

News Review of Current Events the World Over

President's Veto of Appropriation Bill Overridden by Both Houses; Farley Forces Shakeup in Air Companies; "Brain Trust" to Be Investigated.

By EDWARD W. PICKARD

PRESIDENT ROOSEVELT'S leadership received its first important setback when the senate, following similar action by the house, overrode his veto of the independent offices appropriation bill carrying the veterans' and federal pay provisions. The vote in the senate was 63 to 27, or three more than the required two-thirds.



President Roosevelt

The bill is now a law, and its passage is of high significance, as it throws the budget estimates out of kilter and adds greatly to the tax burden of the people. But of more importance is the evident fact that the President has lost his firm grip on congress. Fear of reprisals by war veteran voters in the coming elections proved a greater fear with many Democratic senators than the displeasure of the President.

Restoring two-thirds of a 15 per cent pay cut voted for a million government employees, including military and naval personnel, in the economy act last summer, the bill also greatly liberalizes compensation and pensions to veterans of the World and Spanish-American wars.

The bill will cost the government an additional \$210,000,000 annually.

It eliminates retroactively as of February 1, 1934, one-third of the federal employees' pay cut and an additional third on July 1. The cost to the government under the provision will be \$20,000,000 for the period from February 1 to July 1, and \$120,000,000 annually thereafter.

While the President by executive order has restored many veterans to the compensation and hospitalization rolls, congress made mandatory awards estimated to cost the government about \$84,000,000 annually and an additional \$21,000,000 for the rest of the present fiscal year.

The increased amounts for government workers and veterans will come from the general revenues of the government.

AFTER weeks of exhausting negotiations the threatened strike in the automobile industry was averted when President Roosevelt secured an agreement between executives and labor leaders. Representation for all employees in dealing with management was established, and safeguards were extended to all unions against intimidation or interference.

"It is my hope," said the President, "that this system may develop into a kind of works council in industry in which all groups of employees, whatever may be their choice or organization of form of representation, may participate in joint conference with their employers."

He hailed this as basis for a more comprehensive, adequate and equitable system of relations than ever has existed in a large industry.

The agreement avoids the licensing of the automobile industry, which labor threatened to invoke if there was no agreement. The American Federation of Labor is not recognized as such by industry except when its affiliates have the necessary votes on the collective bargaining committee.

One of the provisions of the agreement was that the NRA should set up a board, responsible to the President, to sit in Detroit and pass upon all questions of representation, discharge, and discrimination. Decision of the board is to be final upon all concerned. Three men will serve on the board, one representing labor, one industry, the third being neutral.

WEARY from the strain of close application to the affairs of state, President Roosevelt departed for a short vacation aboard Vincent Astor's yacht. He headed for the warm climes of southern waters to fish and relax for a week. It was an unprecedented move for the Executive to leave Washington while congress is in session, but with the same spirit of a year ago when he set out on the same yacht before taking the Presidential reins, the President greeted his cronies aboard ship and waved his hat to a rousing farewell from the folks on the dock at Jacksonville, Fla., where he boarded the yacht.

With carefree happiness he posed for the photographers and joshed the newspaper men. He chatted eagerly with his eldest son, James, who joined him for the cruise.

For the next week or more, the

President will be fishing and swimming, away from the heavy cares of office. He intends to return to Washington within the ten-day constitutional limit required for consideration of any legislation passed by congress.

PRESIDENT ROOSEVELT Monday called on congress to pass legislation with "teeth in it" for the control of the nation's stock and commodity exchanges.

He asked that the law be so severe "that speculation, even as it exists today, will of necessity be drastically curtailed." His demand was made in a letter to Senator Duncan U. Fletcher (Dem., Fla.) and Representative Sam Rayburn (Dem., Texas), chairmen of the congressional committees which are handling the pending stock exchange bills.

Charging the exchanges with organizing one of the most determined lobbies which has fought any of his legislation, the President said that the country would not be satisfied unless the exchange control message is drastic. People generally, the President said, blame the speculation on exchanges for the 1929 artificial boom and the resulting slump.

