

BRISBANE THIS WEEK

Spenders of Yesteryear
Gone With Their Billions
Paris Hotels Empty
England Learns Also

Europe learns that political experiments cost money. England decided to prevent Mussolini taking Ethiopia, camping along the imperial British highway, and controlling Lake Tana, source of Nile water. The attempt failed. England backed out of that situation, hastily, after her war department had assured our so-called war department in



Arthur Brisbane

Washington that Mussolini could not possibly conquer Ethiopia in less than three years, probably not at all.

When the dust had settled and England, with her chicken-feed assortment of 51 league nations, had apologized to Mussolini and tossed Haile Selassie into the waste-basket, England found her foreign commerce much damaged. She had missed Mussolini, and shot herself in the pocketbook.

For a little while she will copy Job: "I will lay mine hand upon my mouth. Once I have spoken... yea twice, but I will proceed no further."

Paris, which is France, decided to sing and dance a new carmine with Russian dressing; clenched fists raised in air a la Russe; red flag waving; the doleful strains of the Communist hymn, l'Internationale, and its Communist injunction, "Arise, ye prisoners of starvation," excellently sung from the Arc de Triomphe to the Place de la Bastille.

You can hardly imagine what fire, fury and enthusiasm thousands of young and old French gentlemen put into that hymn, although many of them showed few outward signs of starvation.

There were, and are, manifestations everywhere. Now in the chamber of deputies, Monsieur Gaston Gerard, practical French statesman, asks, "What has become of our foreign tourists and their spending money?"

M. Gerard tells the deputies something must be done. In 1927, 2,125,000 foreigners from all over the world visited France, spending much money. Visitors now number only 700,000; as a rule with little money to spend—oysters containing no pearl; many that come to help sing l'Internationale bring no money.

Foreign visitors, says M. Gerard, used to give highly paid employment to half a million French men and women; spent 500,000,000 francs for French railroad and steamship tickets; scattered throughout France from 12 to 15 thousand millions of francs.

Fifteen billions, even in francs, are "real money" here. M. Gerard tells the chamber French prices are too high. There is something in that, with the four-cent franc costing six to seven cents in the United States—a comic-opera situation, considering the relative wealth of the two nations.

M. Gerard thinks there should be some cabinet official to look after foreigners, with better propaganda and fewer vexatious taxes on foreigners; there is nothing in that.

Foreigners do not voluntarily travel and spend money where they feel they are not wanted. The cosmopolitan, educated Frenchman is as polite and hospitable as ever, but ask him what sort of reception the crowd gives to the foreigner, British especially. It offends the British ear to hear A bas les Anglais—"Down with the British!"

An innocent American, in an innocent average American automobile, sallied forth on July 14 to help France celebrate the destruction of the Bastille, and perhaps give a few feeble cheers for Lafayette, or Woodrow Wilson, or somebody.

Great crowd in the Champs Elysees, especially around the innocent American car, with new paint, shiny chromium and several cylinders. A polite policeman says monsieur should know better than to appear in a car of "grand luxury" on such a day. Such luxury cars you may see by the thousands and millions on American roads.

Nothing happens to the car of grand luxury; it crosses the Avenue of the Champs Elysees, about 300 feet, in less than twenty minutes. The French, newly self-identified as "prisoners of starvation," are interested in the auto American, which is careful not to bump anybody.

The bourgeois, the "rich," an extinct species, although it does not yet know it, are nervous. In a vague way they feel that they are held responsible for all those "prisoners of starvation," with their strong voices, deep chests, powerful fists and pink cheeks.

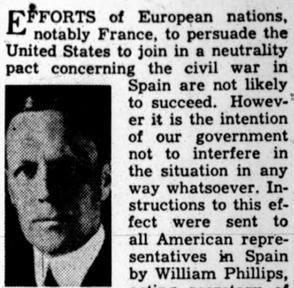
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News Review of Current Events the World Over

United States Won't Interfere in Spanish Civil War—Crop Control May Be Dropped by AAA—Jeffersonian Democrats Organize.

