

Review of the History-Making Events of the World

By EDWARD W. PICKARD

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Mellon's Aluminum Company Attacked by Uncle Sam

ANDREW MELLON, frequently the target of administration attacks, is again called on to defend his business. Attorney General Cummings announced that the Department of Justice had filed in the Federal District court in New York a suit to compel dissolution of the Aluminum Company of America—which Mellon controls—for the purpose of breaking "its monopolistic control" of the aluminum industry. By this action the government revives the Sherman anti-trust act as a legal weapon in regulating business.

Andrew Mellon

The suit named 36 officers, directors, and stockholders of the company, including Mellon. Twenty-five subsidiary and affiliated companies were named co-defendants. Other members of the Mellon family named with the former Treasury head are Paul Mellon, Richard K. Mellon, Jennie King Mellon, Sarah Mellon Scaife, David K. Bruce, son-in-law of Mellon, and Ailsa Mellon Bruce, his daughter.

Action of the company on March 1, 1937, in advancing the car-lot price of virgin ingot was cited as the most recent act of "oppressive and unreasonable price fixing" in the petition signed by Cummings and Robert H. Jackson, head of the department's anti-trust division. It is alleged that this advance was made in the face of an increase in earnings from \$9,571,206 in 1935, to \$20,866,936 in 1936, which amounted to an increase in common stock earnings from 55 cents to \$8.56 per share.

The suit charges that the company is a monopoly in violation of the anti-trust laws and that it has power to fix arbitrary and discriminative prices. It charges the defendants with conspiracies to restrain and monopolize, and monopoly in violation of the Sherman anti-trust act.

Government Employees May Not Speculate in Stocks

IN A letter addressed to H. B. Mitchell, president of the civil service commission, President Roosevelt placed a ban on speculation in securities by government officials and employees. There was no official explanation of this act, but for some time there have been rumors that some persons high up in the New Deal have been making a lot of money by speculating in the stock markets after getting tips on probable White House moves.

305,000 Unemployed Got Jobs During March

NO ONE knows how many unemployed persons there are in the country, the estimates ranging from about 9,000,000, by Secretary Perkins, to less than 3,000,000. However, according to Madame Perkins, the number was reduced by 305,060 during March. Weekly pay rolls for the period, she said, were \$15,100,000 larger than during February in the manufacturing industries. She said the employment increase continued "the practically unbroken succession of increases which have been shown each month since February, 1936."

Of the 305,000 workers who obtained employment the majority found jobs in manufacturing and in retail trade. The secretary said the government had no way of knowing how many of the total had been on relief rolls.

President Intervenes to Avert New York Strike

INTERVENTION by President Roosevelt averted, for the time being at least, a strike of 25,000 freight handlers on eight railroads that threatened the food supply of

New York city. The President appointed an emergency board of three members to attempt a settlement. In his proclamation he said the dispute threatened "substantially to interrupt interstate commerce within the state of New York and other states in the eastern part of the country to a degree such as to deprive that section of the country of essential transportation service."

A dispute between rival workers' unions balked efforts of the national mediation board to effect a settlement. Under the railway labor act, the President forced a postponement for at least 30 days while mediators work.

Byrd Would Consolidate Federal Housing Units

SENATOR HARRY F. BYRD of Virginia, Democrat, prepared for introduction in the senate a bill providing for the consolidation of the Home Owners' Loan corporation and the Federal Housing administration. This merger, said Mr. Byrd, would result in a saving of more than \$24,000,000 a year without impairing the work of the units.

Senator Byrd is chairman of the senate committee on government reorganization and is not at all satisfied with the plan offered by President Roosevelt, believing it will not save tax money. Discussing his own scheme for merging the housing units, he said that there are 20 or more other agencies which, established and publicly justified as emergency establishments, can be consolidated, merged, or liquidated just as profitably. If the appropriate committee will allow this bill to come to the floor for full and open discussion by senators, he predicted, other bills of this nature, providing for substantial savings, are sure to follow.

Senator Nathan L. Bachman of Tennessee Dies

NATHAN L. BACHMAN, United States senator from Tennessee, died suddenly of heart disease in Washington at the age of fifty-eight years. Mr. Bachman was appointed senator in 1933 to succeed Cordell Hull who became secretary of state. He had been a consistent supporter of the Roosevelt administration policies and was especially interested in the Tennessee valley program. He is survived by his widow and a daughter, Mrs. Thomas A. McCoy of Asheville, N. C.

