

News Review of Current Events the World Over

Secretary Morgenthau on Costs of New Deal—Realignment of NRA Codes—Interesting Results of Recent Primaries.

By EDWARD W. PICKARD

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SECRETARY OF THE TREASURY MORGENTHAU, in his first speech since taking office, forecast an eventual inflation of \$2,800,000,000 by announcing the treasury expects sooner or later to apply its gold "profit" to a reduction of the national debt.



Secretary Morgenthau

"For the present this \$2,800,000,000 is under lock and key," Mr. Morgenthau said. "Most of it, by authority of congress, is segregated in the so-called stabilization fund, and for the present we propose to keep it there. But I call your attention to the fact that ultimately we expect this 'profit' to flow back into the stream of our other revenues and thereby reduce the national debt."

The "profit" in question accrued through a bookkeeping operation when the amount of gold fixed by law as the equivalent of \$1 was reduced from 23.22 grains to 13.71 grains. This meant that an ounce of gold was worth \$20.67 one day and the next it had a value of \$35.

Just previously the treasury had taken title to all the monetary gold in the country, paying for it at the \$20.67 rate. On every ounce it made a "profit" of \$14.33, the difference between the purchase figures and \$35.

The secretary gave in figures his estimate of the cost of the New Deal.

Against an increase of \$6,000,000,000 in the national debt, he asserted, various assets should be deducted. He listed them as follows:

An increase of \$1,600,000,000 in the treasury's cash balance since March 4, 1933.

The gold "profit" amounting to \$2,800,000,000.

An increase in the net assets of agencies wholly owned or financed by the government, amounting to \$1,005,000,000.

Morgenthau did not carry the proposition through to its arithmetical conclusion, but the cost of the New Deal under his theory would amount to \$505,000,000.

GEN. HUGH S. JOHNSON, through a spokesman, has flatly denied the story of his dispute with Donald Richberg and Secretary of Labor Perkins over control of the NRA, but well-informed persons in Washington believe it is true. The President calmed the storm, but put off the decision. The NRA is being reorganized temporarily to serve until the next congress gives it permanent form, and for the present Johnson retains his supremacy.

To bring about greater efficiency and economy the codes of the NRA are being realigned. Industry is divided into 22 classes, the initial move toward cutting down the number of codes from 682 to about 250 and grouping them in ten grand divisions. Mergers are relied on to make the drastic reduction in the number of codes.

Codes with similar or related interests are grouped together. Allied businesses will thus receive identical treatment on common problems, officials said. The codes also are expected to be easier and cheaper to administer.

The 22 classifications in turn are based on four fundamental groups as follows:

Producing Industries—Food, textiles, leather and fur, ferrous metals, non-ferrous metals, non-metallic products, fuel, lumber and timber, chemicals and paints and drugs, paper, rubber.

Fabricating Industries—Equip-

ment, manufacturing, graphic arts, construction.

Service Industries—Public utilities, transportation, communications, finance, amusements.

Distributing trades—Professions and services, wholesale and retail codes.

MUCH political benefit to the administration in the congressional campaign is expected to accrue from the reciprocal trade treaty with Cuba which has just been announced. It is the first of the projected trade agreements and little criticism of it is likely to be heard. The domestic sugar producers, who of course do not like the reduction in the duty on Cuban sugar, were prepared for the action by discussions of past months and accordingly had adjusted themselves to the situation. Furthermore, they are given a measure of protection by the quota of 1,002,000 short tons allotted to Cuba under the provisions of the Costigan-Jones sugar law.

The domestic tobacco interests are consoled for reductions in duties by the limitation of imports of Cuban cigar leaf tobacco, cigars and cheroots of all kinds to 18 per cent of the total quantity of tobacco used in the United States during the previous year for the manufacture of cigars. The reductions in duties on fruits and vegetables imported from Cuba apply only to certain seasons and thus are not as objectionable to domestic producers as they might otherwise be.

As against the concessions made to Cuba, which are regarded as so important from the standpoint of that country as to offer great promise of economic recovery, there should be rather widespread benefits to agricultural and industrial producers of the United States. The most valuable concession is a great reduction in the Cuban duty on hog lard.

"FERGUSONISM" in Texas was struck a probably fatal blow when James V. Allred, the young attorney general of the state, won the Democratic nomination for governor in the Democratic run-off primary. By a majority of about 45,000 votes he defeated Tom F. Hunter, who was backed for the nomination by "Ma" Ferguson, the present governor, and her husband, James E. Ferguson, who formerly occupied the office until ousted by the legislature. The Fergusons have controlled Democratic politics in Texas for some twenty years, but their sway probably is now coming to an end. Mr. Allred is only thirty-five years old, but has come to the top swiftly. His nomination is equivalent to election.

UPTON SINCLAIR, the Socialist author who turned Democrat in order to run for the Democratic nomination for governor of California, succeeded in his purpose. In the primaries he ran far ahead of George Creel, who was director of propaganda during the World war; Justus S. Wardell, conservative, and Milton K. Young, the Democratic candidate in 1930. Sinclair campaigned on a plan "to end poverty in California" which was set forth in a book he published. It calls for the state to take over and operate defunct factories and businesses and farms acquired because of tax delinquencies as a means of placing the unemployed. Sinclair's opponent in the election will be Frank



J. V. Allred

F. Merriam, the Republican acting governor. Senator Hiram W. Johnson easily won re-nomination and is on the Republican, Democratic, Progressive and Commonwealth tickets; his only opponent is George R. Kirkpatrick, Socialist.