By EDWARD W. PICKARD

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W. Phillips

EFFORTS of European nations, notably France, to persuade the United States to join in a neutrality pact concerning the civil war in Spain are not likely to succeed. However it is the intention of our government not to interfere in the situation in any way whatsoever. Instructions to this effect were sent to all American representatives in Spain by William Phillips, acting secretary of state. While asserting that the American neutrality law prohibiting assistance to warring nations does not apply to the Spanish civil war, Mr. Phillips said that the United States intended to conform with its "well established policy of noninterference with internal affairs in other countries, either in time of peace or civil strife."

Most of the nations invited to participate in the non-intervention agreement were willing, but Germany temporarily blocked the plan by announcing that its answer would be delayed until Madrid gave a satisfactory reply to German protests regarding the execution of four German nationals in Barcelona. France set August 17 as the deadline for completion of the agreement, and it was expected that, if general neutrality failed, the French government would lend aid to the Leftist government at Madrid.

Dispatches from Seville said General Franco, rebel commander-in-chief, had received a large number of German and Italian planes manned by aviators from those countries, and was about to launch an attack on Madrid from the air. The fighting for possession of San Sebastian and in the mountain passes north of Madrid continued unabated and losses were heavy on both sides. General Queipo, rebel commander at Seville, announced he was about to adopt new colors of the rebellion, red and yellow, which are the colors of the Spanish monarchy.

OFFICIALS of the agricultural adjustment administration discussed in Washington the advisability of drastically reducing or removing altogether the planting restrictions on corn and wheat next year. No decision was made and farmers will be consulted before any changes are ordered. It was, however, definitely stated that wheat acreage will be expanded.

Secretary of Agriculture Wallace, passing through Chicago on his way back from Iowa, said he believed government-controlled crop insurance would prevent wild price fluctuations in farm produce. The plan, he said, has not progressed beyond the embryo stage, but probably would entail storage of crops in government granaries. Each farmer, depending on the percentage of his normal crop he wished to insure, would make his "insurance" payments in the form of bushels to be stored in a common pool.

The plan, preventing "lean years and fat years," would tend to stabilize market prices because it would assure a continual adequate supply of whatever commodity was to be insured. Gradually, he said, it might be worked out to include all major farm produce.

FOLLOWING a conference of President Roosevelt, Chairman Harrison of the senate finance committee, Chairman Doughton of the house ways and means committee and Secretary of the Treasury Morgenthau, the administration's fiscal program for the coming year was thus outlined:

1. Assurance that no request will be made to the next congress for the levying of additional taxes or increase of present tax rates.
2. Launching of an immediate study by treasury and congressional tax consultants of present revenue laws as a basis for recommendations to the next congress for elimination of inequitable taxes, especially those unfair "to consumers or to trade."
3. Treasury assurance that "with continued recovery" the revenue yield is approaching the point where it will cover government costs and provide a surplus for reduction of the public debt.

Mr. Roosevelt then started on a three-day trip to the vicinity of Johnston, Pa., where he talked over flood control problems with Governor Earle and others, and on to Cleveland for a visit to the Great Lakes exposition. His itinerary provided then for a visit to Chautauqua, N. Y., to deliver a speech on foreign affairs.

FIGURES compiled by Dun & Bradstreet for July show a decline in commercial failures to the lowest figures since 1920, and a con-

tinuation of the rate of decline was shown for the first week of August.

On the basis of an index kept by the agency since the end of 1932, July insolvencies were at the annual rate of 38.2 for each 10,000 firms in business. It compared with 44.6 in June and 52.8 in July, 1935. In January, 1933, as business was heading for the banking holiday, it was above 170.

July failures numbered 639, a figure exceeded on the downside only twice for the month since 1894 despite the growth of population and business in the meanwhile. It compared with 902 in the same month last year and 2,596 in July, 1932, around the peak of the depression liquidation movement.

For the year to August 6 failures totaled 6,157 against 7,355 in the corresponding 1935 months, a drop of 16.3 per cent.

FORTY-THREE Democrats, most of them prominent nationally or locally and representing twenty states, gathered in Detroit to tell one another and the world how much and why they disliked the New Deal.