Franco Creates Authoritarian State in Spain

FRANCISCO FRANCO is well on the way to becoming a real dictator of the part of Spain his insurgent forces control, and of the entire country if they win the war. By decree the general has merged the two chief rightist factions under his leadership and has outlawed all other parties, thus creating a one-party authoritarian state. His decree left open the way to restoration of the monarchy in Spain "if the nation needs it," and the monarchists of the Carlist and Bourbon persuasions agreed that if this takes place, the king shall be Prince Juan, youngest son of Alfonso XIII. He is known as prince of the Asturias and is twenty-three years old.

Whether the "high seas" begin three or six miles from the coast line is a matter of dispute between the British government and General Franco. A number of British ships ran the blockade into Bilbao harbor with food and coal, and in most cases they were escorted to the three mile limit by British warships. The insurgent guard ships threatened to fire on the blockade runners within the six mile limit and were warned not to do so by British representatives. Protests were made by both sides.



Gen. Franco

Windsor Gets Apology for a Slandering Book

EDWARD duke of Windsor, was thoroughly enraged by many things about him and Mrs. Wallis Simpson printed in "Coronation Commentary," a book written by Geoffrey Dennis and published by William Heinemann, Ltd., of London. The former king of England, through his solicitor, demanded the withdrawal of the book and the publication of a suitable apology, and the publishers gave in and complied with the demands.

At first it was said Edward's anger might lead him to marry Mrs. Simpson as soon as her divorce was made absolute; but later dispatches averred the lady had persuaded him to delay the ceremony until after the coronation of King George VI and thus avoid further criticism.

Huge British Budget Makes Necessary Higher Taxes

NEVILLE CHAMBERLAIN, British chancellor of the exchequer, introduced in parliament the biggest budget since World War times, and gave warning that national finances for several years to come would be dominated by expenditures on armaments. He said that the government will require an outlay of 862,848,000 pounds (about \$4,314,240,000) to carry out its plans and pay its expenses during the next year. Revenue obtainable he estimated at 847,950,000 pounds (about \$4,239,750,000), leaving a prospective deficit of 14,898,000 pounds (about \$74,490,000).

Chamberlain said the taxpayers would have to pay 3 pence more on each taxable pound of income, bringing the tax up to 5 shillings, or 25 per cent. He also announced a new tax on business profits, and this especially was bitterly attacked by the Conservatives, led by Sir Robert Horne. They argued that it would demoralize industry.

Mrs. Harriman Named as Minister to Norway

PRESIDENT ROOSEVELT sent to the senate the nomination of Mrs. Florence Jaffray Harriman of Washington as minister to Norway. She is the widow of J. Borden Harriman, New York banker, and has been active in politics for a number of years. Anthony J. Drexel Biddle, Jr., who now holds the Norway post, was nominated to be ambassador to Poland.

Goods as Debts Payment Offered to United States

SENATOR JAMES HAMILTON LEWIS of Illinois said that several nations had offered to ship a billion dollars' worth of food supplies and manufactured products to the United States in part payment of their war debts, and that he approved their offer. The State department formally denied that such an offer had been received, but Mr. Lewis said his information was authoritative. He had a conference with the President before the latter left on his fishing trip and urged that the plan be given serious consideration. He recommended that the commodities be distributed for use by states for relief purposes, arguing that this might well facilitate the cutting down of the proposed relief appropriation of a billion and a half dollars.

Maine Governor Quick to Check Strike Violence

GOV. LEWIS O. BARROWS of Maine has lined up with other state executives who will not stand for riotous and illegal tactics by strikers. When an unruly mob of 1,000 men tried to storm two of nineteen factories in Auburn involved in a general shoe strike and the local authorities were unable to handle the situation, Governor Barrows ordered out eight companies of the National Guard.

"I'll order out the entire military forces of Maine, if necessary to preserve constitutional authority," the executive said.

The trouble followed a state Supreme court injunction, issued by Judge Harry Manser, outlawing the shoe strike which affects about 6,500 workers. The mob had been aroused by speeches by Powers Hapgood, New England secretary for the C. I. O., and other organizers.

Keeping "foreign agitators" out of the picture, the representatives of General Motors of Canada and of the workers at Oshawa, Ontario, reached a settlement of the strike in that plant. The company agreed to raise wages and shorten work hours, but does not recognize the United Automobile Workers of America. J. L. Cohen, Toronto attorney who represented the strikers, said the settlement reached was "eminently satisfactory."

Belgium Freed From Its Locarno Obligations

BELGIUM has attained the position sought in a recent move toward complete neutrality. Great Britain and France have released the little buffer state from its Locarno treaty obligations, practically abandoning that pact, and have promised full protection of Belgium against aggressors. In return Belgium promises to rearm and defend its frontiers effectively, and to observe its obligations as a member of the League of Nations.

The agreement was signed in Brussels by Paul Spaak, Belgian foreign minister; Sir Robert Clive, British ambassador, and Jules Laroche, French ambassador.

