coimbra University." He is a non-smoker, a teetotaler, and a vegetarian.

Thirteen Killed by Explosion



Members of four families in Cincinnati, Ohio, were blasted out of their beds by a pre-dawn explosion that wrecked a three-story downtown tenement building, and killed 13 members of five families. A dozen others living on upper floors were injured. Photo shows firemen removing injured victim from the scene of the explosion.

Told to Leave U. S.



Princess Stephanie Schillingfurst has been ordered expelled from the United States by the department of justice. She was once known as London's leading Nazi hostess.

British Pack a Blenheim Bomber



This scene, somewhere in Egypt, shows a ground crew packing a bomb bay of a Blenheim bomber with a cargo of death and destruction. Planes like this have been battering the Italian base of Bardia, a port and key Fascist base 15 miles inside of Libya, as the British blitzkrieg sweeps on in its counter-invasion of Italian Libya.

May Be New Envoy



Norman Armour, U. S. ambassador to Argentina, who is reported being considered by President Roosevelt as a successor to Joseph P. Kennedy, as U. S. envoy to England.

Commanders of Four U. S. Air Districts



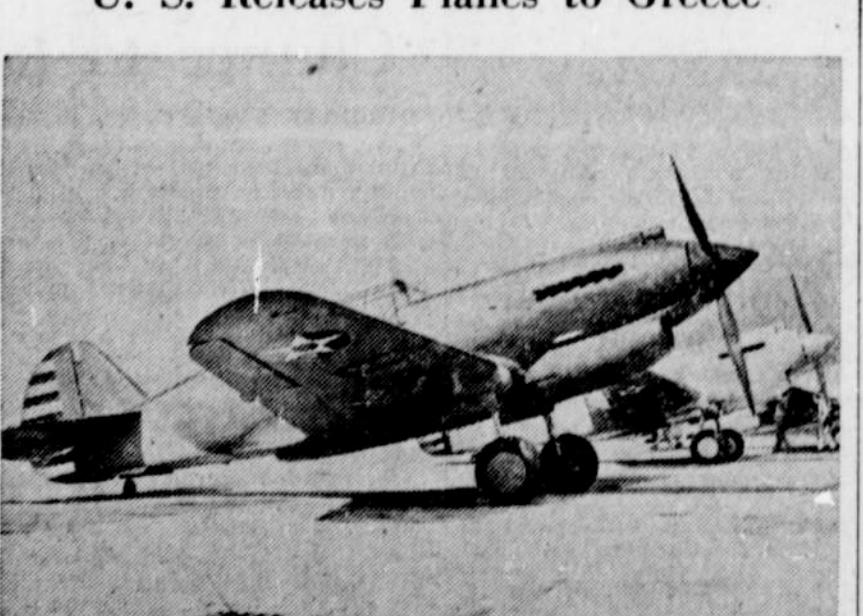
The four major generals in command of the four air districts into which the United States has been divided are shown here. Top, left, Maj. Gen. B. K. Youni, commanding general of the Southeast air corps district. Top, right, Maj. Gen. John F. Curry (N. W. district); bottom, left, Maj. Gen. James Chaney, (N. E. district); bottom, right, Maj. Gen. Jacob Fickel (S. W. district.)

Aiding British



Somewhere in England . . . Native Indians have flocked loyally to the banner of the British royal air force, lending their abilities to Britain in its fight for life against Germany. This Indian pilot is having a mug of hot coffee after a flight.

U. S. Releases Planes to Greece



In swift execution of aiding the nations fighting aggression, the United States government has released to Greece 30 P-40 pursuit planes, pictured above, for immediate delivery. The planes, rated by air experts in America as possessing greater speed, maneuverability and stamina than Italy's best, mount four wing-contained machine guns each.

Released by Nazis



Mrs. E. Deegan, U. S. embassy clerk in Paris, who was held by Nazis and later released. It is thought she was accused of aiding British officers escape from France.