

Future of Recovery Act Hangs on Sawmill Fight

Small Southern Industry Defies NRA and Throws Whole Act Into Supreme Court to Decide Its Constitutionality.

By WILLIAM C. UTLEY

The immediate future of industrial America and the entire status of national recovery hangs on the decision in a fight between a small town industry and the Blue Eagle of the NRA.

Down in a little Alabama town there is an old sawmill, not a very big sawmill, which has been smoking away in the monotonous drone of its buzz-saw teeth as they bit their way through logs of southern pine year after year, singing a ringing song that even the natives hardly noticed above the murmur of the town's business, for the simple reason that it was never any different from the song of countless other sawmills in the South, and indeed in the entire nation.

Only a few months ago, one might have imagined William A. Belcher, the proprietor, as he walked about his mill, superintending the work of the handful of men who toiled and sweated as they guided the logs to their whirling destruction. When it was late in the day, one might imagine the men, and Mr. Belcher, too, drawing themselves up to a momentary halt at the sound of a whistle in one of the town's few other industrial plants.

The men under that whistle quit earlier, worked less, although they were paid higher hourly wages. Their employers operated under the banner of the Blue Eagle.

Flew No Blue Eagle.

The Belcher employees returned to their jobs at the screeching saw. Mr. Belcher flew no Blue Eagle. He couldn't afford it. His men were thankful that they had jobs and were in sympathy with Mr. Belcher's stand, although they earned but 10 to 15 cents an hour, while they would have made 24 cents an hour under the NRA code. They sit as long as Mr. Belcher could afford to let his saws screech.

Now that screech has so multiplied in volume and has so heightened its pitch that it can be heard from South to North, from East to West, throughout the land. For now it is a screech of protest, and the ruling on that protest is to decide the entire future of the Blue Eagle that refused to approve it.

The case of the United States vs. Belcher in the Supreme court will lay open for discussion the vitals of the entire NRA experiment. Openly Mr. Belcher and his mill has defied the NRA code. He has made no bones about the fact that he paid his employees, on the average, about half the code scale, and worked them as long as there was work to do, despite the code's 40-hour week for his type of worker.

The NRA and the authorities who enforce its more than 700 accepted codes tried for half a year to induce Belcher to conform to their dictates. Despairing of bringing him around, they had him indicted on six charges of code violation last spring.

In October he came up for trial in the United States District court before Judge W. I. Grubb, Birmingham's federal judge, whose name

is reserved to them by the Constitution.

4. The NRA takes property without due process of law.

Officer Perfect Test.

Right here in a nutshell are practically all of the constitutional objections that might be raised against the NRA, and that is what makes the Belcher case so perfect a test. There are many other cases where one or two of the individual counts might be called, but in this one they are all brought to the judicial attention of the Supreme court at one time. It should be a case of life or death for the Blue Eagle.

Unusual in itself is the clear-cut, open and above-board manner in which the case comes to the nation's first judicial body. It will



Gen. Hugh Johnson and Marvin McIntyre Reading Messages Pledging Support to President's Program.

determine with certain definiteness the prime issues of the New Deal. It goes directly from the District court to the United States Supreme court, without even a hearing in a Circuit Court of Appeals, with that court's opinion making one more target for the attack of opposing attorneys. Judge Grubb's decision was made without even a written opinion. The only point of issue is the Constitution of the United States.

The NRA will, indeed, as Gen. Hugh S. Johnson put it, be "dead as the doo." If the Belcher case stands up, if the codes of the act are not permitted to control the minimum wages and the maximum working hours of those engaged in producing the articles of interstate commerce, they will be meaningless. They will become merely so much impotent advice to industry, not an enforceable and effective means of helping industry to raise itself out of the doldrums.

None of the points of the Belcher case have ever been determined with any finality before. Almost the whole reason for the NRA is the alleged benefit to labor. The observance of its labor provisions are entirely dependent upon trade practice provision of codes. And this

others, but they do not strike so definitely at the heart of the whole structure.

Action Seems Necessary.

Disaffection of industry with the codes of NRA has risen until of late the administration has seen the necessity of action upon the future of the recovery program as soon as possible. Publicity of articles by General Johnson and other factors have impressed the idea that public opinion has placed the administration as abandoning the NRA. In contradiction of what might be called an undercurrent of public opinion, Donald R. Richberg, the administrator of the NRA, has committed himself as in favor of its continuation without alteration for the time being at least.