IN THE foreword of his forthcoming new book, "On Our Way," President Roosevelt says if his administration "is a revolution, it is a peaceful one, achieved without violence, without the overthrow of the purpose of established law and without the denial of just treatment to any individual or class."

The proofs of the foreword, given out by the publishers, the John Day company, read:

"Some people have called our new policy 'fascism.' It is not fascism because its inspiration springs from the mass of the people themselves rather than from a class or a group or a marching army. Moreover, it is being achieved without a change in fundamental republican method. We have kept the faith with, and in, our traditional political institutions.

"Some people have called it 'communism'; it is not that, either. It is not a driving regimentation founded upon the plans of a perpetuating directorate which subordinates the making of laws and the processes of the courts to the orders of the executives. Neither does it manifest itself in the total elimination of any class or in the abolition of private property.

"If it is a revolution, it is a peaceful one, achieved without violence, without the overthrow of the purposes of established law and without the denial of just treatment to any individual or class."

CHARGES made by Dr. William A. Wirt, superintendent of schools at Gary, Ind., that some of President Roosevelt's advisers wanted to lead the government into communism are to be investigated by a committee of the house of representatives. Doctor Wirt will be called before this committee to name the man or men who told him that President Roosevelt is merely the "Kerensky of this revolution" and that the radicals within the administration are seeking to foster a revolution by prolonging misery and destitution in this country.

Republican members of the house were determined that the inquiry will not be confined to the Wirt allegations alone, despite an apparent desire on the part of Democratic leaders to narrow the investigation's scope. Democratic members of the house were making an effort to confine the inquiry to the allegations made by the Gary educator alone. Under pressure from Republicans, however, it was agreed by the Democratic leaders that the men named by Doctor Wirt will have to be called.

The entire matter is being treated as a joke by members of the so-called "brain trust." They declare that Doctor Wirt has been made the victim of a practical joke by a mischievous member of the radical group. There were several different stories current as to the origin of the Wirt allegations, one version having it that the Gary educator mistook a newspaper man in New York for an official of the administration.

Twenty-five thousand school children in German cities will be separated from their parents and sent to the country for a year by order of the Prussian state.

This is in line with the Nazi policy of "reconciliation of urban and rural population" which will be fostered by sending every town child to the country for a year. The 25,000 will compose the first trial batch. The year in the country will be financed partly by the state of Prussia and partly by school organizations.

BACK again at the scene of his triumphs and his failures, after being a fugitive for 18 months, Martin Insull, brother of Samuel Insull, is in Chicago to answer a charge of embezzlement from the treasury of the Middle West Utilities.

Insull arrived in Chicago—where he had lived for more than 40 years—an alien, technically excluded from the United States but paroled to Lieutenant Johnson until the charges against him are disposed of. His arrival ended a sensational trip from Toronto, with the most extraordinary entry of an alien into the United States ever recorded in the busy Detroit immigration office.

THE number of individuals living on farms reached a record peak of 32,500,000 on January 1.

The bureau of agricultural economics, in a new study of farm population, attributed the increase principally to an excess of births over deaths, since more people left farms for cities in 1933 in a continuation of the farm exodus of the past decade, than went from cities to farms. Persons who moved to farms last year were 951,000, while 1,178,000 moved away.

The farm-bound movement involved 1,544,000 persons in 1932 while those moving away numbered 1,011,000.

MONTHS of political unrest in Estonia, Baltic nation of 1,121,000 inhabitants, have culminated in a dictatorship, according to advices from Tallinn, the capital.

Gen. Johan Laidoner, commander in chief of the Estonian army, and known as "Estonia's George Washington," has assumed supreme authority with the agreement of the president and parliament.