South Carolina Democrats will have to hold a runoff primary to decide between Cole L. Blease, former governor and senator, and Olin D. Johnston, young attorney of Spartanburg, for the gubernatorial nomination. In a referendum held as a guide for the legislature the drays were defeated.

Democrats of Mississippi also will hold a runoff primary to determine whether Former Governor Theodore G. Bilbo or Senator Hubert D. Stephens shall represent the state in the senate.

BRITISH people the world over rejoiced at the announcement that Prince George, fourth son of the king, was engaged to wed the lovely Princess Marina, niece of the late King Constantine of Greece. The announcement from the palace in London said: "It is with the greatest pleasure that the king and queen announce the betrothal of their dearly beloved son Prince George to Princess Marina, daughter of Prince and Princess Nicolas of Greece, to which union the king has gladly given his consent."



Prince George

An acquaintance that dated back five years to the young couple's first meeting in London ripened into love at the summer home of Prince Paul of Yugoslavia, where Prince George and Princess Marina have been visiting.

The prince, thirty-two years old and handsome, and his fiancée have many tastes in common. The prince is an accomplished pianist who plays classical and modern music with equal facility, while the princess has been schooled as an amateur musician. The princess also like dancing and shooting—two amusements of which Prince George as well is very fond.

The princess, who was educated in Athens, Paris, and London, speaks fluently French, English, Greek, Russian, and German. She inherits all the beauty and charm of her Russian mother and the pleasing personal qualities of her father.

MORE electricity for more people at lower rates is the aim of the federal power commission in a national survey which has just been started. According to Basil Manley, vice chairman of the commission, the survey will enable that body to compile and submit to the next congress the "most comprehensive and authentic exhibition of our power resources and possibilities ever made in this or any other country." To obtain the data required the commission has sent a questionnaire to every private and municipally owned power plant in the land.

"Determining the nation's power requirements and how they can be most economically and advantageously supplied is the primary purpose," Mr. Manley explained. "Markets must be considered, as well as power sites that can be developed at reasonable cost, either by governmental enterprises or private capital."

"One purpose is to establish and maintain that balance between steam and hydro-electric power which will give America the most dependable source of energy at the lowest possible rates."

The survey will include individual reports on all existing generating plants; maps showing location of plants, reservoirs, transmission lines, and substations; locations of proposed hydro-electric plants, operating expenses, and the like.

BELIEVING the emergency phase of agricultural adjustment is about over, the AAA officials are simplifying their program for the future. Tentatively they propose these control plans for 1935:

Wheat—10 per cent reduction in acreage below that of the base period, 1909-32 inclusive; desired acreage, about 62,000,000; desired

production, 750,000,000 bushels.

Corn—Possibly a 15 to 20 per cent reduction in acreage, instead of 20 to 30 per cent as specified by the 1934 program.

Hogs and other live stock—No direct control, supply being regulated by adjustment of feed crops.

Cotton—10 to 15 per cent acreage reduction under base period, 1928-32, inclusive, instead of about 40 per cent; desired acreage, 32,000,000 to 37,000,000; desired production, 11,500,000 to 13,000,000 bales.

GENERAL JOHNSON has reportedly said that he could not afford to sacrifice his private business earning capacity by remaining at the head of the NRA on a salary of \$5,000 a year, intimating that he would have to retire from his government job. It is now revealed that on July 1 his salary was increased to \$15,000 a year by order of President Roosevelt.

SENATOR THOMAS D. SCHALL of Minnesota, Republican, engaged in an acrimonious controversy with President Roosevelt concerning the former's assertion that the administration is seeking to curb the press, and the blind senator used language that was so disrespectful to the Chief Executive that even Mr. Roosevelt's severest critics could not approve it.



Senator Schall

The President had asked that Mr. Schall send to him the "facts" on which he based his recent assertion that plans are under consideration for "a national press service to take the place of the Associated Press, the Hearst News service and the United Press." This service, Mr. Schall said, would "have exclusive use of all government news and be in a position to give its service only to those newspapers loyal to the Roosevelt dictatorship."

"Once these facts are in my hands," said Mr. Roosevelt, "they will receive immediate attention in order to make impossible the things you say will be done, because I am just as much opposed to them as you are."

The senator immediately sent to the President and made public a 650 word letter in which he said in part:

"You ask me for 'information' concerning what you yourself have done. Are you attempting to secure the facts so that you may be in a position to refute yourself?"

"Your telegram to me bears out the suggestion of the constant effort to mislead and fool the public. Your desire to make yourself appear before the people of the United States as a champion of a free press may be as insincere as your promises to the people when you accepted the Democratic nomination at Chicago with the statement that you were for their platform 100 per cent."

"To date you have not kept one of the covenants you pledged the people at that time. Let me recall your testy anger at your disappointment in keeping out of the press code the expression of a free press."

Mr. Roosevelt sent the senator an answer sharply rebuking him for his "vituperative" letter "which gives no facts and does not answer my simple request." In conclusion he said: "The incident is closed."

Schall retorted in somewhat milder language that he as a representative of the people could not let the affair rest, and reiterated his charges of press censorship in the government departments.

Dick Morris has been running down to Portland several times a week to visit his father who is in the hospital with a serious attack of hiccoughs. Physicians have been unable to halt the hiccoughing and have been forced to feed Mr. Morris through an artery in the arm.

The Chronicle is organized to turn out printing on short notice in its shop in this district.

To Organize Musicians
Stanley Wentz, of the administration office, a former band leader, has sent out a call on the reservation for musical talent. He has called a meeting at the Community house for Friday night at 7:30 o'clock, and all men interested in organizing a band, an orchestra or a quartette are invited to attend. The meeting is open to all, and Wentz is hopeful that sufficient material may be found to build a high class band.

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