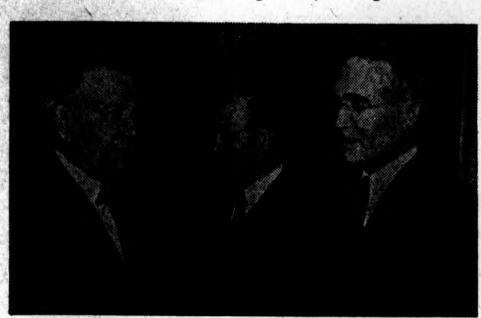
#### News Review of Current Events

#### INDUSTRY'S PLATFORM

Manufacturers Ask a New Deal for the New Year . . . **Ambassadors Dodd and Bingham Quitting Their Posts** 



Pictured above from left to right are Senator William Borah of Idaho. Senator Edward B. Burke of Nebraska and Professor Henry W. Edgerten of Cornell university and formerly of the antitrust division of the Department of Justice, as the professor was about to appear before a subcommittee of the senate judiciary committee. The committee examined the professor to determine whether they believed him a fit appointee to the United States Court of Appeals of the District of Columbia. He was suspected of not believing in the right of courts to declare legislative ents unconstitutional. But he declared he now regarded such indicial review as a legitimate part of our constitutional system.

## SUMMARIZES THE WORLD'S WEEK

has submitted his resignation, be-

cause of ill health. His successor,

it is believed, will be Joseph P. Ken-

nedy, now chairman of the federal

maritime commission and formerly

Mr. Bingham recently returned

to the United States to undergo

treatment for malaria at Johns Hop-

kins hospital in Baltimore. The

State department expects he will go

back to London after the holidays

to pay his official calls of farewell.

DEPEAL of the undistributed

profits tax as a levy "impos-

sible of equitable and effective" ap-

plication to the complex and varied

recommended in a report published

by the Brookings institution, based

on a study of the actual effects of

Prepared by Dr. M. Slade Ken-

drick of Cornell university, in co-

operation with the staff of the insti-

tution, the study was made from

data obtained from the results of

some 3,600 questionnaires sent out

by Senator Frederick Steiwer. Re-

publican, of Oregon, designed to

provide detailed case experience on

the controversial tax as far as ob-

tainable in the first year of its op-

THE United States Steel corpora-

tion announced formation of a

new company-United States Steel

Corporation of Delaware—to super-

vise a number of subsidiaries of the

The new corporation, which will

come into existence January 1, will

be organized with nominal capital.

of readjustment of the corporation.

VIRTUALLY admitting that re-

the A. F. of L. and the C. I. O. were

a failure, President Green of the

federation in a speech in Buffalo

defied the Lewis organization and

predicted that real violence between

the two rival labor bodies may en-

"Unless settlement is reached

"Lots of people think the reason

a settlement can't be reached is be-

cause some one has designs on dic-

tating the policy of the American la-

bor movement, and I sometimes

ment which divides the house of la-

Sixty members of the United Au-

tomobile Workers of America were

arrested when they defied an order

of Mayor John L. Carey of Dear-

born forbidding the distribution of

literature in a prohibited area at the

gates of the Ford Motor company.

and, by an eight to seven ruling.

slashed the government's claim for

additional taxes on Mellon's 1931 in-

bor is an enemy of labor."

No Fraud by Mellon

"He, or she, who launches a move-

think this, too.

cent peace negotiations between

Green Defies C. I. O.

U. S. Steel Readjustment

parent corporation.

Pittsburgh.

the tax on 1,560 corporations.

pattern of American Industry.

head of the SEC.

#### Industry Asks New Deal

A MERICAN industry demands a new deal for the new year. In its "platform for 1938" it asks the government to repeal "unfair" labor relations laws and "unduly burdensome" taxes which, it says, threaten to reverse "a century's trend of improved living standards."