Object of some national attention is the opinion of the American Liberty league as to the future of NRA. It agrees that NRA must be continued, but lays down six "guiding principles" under which the continuance must be administered. They are:

1. Continuance of unusual executive authority should be only for a limited period, with no attempt to enact permanent legislation now.
2. Congress should "guard zealously its prerogative under our plan of government in which there are three co-ordinate branches, the legislative, the executive and the judicial."
3. Undue encroachment upon sovereignty of the states should be avoided.
4. Self-government in industry should be the goal in promoting recovery.
5. Rights of employers as well as employees, should be preserved, with hours and wages not "to impose excessive burdens upon industry."
6. Emergency legislation should not be a vehicle for "experimentation with untried theories."

"The American people are willing to confer emergency powers upon the Executive," says the league. "But they hesitate to write them into permanent laws. . . . It was perhaps well that the Executive had a free hand at the start."

Of the impending Supreme court decision, the Liberty league renders an opinion voiced by many organizations: "It would be a mistake to proceed with permanent legislation until the legal foundations are more firmly established."

Most of the situation in controversy will be cleared up to a great extent with the settlement of the Belcher case. This case might never have come up were our Supreme court like that of Canada, allowed by our Constitution to offer advisory opinions about laws being enacted. As it is, we have a law that has been in force for well over a year, yet has been questioned by many as to the legitimacy of its birth. Yet until the Belcher case is heard before the Supreme court, we will not know whether or not the men whom we have elected to legislate for us were fashionably right in passing it.

Future of NRA.

What is to become of the NRA will most likely be left to the end of the present session of congress. It may even be passed to the next by deciding upon a continuation of the recovery act if, of course, it is

upheld by the Supreme court, for only one year. Opinion seems to be that the act of experimentation is not yet sound and no law permanently controlling business can be enacted until both the method and the objective are clearly made advisable.

The President may have to bring out an entirely new NRA to circumvent the 30-hour week so vigorously pushed by William A. Green and the American Federation of Labor. The most practical way of getting around problems of the future as they present themselves currently would be the extension of the NRA for one more year. The fact that it was conceived as an emergency measure would make that presumption hold water.

As the situation now lies, neither government officials nor leaders of business and industry know how to plan for the future. June 15 is not far off. Enforcement of the codes, difficult enough at the present time, may become impossible if some definite continuation of the NRA or permanent disinvestment of it is not accomplished.

The Belcher case is not the only one involving the NRA which comes up before the Supreme court closer its spring term. There are several

This is not actually an objection—to one who knows his whisky. In fact, until the Scotch began "blending" their whisky with neutral spirits, they were never able to sell it outside Scotland. It was a little too pungent for the English taste, for example. At a hearing before the royal commission, several years before the World war, it was testified that not a drop of straight Scotch had been sold commercially for years—in fact, not since just before 1865, except once at a time of overproduction, when an attempt was made to sell some in England. Despite heavy advertising and boosting, the English did not like the straight Scotch, and continued to buy the blended brand they were used to.

Real Sales Talk

But in America, due to Doctor Wiley and to prejudices built up during prohibition against the addition of alcohol, "cutting," etc., the word "straight" has come to be a very real selling argument.

The Irish distillers wanted to take advantage of this, and were doing so in their advertising in this country last spring and summer. Then came the ruling they could not label their whisky "straight."

"Irish whisky is not straight," Choate insisted to the writer. "Every Irish distiller mixes products of different years."

In short, Irish whisky could be called "a blend of straight whiskeys" if the distillers so desired. But not "straight."

But meantime, due to some of the atrocious tasting "blends of straight whiskeys" marketed in America, a prejudice against this term had grown up. In fact, two big whisky concerns capitalized that and by making blends of actually aged whisky with neutral spirits, with no new whisky to ruin the taste, had run away with the market.

To Settle Feud

Inside information is that President Roosevelt will settle the feud over stimulating exports between Cordell Hull, secretary of state, and George Peck, "special adviser to the President," in favor of Hull.

This will break the log jam which has been bogging down the reciprocal trade agreements on which Hull pinned so much hope. Hull has favored reciprocal trade agreements, retaining the "most favored nation" clause. Peck has favored direct barter agreements between governments.