A COMPLETE shakeup in commercial air lines, using the return of the air mail to private lines as a bait, is being forced by Postmaster General Farley. Thirty officials in private aviation companies must be forced out of office, the whole air mail structure is to be rebuilt, and all the old companies carrying mails must reorganize if they wish to share in federal air mail subsidies in the future.

Both Republican and Democratic members of congress assailed the new order, denouncing the terms as too drastic.

Steps for the return of the air mail to private lines were launched immediately by advertising for bids on 15 routes, comprising 17,826 miles. None of the companies which had their previous contracts canceled will be allowed to bid unless they completely reorganize and drop all officials suspected of fraud or collusion in past bidding. The new bids will be for three months only, but may be extended for another six months if necessary. They are intended to provide private flying of the mails pending the settlement of a permanent air mail policy by congress.

A new system for computing rates which are to be paid for carrying the mails was announced. The new rates will be based on the average load carried per mile over the route during the month.

AUSTRIA'S new corporative constitution, as published in the official government gazette, gives the President powers similar to those possessed by the late Emperor Franz Josef when he ascended the throne after crushing a republican revolution in 1848. The president will rule through the constitution, but may change it whenever he thinks an emergency demands. The constitution will be based on the principle that all power emanates from God—in contrast to the present one, which says all power emanates from the people.

But the people, nevertheless, will be given an opportunity to express their opinion at the polls whenever the government thinks this advisable. Popular initiative, however, is barred and the people will not have constitutional rights to elect their own government. All legislation must be initiated by the government, which will be advised but not controlled by four consultative bodies.

These will be the state council of 40 to 50 members appointed by the president; the federal cultural council, consisting of representatives of churches, religious societies and schools; the federal economic council, chosen from business, industrial, agricultural and financial circles, and the provincial council, consisting of governors and finance ministers of the various provinces.

Washington—One of the outstanding signs to be noted in the Washington political situation these days is the renewed courage and strength being gathered by the minority. There is no longer any doubt about it. The minority in the government, consisting, first, of dyed-in-the-wool Republicans and, secondly, of old line Democrats who cannot quite follow all items of the New Deal have begun to pull back. For the first time since President Roosevelt came in, there is at least a real "opposition party." Astute students of politics and government insist it is a most healthy sign and that it will make for better government in the end.

Washington Digest

National Topics Interpreted by William Bruckart

Minority Wakes Up

There has been opposition to a great many of the Roosevelt policies heretofore, but a considerable portion of it has been just silent mumbering and grumbling. Most of them seemed to be afraid of the widely-advertised Roosevelt popularity throughout the country. Mr. Roosevelt is popular, more so, perhaps, than any President we have had in many years, but the support so represented does not appear to run to all of his proposals. It certainly does not apply in favor of all of his subordinates. The "opposition" now appears to have found out these facts and they are concentrating their attack.

I noticed the first signs of it in debate in the house of representatives and in the senate where a desire was, and is, plainly evident to call a halt. New Deal plans are not being swallowed without mastication any more. The most important phase of the trend, however, appears to be in the tendency of the opposition to question continued enactment of every kind of legislation under the guise of emergency needs. Everything up to this time has been pushed through with a loud cry of "emergency!" Some of it, if not most of it, was emergency legislation. But now everybody with a pet scheme is rushing in with it as "emergency" legislation, and it is an overworking of that word that has brought about concentration of the opposition forces, according to the consensus that I have been able to gather. From what I have been able to see, it is a re-enactment of the old story of giving the calf too much rope; it is choking itself to death.

The importance of this trend, perhaps, is best pointed out by the fact that there are dozens of units of the New Deal setup that are predicated wholly on the fact that they were proposed as a part of the general program for recovery. I think none can doubt that the depression has presented an emergency just as great as any arising under a war. But when any war was concluded the emergency was over, then and there, and emergency legislation was never passed by congress nor sustained in courts. One might possibly conjecture a bit as to where the emergency ended in the fight to get the economic structure back on a prosperous footing, but the new developments certainly show a considerable number of leaders in congress and outside who are unwilling to have the emergency continue forever.