The platform was submitted to the National Association of Manufacturers by Charles R. Hook, president of the American Rolling Mill company and chairman of the N. A. M.'s resolutions committee, and was adopted by the more than 2,000 persons at the annual convention in New York.

of the American people can be resumed and continued only if American industry produces more so that all can have more," the platform declarations were grouped under these headings:

No employer should be penalized for failure to deal with any labor organization organizing, supporting or maintaining a strike for illegal purposes, or by illegal means among his employees;

Employment, promotion and retention of employees on the basis of merit with due regard for length

of service; Legal and social responsibility of both employers and employees for their commitments and their acts.

The platform condemned child labor and urged the enactment of federal legislation to support state child labor laws. Enactment of state legislation against sweatshops also was urged.

To promote free domestic competition based on private initiative and energy, the platform proposed limitation of government regulation "to the prevention of abuses in mical to the public interest, freedom from federal control of prices, wages and hours," fair taxes and "constantly increasing research to produce new and wanted products and new jobs."

Encouragement of private initiative; maintenance and extension of sound industrial practices; equitable employment relations throughout industry; creation of new and broader markets; constructive efforts to alleviate depression effects; sound government policies; co-operation with agriculture; peace.

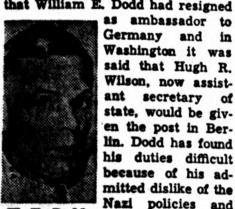
#### Japs Enter Nanking

TAPAN'S invading armies reached Nanking and smashed their way through several gates of the city's wall. Their complete occupation of the capital was imminent. The Chinese put up a spirited defense in the suburbs and nearby towns but it was unavailing.

Generalissimo Chiang Kai-shek and his wife were reported to have escaped in an airplane, which must have been a great disappointment to the Japanese, who are determined to capture Chiang.

#### Diplomatic Changes

CEVERAL major changes in the diplomatic service are scheduled for the near future. It was learned that William E. Dodd had resigned



Germany and in Washington it was said that Hugh R. Wilson, now assistant secretary of state, would be given the post in Berlin. Dodd has found his duties difficult because of his admitted dislike of the erated of income tax fraud by unan-

Nazi policies and imous decision of the United States for some time has board of tax appeals. The board been regarded as "persona non threw out the fraud charges grata" by the German government. brought by the administration He was a professor of history in against the former head of the the University of Chicago when appointed, and says he intends to resume work on a history of the Old

Robert W. Bingham of Louisville, | come from \$3,075,000 to about \$750,ambassador to Great Britain, also '000.

Stormy Days in Capital
RETURNING from his fishing trip
in Florida waters with an infected gum, President Roosevelt was confronted with a situation that was decidedly disconcerting. What has been called the Roosevelt depression was becoming still more depressed and congress seemingly couldn't make up its mind what to do about it. The demand for tax revisions that would assist business out of the slump was insistent, and so was the necessity of balancing the budget. Passage of the four administration "must" measures appeared to be impossible during the extraordinary session. All of them were opposed by various blocs of the majority party as well as by the Republican minority.

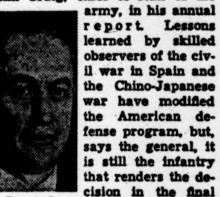
The senate's farm bill seemed to have the best chance to get through, but it differed so radically from the house measure that it was certain a conference committee would have to try to find a common ground.

Secretary Wallace was reported dissatisfied with both senate and house bills. One official close to him said Wallace might urge President Roosevelt to veto any bill finally enacted which approximated either the senate or house measure.

Democrats were so badly split over the wage-hour bill that hope of passing it before the regular session of congress was about abandoned. Labor, too, was divided concerning this measure, the A. F. of L. opposing it and the C. I. O. advocating its passage. The federation offered its own version, calling for a flat 40 cents an hour minimum wage and a 40 hour maximum work week. The house bill was finally rescued from the rules committee by petition. House Majority Leader Sam Rayburn, Democrat, Texas, went ahead with plans to whip administration support behind the house measure. He said that fewer than 100 votes would be cast against the bill in its present form but warned that amendments which would make its wage-hour provisions more rigid might shunt the measure back to the labor committee and delay a vote indefinitely.

