

Review of the History-Making Events of the World

By EDWARD W. PICKARD

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Morgan May Resign as Chairman of TVA

RUMORS were current in Washington that Dr. Arthur E. Morgan would soon resign as chairman of the Tennessee Valley authority as the result of his long and bitter disagreement with Director David Lillenthal over TVA policies. Both the gentlemen were in the capital and it appeared they had laid their cases before President Roosevelt for his decision as to which should be the leader. Lillenthal, who was formerly Wisconsin utilities commissioner under Gov. Phil La Follette, favors unrelenting warfare on private utility interests. Doctor Morgan, on the other hand, doesn't want a "fight to a finish" but, rather, a co-operative effort to pool public and private electricity in the Southeast in order to end TVA's legal war with the private interests. The chairman, however, stood almost alone among those who are shaping the administration's power policy. He issued a statement to the press setting forth his views but it didn't arouse much sympathy in high circles.



A. E. Morgan

Decision in the controversy is necessary soon for the first big contract between TVA and private utility interests expires February 3 and the question of renewal must be settled before then.

Drafting of a national power policy was asked by the President of a committee headed by Secretary of the Interior Ickes. He said that this policy, once established, would apply to all existing projects and to new power developments as they are completed.

Curb for Supreme Court to Be Considered

EMERGING from a White House conference, Senator Sherman Minton of Indiana announced that President Roosevelt would soon call together congressional leaders and administration officials to consider legislation designed to curb the Supreme court.

The senator said he himself was contemplating the introduction of a bill that would require the concurrence of seven of the nine justices, or more than two-thirds, to invalidate an act of congress. He did not say whether the President indicated approval or disapproval of this plan.

Deadlock Is Renewed in General Motors Strike

WHEN negotiations were about to open for settlement of the strike of General Motors workers, the truce declared by persuasion of Governor Murphy of Michigan was called off, both sides charging bad faith. Homer Martin, head of the United Automobile Workers, said the corporation violated the truce by attempting to reopen the Cadillac plant in Detroit; by agreeing to bargain collectively with nonunion employes, and by denying the right of picketing at the Guide Lamp plant in Anderson, Ind.

General Motors accused the union of violating the truce by refusing to remove sit-down strikers from all the plants. Vice President Knudsen had wired G. E. Boysen, head of the Flint Alliance which acts for the nonunion men, that the company would protect the rights of all its employes and would discuss any question with the alliance or any group of the workers. This so enraged Martin, who now claims for his union a majority of the employes, that he directed the strikers not to evacuate the Flint plants.

Martin sent a telegram to Senator La Follette, chairman of the senate committee on civil liberties, asking him to subpoena Boy-

sen and the records of the Flint Alliance. He charged that Boysen was working with General Motors to break the strike.

Governor Murphy said he was still trying to "work out the situation". By his direction the National Guard detachments in Flint were kept in the background.

Wallace Will Buy Eggs to Aid Producers

SECRETARY OF AGRICULTURE WALLACE says the federal government is going to buy eggs in order to remedy what he describes as a sharp drop in recent weeks in the wholesale and farm prices of eggs. The surplus eggs taken from the market, he says, will be distributed among persons on relief. Agriculture department reports, however, show there is no surplus, and one department spokesman said the government would buy few, if any eggs, providing farm and retail prices moved toward each other.

Mr. Wallace says the purchases will be financed under a unique provision inserted in the agricultural adjustment act by congress in August, 1935. This hands Wallace 30 per cent of all customs receipts "for agricultural purposes," or about \$100,000,000 each year. The fund has already been used this season to keep up prices of grapefruit, pears and onions.

Report That War Debts May Be Discussed

WALTER RUNCIMAN, chairman of the British Board of Trade, arrived in New York and was due to spend a week-end in the White House at the invitation of President Roosevelt. Georges Bonnet, a financial expert and former cabinet member, was appointed ambassador from France to Washington and plans to come over early in February, supplanting Andre de Laboulaye. These two facts gave rise to reports that the subject of the war debts would be reopened.

Mr. Roosevelt denied published stories that he had invited Great Britain and France to begin preliminary discussions for the adoption of a peace program based on financial and trade factors. He specifically denied he had invited Mr. Runciman to participate in discussions bearing on trade relations of the United States and Great Britain which may pave the way for important moves later but it was understood, nevertheless, that such conversations were to take place. The President said Mr. Runciman was coming here on a holiday and as a personal friend.