It might be natural to assume that the movement to halt enactment of emergency legislation had developed naturally from the fact that this is an election year for the 435 members of the house and some 35 members of the senate. Political analysts of long service and able judgment assure me, however, that this is not the whole case. They say that existence of a campaign probably has strengthened the backbone of some of the opposition but that the trend more properly represents the divergence of thought in the two schools of students of government. If that be true, as it appears to be, then we may expect to see more and more assaults on the Roosevelt position. Every time he slips with an error of judgment or on bad advice—and he is human and those slips have and will come—the opposition can be counted on to make the most of it.

For example, and as indicating how the lineup is changing, attention need only be called to the opposition that has been encountered in the house on new agricultural legislation. Most of these bills are designed to go further than the program laid down in the agricultural adjustment act, and to use compulsion where the present New Deal philosophy has been based on voluntary co-operation from agriculture, itself. There are half a dozen or more pieces of legislation, the nature of

which need not be recounted here, that would give the federal government added control of farmers' affairs. One of them, for instance, would give the secretary of agriculture authority to tell a farmer what to do with the land taken out of production by his agreement to limit acreage of cotton, or wheat, or corn, or tobacco. Most observers here construe that legislation as giving the government absolute domination over the farmer, and I suspect that most farmers are not going to stand for that.

At any rate, this and other proposals are moved forward because there is an "emergency." But I have seen signs of a reaction among the farmers. They are signs that never fail. Representatives from agricultural areas have been getting mail from home and there are many of the house members who now insist it is time to call a halt. Frankly, I hear frequent sharp declarations that the professors in the administration have gone far enough. That means votes against the bills. Yet the professors are hard workers. They never cease to turn out new plans, and the proposals continue to flow from the White House to the Capitol. Among the newer projects is one that proposes to establish a set of government banks to aid what the promoters describe as the small business. The plan contemplates creation of the regional banks much after the manner of the Federal Reserve banks with the treasury supplying the inflation capital to the extent of \$100,000,000.

Here, again, is an emergency measure. It is pointed out, however, that the project is designed for permanent. It is, therefore, a move by which the federal government, through a step-child, would be put into the business of banking for industry, and of course, once that happens, the system will hang on and on. It will hold so much commercial paper, representing loans, that there really will be no time when it can quit and retire from business.

Another piece of legislation that is going to have rough sledding is the Roosevelt tariff adjustment proposal. It says on the face of the bill that it is emergency legislation. Down in the text, however, there is a provision that any of the international tariff agreements reached under provisions of the bill may be renewed and that they will continue in force as long as one nation or the other, parties to the accord, do not give notice of cancellation. The opposition holds this to be a proposal for permanent legislation under the guise of emergency plans. Some of the few Republicans left in the senate and house have been chiding the Democratic leaders about the tariff proposals of the administration because they would delegate to the President and the tariff commission more authority to revise rates upward or downward than now exists. The Republicans are recalling to their Democratic friends how the Democrats fought against this idea when it was proposed by President Coolidge and by President Hoover, although neither of those Presidents included international agreements with the rate revision idea. Quite a humorous situation has developed as a result.

Officials of the Department of Agriculture admit little about reported criticism they receive. They contend that criticism is to be expected and that, under the AAA plans being molded by Administrator Davis, the organization and rules are to be kept flexible. I understand, however, that there is quite a bit of objection reaching the department about the necessity for farmers allowing government agents to examine their records. The reports I get are to the effect that since most of the facts have to be gathered by county representatives of the Washington government, many farmers do not like the idea of neighbors knowing all about their affairs.

I have inquired around to find out whether there is any way that such a condition can be corrected and have found no answer, except the statements of the high officials who argue that there is little examination necessary. The condition seems to be one that must be expected if the concerted effort contemplated by the AAA principles of crop control are to be effective.

The situation is one that obviously and naturally develops as the government wades further and further into private business.



Dr. W. A. Wirt



J. A. Farley