#### Infantry Comes First Profits Tax "Impossible"

IN WAR operations on land the infantry is still the most important branch of the service, says Gen. Malin Craig, chief of staff of the



General Malin Craig uable auxiliaries to the infantry, but

they cannot bring about a decision in land operations. Inventories of armament, motorization, mechanization and equipment, in the light of the lessons abroad, show several vital needs of the first line forces, General Craig declared. These include better weapons to combat aircraft and tanks, as well as more efficient guns

analysis. Airplanes

and tanks are valu-

#### Lindberghs Come Back

for the planes and tanks.

A FTER two years of self-imposed exile in England, Col. Benjamin F. Fairless will be president of the company and all the capand Mrs. Charles A. Lindbergh reital stock is owned and held by the turned to the United States. Pre-United States Steel corporation of sumably they came over to spend New Jersey. Headquarters for the the holidays at the home of Mrs. management company will be at Lindbergh's mother, Mrs. Dwight Morrow, in Englewood, N. J. Dis-Myron C. Taylor, chairman of the patches from London said the board, in announcing formation of colonel also had some business to the new corporation, said that this transact in America. He is assowas the final move in the vast plan ciated in an advisory capacity with Pan-American Airways.

The landing of the Lindberghs at New York was accomplished with such secrecy that they almost escaped the notice of reporters and news photographers. One of the officers of the liner on which they came said they planned to return to England immediately after Christ-

#### Edgerton Backs Water

CONFIRMATION of the appointment of Henry W. Edgerton of soon," Green declared, "the A. F. of L. will arm its forces and turn them Cornell university as associate jusloose against this raiding organizatice of the District of Columbia Court of Appeals was endangered because it was thought from his writings that he did not believe in judicial review. However, he appeared before the senate sub-committee, consisting of Senators Borah, Burke and Van Nuys and repudiated his previous utterances. Of the power of courts to declare legislative

enactments unconstitutional he said: "I regard it as not only thoroughly established as a legitimate part of our constitutional system, but which was intended by the great majority of the men who framed our Constitution. I think it was properly established by John Marshall and I haven't the least criticism of any court for any declaration of the validity of that part of our consti-

#### tutional system." THREE months after his death Andrew W. Mellon, famous in- Leviathan to Be Junked

APAN made a bid for the Leviathan, huge liner seized from Germany in the World war, but the United States Lines rejected it and sold the vessel to Metal Industries. Ltd., of London for \$800,000. It will go to England under its own power Aluminum Company of America and will be junked.

The Leviathan cost ten millions to build and the American government spent more than eight millions to recondition it; and also paid Germany \$16,688,000 for its seizure.

# Thinks about

EL RIO, TEXAS. - According to the scientists,

who have a great way of naming earthly phenomena without inquiring into the wishes of the phenomena, we are now living in a terrestrial era known as the Hollocene period.

This will be news to a lot of people who rather suspected we were living through a stage which might

Still, it's no wonder that the word hasn't got around generally yet, because this present era is quite a young era as eras go. It's merely a few million years old. which, to our true

be called Chaos.

geologist, is the Irvin S. Cobb same as yesterday. Mention a few million years to him and he'll say "phew!" and just snap

his fingers—like that. I wonder if the authorities would pardon a suggestion from a poor ignoramus whose acquaintance with geology is largely limited to two of its surface phases, namely: Regular paved roads and those derned detours. When we consider most of the humorous illustrations and the bulk of the humorous text printed in the average smart magazine of today, and the even spicier lines heard in smart modern plays, wouldn't it be more fitting to call it, not the Holocene, but the Obscene period?

#### The Law's Long Arm.

THE long arm of the law-it's a grand phrase, isn't it? So mouthfilling, so satisfying to the honest citizen's soul!

It conjures up visions of unrelentble punishment for the guilty. It's the bunk!

It's the bunk because of crooked lawyers; venal policemen; complacent prosecutors; soft-hearted or corrupted jurors; witnesses, bribed or intimidated; the law's delays; reversals of fair verdicts on foolish technicalities; a false sentimentality which forgets the widow and orphan of the victim and thinks only of the family of the killer; most often of all, abuse of the powers to commute and to pardon and to parole.