M. Bonnet said in Paris that he was coming here simply as an ambassador and with no special mission concerning war debts, but it was considered possible he might seek to reopen the debt question in informal discussions.

Russia Refuses to Keep Volunteers Out of Spain

BRITAIN'S plan to bar from Spain volunteers from other nations met with a big setback when Russia refused to adopt prohibitive measures. Foreign Commissar Maxim Litvinov handed to Ambassador Chilton a note saying:

"The Soviet government, although it presently does not practice the dispatch of volunteer detachments, does not consider it expedient to adopt unilateral prohibitive measures."

Explaining the refusal, Litvinov continued: "I consider it necessary to point out that in the Soviet government's opinion unilateral, pro-

hibitive measures on the part of some participants in the London committee (on nonintervention) while other participants not only are free from obligations, but continue sending military divisions to Spain, will not only fail to accomplish the desired aim but will result in intervention."

Definite replies from Germany, Italy and Portugal were still awaited by the British government.

Fighting between the Spanish loyalists and Fascists was fierce in the University City section of Madrid and along the Mediterranean coast east of Gibraltar. In the Madrid suburb the loyalists trapped a large number of insurgents in a hospital where the latter had set up machine guns to withstand a siege. On the coast the Fascists had effected a landing at Estepona and were advancing on Malaga which the government has held since the civil war started.

Fatal Crash of Air Liner Will Be Investigated

LOSING the radio beam in foggy weather, Pilot W. W. Lewis pancaked his Western Air Express plane with a crash on a hill near Burbank, Calif., and two of his passengers were killed. Everyone else on the plane, eleven in number, was injured and two more died later. The dead are Martin Johnson, famous explorer, E. A. Spencer of Chicago, A. L. Loomis of Omaha and James A. Braden of Cleveland. Mrs. Osa Johnson, who accompanied her husband on his adventurous expeditions in Africa and Borneo, was among those most seriously hurt.

There will be searching inquiries into this and other recent air disasters. Senator Copeland of New York blames the Department of Commerce. Airline operators have long complained that certain radio beam stations in the Far West are inadequate. Officials of the bureau of air navigation deny this, asserting: "Radio beams sometimes play queer pranks in certain areas and in certain mountainous territories. Every pilot knows these peculiarities."

Down in Mexico there were three airplane crashes within a week, and it was believed eleven persons had lost their lives.

Railway Brotherhoods Plan to Ask Wage Increases

SOME 400 representatives of the five railroad brotherhoods gathered in Chicago to discuss plans for obtaining increases of wages. A committee recommended that formal demands for higher pay be made, but said it had not yet decided on the procedure or the amount of increase to be asked.

J. A. Phillips, president of the Order of Railway Conductors, said that while the committee had agreed that a wage increase should be sought, there had been no consideration of hours of work, pensions or any other matter.

The other four unions represented at the meeting were the Brotherhoods of Locomotive Engineers, Railroad Trainmen, Locomotive Firemen and Enginemen, and the Switchmen's Union of North America. The five groups, which represent the train service classifications of railway employes, are acting independently of the other 16 standard railroad brotherhoods.

Wallace Wants Processing Tax Imposed on Sugar

SUGAR processors are making "unduly high profits," according to Secretary of Agriculture Henry A. Wallace, and so he proposes a tax of \$10 to \$20 a ton on all sugar processed in the United States. This, he says, will be suggested to congress. Mr. Wallace says the profits are from 10 to 12 per cent and he estimates that the tax would yield approximately \$70,000,000 a year. Of this about \$13,

000,000 would go to producers in benefit payments.

The secretary believes the sugar processors have been "unjustly enriched" under the quota system which rations imports and is supposed to maintain the domestic price against foreign competition.

Ontario Convicts Start Riot and Break Out

NEARLY 800 convicts in Ontario's fine reformatory at Guelph started a big riot and set fire to everything in the buildings that would burn. During the excitement about one hundred of them broke out of the penitentiary, and nearly forty escaped. The dormitory, chapel and hospital were ruined by flames, the damage being put at \$200,000.