England and France also were reported as getting closer together in a co-operative plan for a united front against Mussolini's designs in the Mediterranean and for the development of an understanding with Germany. It also may result in the loosening of France's friendship with Soviet Russia, which has been irksome to Britain.

Mussolini's conference with Chancellor Schuschnigg of Austria in Venice was believed to have been mainly about Austria's relations with Germany and the Duce was reported to have told Schuschnigg that Nazi expansion toward the south was inevitable, to which the chancellor replied that Austria would resist to the limit any attempt by Germany to annex Czechoslovakia.

D. A. R. Declares Against Supreme Court Bill

BY UNANIMOUS vote, nearly 4,000 Daughters of the American Revolution, in their forty-sixth annual congress in Washington, adopted a resolution opposing the President's Supreme court enlargement bill. It declared against "unbalancing" the federal tripartite system of government and favored submission of the issues raised by the President to the people through a constitutional amendment.

W. Forbes Morgan Dies Suddenly in Ohio

W. FORBES MORGAN, who was the able treasurer of the Democratic national committee during the 1936 campaign and who resigned to take the presidency of the Distilled Spirits Institute, died suddenly in a committee room of the Ohio state capitol in Columbus. Mr. Morgan, a relative of Mrs. Franklin D. Roosevelt by marriage, was a major in the World War.

Wallace and Roper Comment on Cutting Expenditures

TWO cabinet members were quick to comment on the President's economy orders. Secretary of Agriculture Henry A. Wallace forecast an immediate curtailment of the administration's farm activities. Federal aid to farm tenants, production control and the ever-normal granary are among the projects to feel the economic ax, Mr. Wallace said. He is still hopeful that the crop insurance program, to be applied to the 1938 wheat yield, may be salvaged.

Secretary of Commerce Daniel C. Roper and his first assistant, Ernest

Draper, joined in predicting that business recovery will not be retarded by the apparent inability of the administration to "balance the budget in the 1938 fiscal year, as the President anticipated in January. They said they regarded lagging treasury revenues as a temporary condition and added:

"The present headway of business is so strong that it will offset the effect of a probable deficit."

President Asks Economy but \$1,500,000,000 for Relief

REVISING his budget estimates for the fiscal year 1938, President Roosevelt told congress in a special message that the deficit probably would amount to \$418,000,000 exclusive of debt retirement payments of \$400,000,000, instead of the "layman's" balanced budget he predicted in January. He recommended the appropriation of \$1,500,000,000 for relief; and he demanded rigid economy to combat an anticipated drop in federal revenues amounting to \$600,000,000. Mr. Roosevelt also said there must be a careful survey of the nation's tax structure, and intimated that a new tax bill would be introduced at the next session of congress.

President Roosevelt

In correcting the over-estimation of revenue and the under-estimation of expenditures, the President indicated that the national debt will rise over the 36 billion dollar mark. Though he made no specific recommendations as to economy, the President spoke sharply about "special groups" who are exerting pressure to bring about increases in government expenditures. It was understood he referred especially to the farm tenancy program, proposing an annual expenditure of \$135,000,000; the Wagner housing bill, calling for an expenditure of \$50,000,000 a year, and the Harrison-Black education bill, calling for allocations among the states beginning at \$100,000,000 for the first year and reaching a maximum of \$300,000,000 a year.

Mr. Roosevelt had rejected these measures at a White House conference and his attitude provoked various prominent senators and representatives so much that they declared they would favor cutting down the relief appropriation he asked to one billion dollars. Among the Democratic leaders taking this stand were Senator James L. Byrnes of South Carolina, representing the appropriations committee, and Senator Pat Harrison of Mississippi. Said Senator Byrnes:

"It is my purpose not only to urge that the work relief appropriation be limited to one billion dollars, but that the law require larger contributions from the sponsors of projects. If the sponsors could be required to put up 50 per cent of the cost of the projects, we would not have applications for a billion dollars during the next fiscal year."

Senator Joe Robinson, majority leader, made an earnest plea for economy in all directions; and Senator Charles L. McNary, Republican leader, assured Senator Robinson that the Republicans would cooperate in every way possible with the Democrats in their "belated" efforts to balance expenditures with income.

In the house the economy program lost a point when Representative Vinson of Kentucky succeeded in getting through his \$1,000,000 stream pollution bill.

Next the \$927,000,000 Agriculture department bill came up in the house and was passed despite the efforts of Republicans to have it sent back to the committee with instructions for a blanket cut of 10 per cent. It is reported that the Democrats of both house and senate plan to put through a joint resolution at the close of the session reducing all departmental appropriations by 10 per cent.