These days, when I see a sentenced offender handcuffed to an officer, I find myself saying to myself, "Chances are that fellow, literally or figuratively, is wearing that decoration only temporarily."

#### The Passing Years.

EVERY newborn year is a rosy prospect just as nearly every dying year is a dun-colored disappointment. But without revived hope what could we look forward to except being measured for shroud?

It seems only yesterday when 1937 was busting in, a radiant, bouncing baby-child, his arms burdened with promises, bless his little soul! After several false starts, happy days were here again. Nobody was aiming to remodel the Supreme court. Senator Ashurst told us so, and didn't he know? He didn't.

Secretary Wallace, slightly assisted by Divine Providence, would immediately have the crop situation well in hand. Grass would grow only in the street leading to the almshouse. The Wall Street boys were expecting two suckers in every pot. And the song of the Bulbul was heard in the land-ah, the bull-

Within the 12-month the Republican party again would be a going concern. Well, if it's a going concern, the question is, where?

And now, laden with future gifts, comes 1938. How time flies! Why, before you know it, Sistie will be old enough to take a job with the radio and Buzzie will be signing testimo-

#### Gambling Houses. ONCE famous card-sharp-not

A reformed, but retired—said to

"Show me a professional gambling house where the roulette wheel isn't crooked, where any other mechanical device is on the square, where the operatives from the bosses on down won't skin a customer-call him a sucker, if you want to; the terms are interchangeable-and I'll drop dead from shock, because no such outfit ever existed nor ever will, not so long as games can be tricked, as all of them can, and gamblers are out for the coin, s they naturally are, and the hand is quicker than the eye, which it is."

"But how about the mathematical percentage in favor of the bankisn't that enough?" I asked. "How about the mathematical

percentage of crooked law-enforcement officers who have to be bribed?" he countered. "There's never enough coming in to satisfy those babies."

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## Washington Digest National Topics Interpreted By WILLIAM BRUCKART

Washington. - Much has been written and much more has been said concerning Railroads the complexities Face Crusis of modern civilization and modern business. Many times have we heard how closely agriculture is related to other industry; how general

commerce and industry is interwov en with every phase of our life There can be no doubt of this condi tion. No proof is required. Nor is it necessary to argue that when one section or segment of business is on its sickbed, there is a resulting bad reaction upon every other phase of commerce and industry to a greater or less extent.

With these fundamentals in mind it becomes obvious that probably the most important development of a national character in the last few weeks is the appeal of the country's railroads for the right to increase their rates by 15 per cent. The details of their condition, as presented in hearings before the interstate commerce commission, show they are confronted with a crisis. Since they are under the rigid supervision of the federal government, the federal government is the doctor in the case. They will live or die by the command of the interstate commerce commission.

The case they have presented shows, for example, that they have had to cut thousands upon thousands of workers off of the payroll; that they have been unable to buy more than one third of the customary annual purchases from other businesses, and that more than one fourth of all the railroad mileage in the nation is now being operated as bankrupt property—that is, the property is in the hands of court So, adverting to the observations

cussion: a gigantic industry can not run at a loss without resulting in a bad heart or partial paralysis in other industry. Higher rates are always opposed for the very human reason that none of us enjoys taking any more money out of our pocket than we must. Many lines of business oppose rate increases on the railroads because of the fear that it will reduce their volume of sales. But it occurs to me that in consideration of a question of freight rates and charges which the railroads make, we ought to think of their situation as we do of other lines of business. Our retail grocer is not going to sell at a loss; the druggist can not subsist unless he makes a profit however small it may be, nor is the farmer going to continue to produce unless he gets a reasonable return from his work. The only difference between these and the railroads is that the railroads can not raise their rates unless the interstate commerce commission, a government agency, says they can do

Further, there is a tendency on the part of a goodly number of persons throughout the land to question the accuracy of statements made by business. No doubt you have heard, as I have, the remark that "you can't tell whether so-and-so's business is bad off or not. Big corporations can cover up and make black look like white." Indeed, while I was listening to one of the I. C. C. hearings in this case, a man in a neighboring seat made something of the same observation as I have quoted. My answer to him was in substance that none of the railroad officials would dare lie to the commission, even if they were so inclined, because the commission has access to every item of expense and income, even all actions of the management, of the carriers.