J. A. Reed

They decided to establish headquarters at once in St. Louis and to set up an organization in every state. Then they gave out a 1,500 word declaration or platform in which they declared they "will not support re-election the candidates of the Philadelphia convention for President and vice president, and we call upon all loyal and sincere Democrats to consider the question of their duty to their country in the approaching election with the same earnestness that has guided our deliberations—joining with us if they feel that our conclusions are sound and our anxiety for the future of our party and our country is justified."

The name of Governor Landon was not mentioned in the declaration, but a number of its signers are openly supporting the Republican candidate. Among these are Joseph B. Ely, Col. Henry Breckinridge, John Henry Kirby of Texas and Robert S. Bright of Maryland.

TWO veterans of the senate, William E. Borah of Idaho, Republican, and Joseph T. Robinson of Arkansas, Democrat and majority leader, won their fights for renomination without much difficulty. Borah defeated Byron Defenbach, who was backed by the Townsendites. His Democratic opponent at the polls in November will be Gov. C. Ben Ross. In the Democratic primary to select a congressman to succeed the late Joseph W. Byrns of Tennessee the Townsend influence gave victory to Richard M. Atkinson of Nashville by the narrow margin of 13 votes.

In the Presidential contest the American Federation of Labor, as an organization, will maintain its traditional non-partisan policy, according to the firm declaration of President William Green. The federation, said he, is not in the Non-Partisan Labor league, which is backing President Roosevelt. "We will not formally endorse any candidate this fall," Mr. Green continued. "Our non-partisan committee will merely prepare parallel reports on the labor records of the two chief candidates and of the platforms. We will send out all data to our membership. They will have to make up their own minds."

REBELLION among the Townsendites, smoldering ever since their Cleveland convention, has broken out into civil war. Dr. Francis Townsend has just summarily ousted from the organization three of the eleven directors. Apparently the reason is that they are supporting President Roosevelt and object to Townsend's effort to swing his followers to the support of Lemke.

The three men thrown out are Dr. Clinton Wunder, a former Baptist preacher, now living in New York; John B. Kiefer, Chicago regional director, and Maj. William Parker of New York, eastern regional director.

LEADING officials of Class I railroads, meeting in Washington, voted to petition the interstate commerce commission for an advance in freight rates to replace the temporary surcharges which expire at the end of this year, and to meet the rising expenses of the roads.

WHEN the American Bar association convenes in Boston soon it will receive two widely differing reports from a special committee named to study the effects of New Deal legislation on the rights and liberties of citizens. They were made public in Washington. The majority report, signed by John D. Clark, Cheyenne, Wyo.; Fred H. Davis, Tallahassee, Fla.; George L. Buist, Charleston, S. C. and Charles P. Taft II., Cincinnati, Ohio, "deplored" the action of President Roosevelt in reducing congress to a "rubber stamp" body to carry through his program of legislation.

"Novel legislative and governmental trends of the New Deal are just as uncertain today as they were two years ago," the report said. "Laws specifically proposed as emergency measures with limited life have been declared by important members of the administration to be the beginning of permanent changes in national policy."

"There has been a continuing conflict between such officials as to whether a new social and economic order is in the making or the old institutions are being perfected so that they may be preserved." These findings were challenged by Kenneth Wynne, New Haven, Conn.; Fred L. Williams, St. Louis, Mo., and James G. McGowan of Jackson, Miss. In their minority report they said: "If the purpose of the resolution creating the special committee was to get the opinion of the American Bar association regarding legislative trends designed to meet changing economic conditions, the report is superficial. It does not deal with the problem but concerns itself with a short range attack on surface trivialities."

The sharp divergence between the two reports presages a conflict and heated discussion at the association meeting.

PREMIER BLUM made good one of his campaign promises by putting the French leftist government in control of the Bank of France. The board of regents, in existence for a century, was abolished and replaced by a council of seven headed by Leon Jouhaux, president of the conference of labor. The others are representatives of the ministry of finance, savings banks, consumers' co-operatives, handicrafts, chambers of commerce and chambers of agriculture.

The new board is expected to continue the anti-devaluationist policy of the retiring board of the institution.