There is not the slightest sign of an ending to the feud. Both men are determined and stubborn. Neither is giving any sign whatsoever of yielding. Peck still stands firmly for barter, with government control, virtually regimentation, of both imports and exports. Hull still stands strongly for the reciprocal trade agreements, which would give equal advantages to all foreign nations not discriminating against the United States, and for permitting trade to flow naturally, through normal channels, with no regimentation, quotas or other governmental interference.

Hope for a break in the deadlock lies in the fact that there are definite indications the President has made a decision, though there has been no public statement, or even a private one, to that effect.

The differences between the two men have blocked any hope of getting anywhere with their schemes up to date—Hull working for the trade and Peck, with the power of government money to loan exporters or importers and with all the prestige of his title in dealing with foreign nations and diplomats, working in hand of the 1934-

SEEN-HEARD

around the National Capital

by CARTER FIELD

Washington.—Irish distillers are still seen with Director Choate, of the Federal Alcohol Control administration, because he will not permit them to label their whisky "straight." They insist that this is a rank discrimination, brought about by the social and economic influences of the British embassy, working in behalf of the Scotch "Whisky Trust."

The rivalry between the Scotch and Irish distillers for the American market is one of the queerest that could occur probably nowhere else in the world, because the roots of the matter go back to Dr. Harvey Wiley, of pure food fame, to President Taft's liberal interpretation favoring Wiley on his "What is Whisky?" argument, and to prohibition.

The roots of course is that in the ordinary understanding of the words in America, Irish whisky is straight, and Scotch whisky is not. But under the ruling of Choate neither is "straight."

The ordinary American understands "straight" whisky to be liquor distilled from a grain mash, undiluted by neutral spirits or any other "filling" ingredient. Under this definition practically all Scotch whisky sold in America, or in England for that matter, is a blend. It has mixed with the original malt whisky neutral spirits, water, a little sherry, and sometimes other ingredients. Further, whiskies of different distilleries and of different years are frequently mixed together to produce a certain flavor or quality.

Foreign Trade

Illustrating the generally unestimated value of foreign trade to American workers, a computation that no less than 12,000,000 Americans last year were dependent on American exports has been prepared by one of the experts working on the problem of how to get some activity in the apparently inactive negotiations for more reciprocal trade agreements.

The figure has amazed senators and members of the house.

"Starting off with the automotive industry," this expert said, "there were some 350,000 cars, trucks and buses exported from America in 1934, either direct from American plants or for local assembly in branch plants abroad. Each of these vehicles represents a minimum of 500 hours of labor, that estimate growing out of an NRA study last year showing an average of 140 hours per automobile."

"Fabrication of parts purchased from outside factories, the production of basic raw materials and other processes are additional, the total of which may be guessed as doubling the work done in the automotive factories. Adding a modest amount to cover transportation, both during and after fabrication, and such other things as sales force, executive supervisors, accounting, bank clearances, etc., the estimate of 500 hours per automobile is, if anything, highly conservative."

"Now, if you multiply 500 hours by the 350,000 units exported last year, we have at least 175,000,000 hours of labor, which, at 35 hours a week, makes 5,000,000 weeks or 100,000 years. And bear in mind that this is direct labor."

Overseas Car Sales

"But this is only the beginning. Overseas sales of automotive products other than new cars and trucks are large, embracing parts, accessories and garage equipment (spark plugs, storage batteries, tires, brake lining, gears, pistons, rings, valves, carburetors, etc.) required in expanding volume to service the automobiles in current operation in other countries. No practical method exists for estimating the labor time involved in such exports in 1934, but I would guess it as 20,000 years. Thus, we credit the export section of the automotive industry with having supplied an equivalent of 120,000 years of work to American workers in 1934."

"Automotive exports are a tenth of our total trade, approximately. Assuming that same average, we had 1,200,000 years of work last year involved in export trade. Taking five to the family, such trade directly provided the livelihood of 6,000,000 men, women and children in 1934."

"But these 6,000,000 did not put their wages and salaries into a hole in the ground. Their income and wages were spent for food, fuel, shelter, transportation, amusements, doctor bills, etc. We may say that radiating out through all the ramifications of business, for each worker is partially employed in factory work, there is at least another service worker, in grocery stores, producing food, making clothes, handling transportation, mining coal, etc. Here you find another 6,000,000 indirectly employed from our foreign trade, completing the total of 12,000,000 directly or indirectly dependent for their livelihood upon foreign trade. Though, of course, half of them, and perhaps more than that, do not realize it."