It might be added in this connection that officials of the interstate commerce commission understand there is to be a request by the interstate truck operators for an increase in rates if and when the rail lines are allowed higher rates. The trucks are represented as slowly starving to death-but they can't and won't boost rates until their competitors, the railroads, charge more for their services.

I believe there is no better way to set forth the plight of the railroads, as presented to

the commission, of Carriers than to include erpts of the statement made officially in the case by Dr. J. H. Parmelee. He is director of the bureau of economics of the Associasuch, knows the details.

curtailing their purchases of equipment, materials and supplies. They are forced to do this because of the financial condition in which they find themselves. This retrenchment has serious economic effect on employment, on the manufacturers of railway supplies and their employees and on all business activity. Such a policy with its unwholesome economic consequences only partially offsets the rising tide of costs.

"The railroads in 1927 to 1930 installed more than twelve times as many locomotives each year, nearly five times as many freight cars, laid nearly three times as many tons of rails and laid nearly twice as many cross ties as they averaged in the depression years from 1931 to 1936.

"Capital expenditures for 1929 and 1930 averaged \$863,164,000 a year During the depression years from 1931 to 1936, the average of capital expenditures was only \$206,813,000.

"Similarly, the trend of railway purchases (of things they must use in operation) of fuel, material and supplies declined sharply during the depression years and never has returned to anything like normal. Railway purchases in 1929 and 1930 amounted to \$1,184,017,000 in each of the two years. In the five years from 1931 to 1935, the average per year was about \$559,000,000. In 1936, the expenditures in this direction were up to \$803,421,000. (Figures for 1937 are incomplete but there has been another decline because of necessary curtailment of buying.)"

Dr. Parmelee turned to the question of railroad receipts for their services. He told the commission that the depression years had left the railroads without any reserves. For seven years, he said, the railroads have been barely getting by. and pointed out that at no time between 1931 and 1937 had they earned more than 2.57 per cent on their investment as it is appraised by the commission. In three of those seven years, the records show, the railroads' receipts did not amount to as much as their fixed charges, a term which includes interest on their debts, taxes and required amounts for paying off parts of their debts. In other words, all they earned in those years was just enough to pay the people who work of the first paragraph of this dis- for them and buy the necessary fuel

> The argument to the commission is predicated, therefore, upon rising costs, general ex-Rising penses, and the dozen or so railwho testified before the commission

stressed the fact that these expenses are out of control by the railroad authorities. Dr. Parmelee figured that these higher costs of fuel, supplies, wages and taxes had laid a burden on the railroads that is greater this year by \$664,789,000 than it was in 1933. The companies hope to get \$567,287,000 of this sum from the 15 per cent increase in freight rates, and the railroads of the East are asking that passenger fares be increased from 2 cents to 2½ cents a mile, which they think will bring in an additional \$47,500,-000. From this it is seen that the carriers still will fall short of the full amount needed, but their argument, as I understand it, proceeds on the theory that they should not seek more of an increase than is sufficient to keep them from going broke. If the new depression conditions subside, there will be a larger volume of freight next year. That will enable them to make a profit. That is, a greater volume of business with the new rates will provide a profit unless there are new government taxes and other burdens laid upon them. In this connection, I looked up the effect of the social security and carriers' taxing act. Commission records show the rail lines are paying \$111 .-000,000 in taxes annually under these two levies alone, a burden the companies did not have two or three years ago.

So it is evident that the rail lines are in a bad fix. They are confronted on the one hand with mounting costs of operation and on the other by declining receipts from the smaller volume of business. At the same time, it seems to me, the country has more than a passing interest in their plight. This is so because during the last two months. for example, close to 60,000 railroad employees have been laid off-out of work, in the rail industry alone. With the decline of purchasing of supplies by the rail lines, other industry has suffered, has laid off

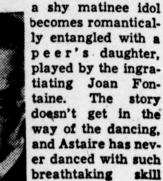
Looking at the thing another way, one might call attention to federal appropriations for relief which have been in excess of three billions a year during the last several years. The figures given above show that the railway purchases-just one industry-have fallen off more than 500 millions, or about one-sixth of tion of American Railroads and, as I the relief appropriations. If the appropriations to aid all unemployed "Today," Dr. Parmelee said, "the are only six times as large as the carriers are reducing forces and are drop in railway expenditures, it is easy to see what an influence is wielded and why I have taken the position that it is necessary to consider the railways' petition from the standpoint of the country as a whole. We, as citizens, have a burden to carry whether it is done through the railways or through some other avenue. None of those rail workers wants to be without a job, I am sure. @ Western Newspaper Union.