Reorganization Scheme Laid Before Congress

PLANS for reorganizing the administrative branch of the government were laid before congress by President Roosevelt, and many



Louis Brownlow

Democrats as well as the few Republican members were quick to express their disapproval of parts of the scheme. It would greatly enhance the power of the executive, would abolish no federal agencies and would not result in any considerable economy of expenditures. Special committees

of both houses were to begin drafting a bill to carry out the President's desires, but it was freely predicted that not all of them would get through.

Louis Brownlow, Prof. Luther Gullick and Prof. Charles Merriam constituted the committee that evolved the reorganization plan for the President. The major changes they recommended are:

Creation of two new departments headed by cabinet members—a department of social welfare and a department of public works—and delegation to the President of authority to "overhaul the 100 independent agencies, administrations, authorities, boards, and commissions and place them by executive order" in the ten existing and two proposed additional departments.

Expansion of the White House staff, chiefly by the creation of six "assistants to the President," who would relieve him of much of the routine executive work.

Abolition of the office of controller general with his power to disallow administrative expenditures in advance as violative of law, and creation instead of an auditor general with power limited to reporting annually to congress illegal and wasteful expenditures by the executive branch.

Extension of the merit system to "cover practically all non-policy determining posts," replacement of the civil service commission by a civil service administrator with a "citizen board to serve as the watch dog of the merit system," and increase of salaries to key positions to attract superior ability to a career service.

Development of the "managerial agencies of the government," particularly the budget bureau and agencies engaged in efficiency research, personnel questions, and long range planning of the use of land, water, and other natural resources.

Opposition to the first, third and fourth of these sections was pronounced and it seems certain that introduction of the bill will start a long and stubborn fight in congress.

Mrs. Simpson's Ex-Husband Starts a Slander Suit

THE Simpson affair has been revived by news that Ernest Simpson, who was divorced by the famous Wally, has filed a slander suit

in London against Mrs. Joan Sutherland, beautiful wife of Lt. Col. Arthur Sutherland. The suit is based on a remark, said to have been made at a luncheon attended by Mrs. Sutherland, that Simpson was "well paid" for permitting the divorce.

The United Press correspondent was told: "The case is not expected to break into the open for several weeks. It is now sub judice (before the court). It will not be open to the public until after it is set down for hearing and pleadings have been terminated. No statement has been delivered yet."

American Farm Bureau Has a Legislative Program

RECOMMENDATIONS for legislative action during the present session of congress have been presented to the President and congress by the executive committee of the American Farm Bureau federation. The program involves the ever-normal granary, commodity loans, adjustment of production to effective demand, soil conservation, the strengthening of marketing agreements, postponement of state administration of the soil conservation and domestic allotment act until 1940, and a "permanent" revenue policy to meet the cost of these measures.

New York Banker Leaves Big Sum to Aid Youth

IT IS pleasant to turn from politics, strikes and war and record the fact that Charles Hayden, New York banker who died recently, left about \$54,000,000 to establish a foundation for the education of needy boys and young men, "especially in the advancement of their moral, mental and physical well being." Mr. Hayden, who was a bachelor, also gave \$1,000,000 to Massachusetts Institute of Technology, \$2,000,000 in trust to his brother and nearly \$2,000,000 to friends and employees.

"Germans in Morocco" Tale Seems to Be False

THE latest general European war scare has subsided. It was caused by France's announced determination to stop, by force if necessary, the alleged infiltration of German troops into Spanish Morocco, and Great Britain was ready to support the French with its fleet. But Hitler and his ambassador to France were able to convince the nations that the stories were false and that Germany has no intention of trying to grab any Spanish territory. Paris cooled down at once, and to add to the peace atmosphere, negotiations were started for a trade treaty between France and Germany.

Then, too, Col. Gen. Hermann Wilhelm Goering, resplendent first minister of the German reich, went on an official visit to Rome and was informed by Mussolini that the recently signed Italo-British Mediterranean agreement does not change Italy's friendship for Germany or its collaboration with the reich on the major problems of Europe.

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Storing of Gold at Fort Knox Is Begun

UNCLE SAM has begun storing his gold in the bomb-proof depository built at Fort Knox, Kentucky. The first train, heavily guarded, carried about \$200,000,000 of the precious metal from the Philadelphia mint and it was received by the motorized Seventh cavalry and put in the great vaults. The gold was forwarded by the Post Office department as parcel post and the treasury will have to pay the postage.