See Hull Victory

Signs of the Hull victory were first evident when the German agreement was held up. Hull's fortification today is that it will never rescind White House approval despite the fact that it would dispose of half a million bales of American cotton. Germany would give a small amount of cash, and a large amount of "registered" or "blocked" marks.

It is on these blocked marks that the trouble centers in this particular agreement. But the trouble here is of the essence of the objections to the whole barter plan. For it would force trade, so to speak, along new and unnatural channels, against not only inertia but the active opposition of existing trade agencies. The point regarding the marks is that there is already a stupendous amount of these blocked marks on the market. They can be used for only one purpose—to buy German goods for export. In the present instance this is a serious objection. There is a very real boycott against German goods, especially on the part of our department stores, which for some time have handled a very large percentage of all German imports.

So the blocked marks on the market are selling at a very sharp discount. Germany is deliberately encouraging this discount, ignoring that the profit which would accrue to anyone using them to buy German goods for some other country will eventually break through the deadlock. Purchase by the United States government, under the Peace agreement now on the President's desk, of some forty million dollars' worth of blocked marks, in addition to those already for sale, would accentuate this situation sharply.

Foreign Trade

Illustrating the generally unestimated value of foreign trade to American workers, a computation that no less than 12,000,000 Americans last year were dependent on American exports has been prepared by one of the experts working on the problem of how to get some activity in the apparently inactive negotiations for more reciprocal trade agreements.

The figure has amazed senators and members of the house.

"Starting off with the automotive industry," this expert said, "there were some 350,000 cars, trucks and buses exported from America in 1934, either direct from American plants or for local assembly in branch plants abroad. Each of these vehicles represents a minimum of 500 hours of labor, that estimate growing out of an NRA study last year showing an average of 140 hours per automobile."

"Fabrication of parts purchased from outside factories, the production of basic raw materials and other processes are additional, the total of which may be guessed as doubling the work done in the automotive factories. Adding a modest amount to cover transportation, both during and after fabrication, and such other things as sales force, executive supervisors, accounting, bank clearances, etc., the estimate of 500 hours per automobile is, if anything, highly conservative."

"Now, if you multiply 500 hours by the 350,000 units exported last year, we have at least 175,000,000 hours of labor, which, at 35 hours a week, makes 5,000,000 weeks or 100,000 years. And bear in mind that this is direct labor."

Overseas Car Sales

"But this is only the beginning. Overseas sales of automotive products other than new cars and trucks are large, embracing parts, accessories and garage equipment (spark plugs, storage batteries, tires, brake lining, gears, pistons, rings, valves, carburetors, etc.) required in expanding volume to service the automobiles in current operation in other countries. No practical method exists for estimating the labor time involved in such exports in 1934, but I would guess it as 20,000 years. Thus, we credit the export section of the automotive industry with having supplied an equivalent of 120,000 years of work to American workers in 1934."

"Automotive exports are a tenth of our total trade, approximately. Assuming that same average, we had 1,200,000 years of work last year involved in export trade. Taking five to the family, such trade directly provided the livelihood of 6,000,000 men, women and children in 1934."

"But these 6,000,000 did not put their wages and salaries into a hole in the ground. Their income and wages were spent for food, fuel, shelter, transportation, amusements, doctor bills, etc. We may say that radiating out through all the ramifications of business, for each worker is partially employed in factory work, there is at least another service worker, in grocery stores, producing food, making clothes, handling transportation, mining coal, etc. Here you find another 6,000,000 indirectly employed from our foreign trade, completing the total of 12,000,000 directly or indirectly dependent for their livelihood upon foreign trade. Though, of course, half of them, and perhaps more than that, do not realize it."

ON TO RICHMOND!

EARLY in June, 1931, the editorial column in the New York Tribune declared "THE NATION'S WAR CRY: Forward to Richmond! Forward to Richmond! The Rebel congress must not be allowed to meet there on the 30th of July. By that date the place must be held by the National army."

Composed by Fitz-Henry Warren of the Tribune staff, it was run by order of Charles A. Dana, then managing editor. But every one believed that Horace Greeley had originated it.

Day after day it appeared. Soon the whole North had taken up the cry, "On to Richmond!" By July the government could disregard it no longer.

Gen. Irvin McDowell was ordered to advance with his raw, untrained troops. The result was the battle of Bull Run on July 21 when the Union forces were utterly routed with a loss of nearly 8,000 killed, wounded and missing.