### STAR DUST Movie · Radio

THE great experiment of a Fred Astaire picture without Ginger Rogers is now up for public approval, and first reports promise that it will triumph at the box office. "Damsel in Distress" hasn't the effervescent Ginger, but it has that most blithe of dinwits, Gracie Allen, and her solemn George Burns.

\*\*\* By VIRGINIA VALE\*\*

The setting of this giddy, tuneful story is England, where Astaire as



tiating Joan Fontaine. The story doesn't get in the way of the dancing. and Astaire has never danced with such breathtaking skill pefore. When you see him

and Gracie romping through a carnival engaging in dizzy antics on treadmills, revolving barrels, and in front of those crazy mirrors that distort reflections, you will wonder why Gracie's amazing talent as a dancer has been overlooked so long.

The long delay in making another feature picture with the Dionne quintuplets has at last been explained by Twentieth Century-Fox officials. They have been waiting for the little girls to learn English. figuring that audiences can't be counted on to study French just in order to understand the little cher-

Waves of dissatisfaction spread through Hollywood like an epidemic every once in a while, and lately troubles pacifying pouting stars. Loretta Young has decided that she doesn't want to make any more pictures with Tyrone Power for a while. Not that she doesn't like him. She does, but she thinks that the public tires of seeing the same couple on the screen in picture after picture. Ginger Rogers has served notice on R. K. O. that, in addition to her salary she wants a share of the profits of pictures she appears in. Fred Astaire and Katherine Hepburn both share in the profits of theirs. Dorothy Lamour has rebelled against wearing native dress in pictures. Wants to be clothed like a civilized lady. And Wayne Morris wants no more build-up as a hand-

Wallace Ford is one of the screen players over whom the first-night audience at "Of Mice and Men" cheered in New York recently. Even if the play runs all year, however, Wally figures that his fans out through the country won't forget him, for before going into the play he completed the as yet unreleased "Swing It, Sailor" for Grand National, and three pictures in Eng-

Jack Holt is rounding out his twentieth year as an actor and his eighteenth as a mo-

tion-picture star. No other performer has enjoyed outstanding popularity more than half as long as he has, and Hollywood producers will tell you that he is just as popular with them as with the public. Whether he is assigned to horses

or top hats, Jack is always amiable, and if a story seems thin he figures it is up to him to give a performance that will build it up. Some of the young players supporting him in Columbia's "Under Suspicion" asked him recently how he got his start, and then shuddered a bit as he told them that he rode a horse over a thirty-five foot cliff into swirl-

ODDS AND ENDS-Marlene Dietrich shed her wan and bored manner in a New York night club and joined the crowd truckin . . . She could be as sensational in comedy as Irene Dunne is if she only would, but she won't Ballroom dancing bores Fred Astaire until Benny Goodman starts playing and then he just can't sit still Betty Jaynes, youthful sensation of the Chicago opera, will play Norma Shearer's old role in "Student Prince" when M-G-M films it again as a musical . . . When Dick Powell stopped over in Chicago between trains & group of fans surprised him by presenting him with their autographed photos . . . Spencer Tracy will send out his Christmas cards from Ireland . Fathers of twins are the only eligibles for Hollywood's most exclusive club. Membership so far consists of Bing Crosby, Laurence Tibbett, Charles Starrett and Richard Dix . . . Girls don't want to be cast in the next Mauch twins picture because their favorite pets nowadays are white mice .. The Voice of Experience will be

broadcast coast-to-coast beginning December 27. @ Western Newspaper Union.