HENRY MORGENTHAU, secretary of the treasury, and the national commission on fine arts have given their approval to the design for a memorial half dollar which will bear the likeness of Phineas T. Barnum. The coin will commemorate the centennial anniversary of the establishment of Bridgeport, Conn., as a city, and Barnum is honored not for his achievements as a showman but for his great philanthropies and rich gifts to Bridgeport.

SECRETARY OF COMMERCE ROOPER's department has just put out a "world economic review" for 1935 which contains many interesting statements. It says, for instance, that future business prospects are conditioned in part upon the possibility of narrowing the gap between government expenditures and receipts. It asserted that "the government deficit springs from the root of unemployment, which is still the major problem confronting the country," and continued:

"Most of the recent increase in the public debt has resulted from emergency expenditures which will be reduced as the need diminishes. At this date the evidences of need are still manifest."

As to "the part played in the recovery to date by the heavy government expenditures," the report said: "This question is not easily answered, but it is certain that such outlays have had an influence in many directions— for example, on retail sales, on farm income, on the growth of bank deposits and on the prevailing level of interest rates."

The latter statements may well be compared with the report of Alfred P. Sloan, president of General Motors, to the stockholders. Business recovery throughout the world—in which the United States has participated—is being generated by a combination of various factors, Mr. Sloan explains. In this country the automobile industry has been helped, he says, by principal influences. Only one of these, he points out, has its roots in the New Deal financial schemes and he finds that particular influence a bad one because it creates a temporary fool's paradise in which sales and earnings are ballooned by extraordinary government expenditures.

LINCOLN STEFFENS, long prominent as a journalist, writer and lecturer, died at Carmel, Calif., at the age of seventy. He was creator of the so-called muck-raking school of journalism and in many magazine articles he exposed the corruption in municipal politics.

Another well known American writer, Arthur B. Reeve, passed away at his home in Trenton, N. J.

Washington Digest

National Topics Interpreted
By WILLIAM BRUCKART
NATIONAL PRESS BLDG. WASHINGTON, D. C.



Washington.—President Roosevelt again has changed courses on relief. This time he has launched an experiment that becomes most significant and interesting because he is trying out in a small way the very heart of the relief proposal contained in the Republican platform.

Without any ballyhoo or any detailed statement, the President has allocated \$22,700,000 of Public Works Administration funds for use in direct grants to states and has laid down a formula for use of this money that takes it into the same category as the Republican plan. The President took this action personally. He has not only prescribed the conditions under which the grants will be made but has laid down rules for PWA which will, in effect, bring to his attention any completed arrangements involving these funds.

The program provides that the federal government will bear 45 per cent of the cost, a municipality or county contributing the other 55 per cent out of its own funds, and before the allocation is made definitely, the municipality or county receiving the funds must agree to employ 100 per cent relief labor.

In this manner, the "need for relief" becomes the measuring stick. If the local community is unable to supply only unskilled labor from the relief rolls and the project of construction planned for the community requires the use of skilled labor, it does not get the money. The projects considered to fall within the category of this new experiment include a great many worthwhile construction jobs such as school houses, sewage systems and water systems. The things proposed, therefore, may be said to be of permanent value and to that extent represent a veering by the President to the theory which Secretary Ickes of the Department of Interior always has held, namely, that if federal funds are expended they should be used in the construction and maintenance of permanent improvements.

Although the general idea of this new experiment in relief, new to the New Deal, was practically forced upon the President by the necessity of the present relief mess, it nevertheless represents a return to a method long regarded by many students of the problem as the only way in which relief funds can be properly handled. It places back in the hands of local communities the task of looking after their own destitute and charity cases. The federal government contributes a share of the funds, of course, but it does not boss the job as has been the practice under Harry Hopkins and his Works Progress Administration further than the requirements that relief labor be employed.

As stated above, the plan now on trial constitutes the very heart of the Republican proposal for handling federal relief. The Republican platform calls for "federal grants in aid to the states and territories while the need exists upon compliance with these conditions: a fair proportion of the total relief burden to be provided from the revenues of states and local governments; all engaged in relief administration to be selected on the basis of merit and fitness; adequate provisions to be made for the encouragement of those persons who are trying to become self-supporting."

I hear much discussion around Washington that the President's experiment meets the Republican program in every way except as to the second provision which relates to the selection of the administrative personnel "upon the basis of merit and fitness." There are many who believe Mr. Roosevelt has reached the conclusion that there is considerable merit in the contention that unless steps are taken to get relief of the unemployed back into the local communities, it will become an unworkable monster, a Frankenstein.

On the other hand, some of the bitter critics of the Roosevelt administration are contending that Mr. Roosevelt seeks to try out the Republican proposal in this manner in order to demonstrate that it is unworkable. They point also to the omission of the second provision, just mentioned, and declare that the President will use political patronage rather than merit as the means of creating supervision.

While the new method has not been made fully operative so that anyone can see it in full detail, the restriction which Mr. Roosevelt has laid down that only relief labor shall be used is looked upon as providing a means of dodging complete operation of the plan. It is to be noted that the Republican plank

does not limit the workers wholly to relief. In making such a restriction as the President has done, it is held in some quarters that there will not be too many communities able to take advantage of the fresh federal funds. The reason for this is that particularly in the smaller communities there is not a great amount of skilled labor. This comparatively small proportion of skilled labor, comparatively small when measured against the amount of common labor, or unskilled labor, available makes it impossible in a good many instances for the smaller communities to obtain money.

The situation is simply this: in the construction of sewage and water systems and most other construction jobs, there is more skilled labor required than will be available in the communities where these public works are to be undertaken. Further, with the pick up in industry, however small it may yet be, the skilled artisan has more chances to get jobs than has the common laborer. In addition, I think it can be fairly said that a skilled worker is of the type to be among the last to go on relief rolls. In any event, he will not go on the relief rolls until there is no other alternative. He is able to earn a much higher rate of pay than is available to him as a relief dole and naturally is not content to remain on the relief rolls longer than is absolutely necessary.

In this direction then, trouble may lie. Possibly some communities will be guilty of seeking to induce skilled workers to go on relief rolls for a sufficient length of time to enable them to carry out an agreement to employ only relief labor. This is a regrettable possibility but it is a very real one.

In all fairness to the President, I think it must be said that he is proceeding on a method to reach communities and unemployed that hitherto have been rather like stepchildren. The big relief projects under the former PWA system, and the Harry Hopkins method of handling relief in some way or other have managed to be concentrated in the great cities. While some persons may be unkind enough to say that the President is expanding his vote-getting machine to the small communities, it nevertheless remains as a fact that the system now undertaken will let some relief dribble down to those who have not had it before. In any event, since it is the Republican proposal and it is being tried out by the New Deal, it is an experiment very well worth watching.

The nations of the world find themselves in one of those peculiar and almost humorous situations that can develop only from the queer quirks of diplomacy. It has not progressed far enough yet for anyone to say what the outcome of this new diplomatic situation will be but it is not devoid, nevertheless, of possibilities both from the serious as well as the humorous side.

It may have escaped general notice that, under Mussolini's orders, King Victor Emanuel is now not only king of Italy but he is also emperor of Ethiopia. He was given this new title immediately after the conquering hordes of Italians had held their triumphant march in Rome and, as far as Mussolini was concerned, Ethiopia had gone out of existence, a dead nation.

Despite the fact that Mussolini would like to have Emperor Haile Selassie known only as a plain Mr. Tafari, most of the nations of the world still are compelled, through treaty agreement, foreign policy or plain desire to consider that Mr. Tafari still has the title of emperor of Ethiopia which he and his ancestors so long bore.

There is, however, this circumstance: since no nation has extended formal recognition to Italy as embracing Ethiopia, no diplomat can be formally received in that capacity. For example, the new Italian ambassador to the United States will come to Washington as the plenipotentiary of the king of Italy and emperor of Ethiopia but our ambassador to Italy, Mr. Welles, will go to Rome when he returns to his post this fall as the ambassador to the court of King Victor Emanuel—nothing being said about Ethiopia.

All of this results from American foreign policy and the foreign policies of other nations who oppose the taking of territory of another nation or race by force. It is a policy firmly footed, as witness the course of all of the nations excepting only Salvador in their attitude toward Manchuria which is now under Japanese control. Salvador recognized Japanese sovereignty over Manchuria largely because it was thereby enabled to consummate a great coffee sale.

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