The disaster was a terrible blow to the North. Greeley published a stoned statement disclaiming responsibility for the defeat. But he was blamed for it, nevertheless. His bitter enemy, James Gordon Bennett of the Herald, said that the Tribune editor should be tried for murder because he had sent all those brave young boys to their death. Greeley was so overwhelmed by it all that he was prostrated for six weeks with an attack of brain fever.

Later he rose to heights of editorial influence perhaps never equaled by any other man. But by many Americans he is still remembered as the editor whose slogan precipitated a great disaster to our arms and to our pride.

TREMENDOUS TRIFLES

By ELSA SCOTT WATSON

SHOT OF DESTINY

IT WAS about an chimney and up-wardly a weapon as one could imagine—that argument which European soldiers carried in the seventeenth century. But no modern machine gun, not a titling our its swift stream of death, ever affected American history more than an ancient argument, away back in 1609.

In that year Samuel de Champlain, founder of Quebec, accompanied a war party of Hurons and Algonquians against their enemies, the Mohawks of the Iroquois Confederacy. They found them on the shores of the beautiful lake which now bears his name.

Champlain saw the Mohawks getting ready to shoot their arrows. He leveled his arquebus, which he had loaded with four balls, and aimed straight at one of the three Mohawk chiefs in the forefront of the enemy's line. As the gun roared, two of them dropped dead and the third was seriously wounded.

Champlain could not have realized it then, but his was truly a "shot of destiny." For this was the first contact of the Iroquois with the French and their hatred for these white men dated from that day. It made them allies of the English and in the long struggle between England and France for domination of North America, the aid of such warriors, perhaps the most ferocious on the continent, played a decisive part in favor of Great Britain.

ON TO RICHMOND!

EARLY in June, 1931, the editorial column in the New York Tribune declared "THE NATION'S WAR CRY: Forward to Richmond! Forward to Richmond! The Rebel congress must not be allowed to meet there on the 30th of July. By that date the place must be held by the National army."

Composed by Fitz-Henry Warren of the Tribune staff, it was run by order of Charles A. Dana, then managing editor. But every one believed that Horace Greeley had originated it.

Day after day it appeared. Soon the whole North had taken up the cry, "On to Richmond!" By July the government could disregard it no longer.

Gen. Irvin McDowell was ordered to advance with his raw, untrained troops. The result was the battle of Bull Run on July 21 when the Union forces were utterly routed with a loss of nearly 8,000 killed, wounded and missing.

The disaster was a terrible blow to the North. Greeley published a stoned statement disclaiming responsibility for the defeat. But he was blamed for it, nevertheless. His bitter enemy, James Gordon Bennett of the Herald, said that the Tribune editor should be tried for murder because he had sent all those brave young boys to their death. Greeley was so overwhelmed by it all that he was prostrated for six weeks with an attack of brain fever.

Later he rose to heights of editorial influence perhaps never equaled by any other man. But by many Americans he is still remembered as the editor whose slogan precipitated a great disaster to our arms and to our pride.

A LITTLE MORE GRAPE

ON FEBRUARY 26, 1947, Gen. Santa Anna's Mexicans broke through the lines of Gen. Zachary Taylor's American army at Buena Vista and were about to cut off our flank. Then a little battery and a few Kentucky volunteers, commanded by Capt. William Tecumseh Sherman and Braxton Bragg, swung into action. For a few precious moments they held up the Mexican advances.

General Taylor, coming on to the field, saw what they were doing. Tossing off his old straw hat which he (the most unallright of heroes) wore, he swung it over his head and shouted:

"Give 'em B-I, Captain Bragg!"

A few hours later Santa Anna's hosts were in retreat. Soon the United States was ringing with the praise of Gen. Zachary Taylor, "The Hero of Buena Vista." The next year the Whigs selected him as their candidate for President. They needed a good slogan for the campaign and his remark to Captain Bragg provided it.

"Elegance" of language was considered very important in that squabble era. From Taylor was known as "Old Rough and Ready" to his soldiers, but the Whigs were a bit dubious about the use of "B-I" in their slogan. So the partisan newspapers edited his remark on that historic occasion. They substituted "A little more grape" for that questionable word, meaning that Captain Bragg should blast the Mexican enemy with grape-shot. It was a good slogan. It sent Zachary Taylor to the White House.

WNU-4



A Little Plant Like This Menaces Future of NRA.

has been news frequently during the last few months in connection with adverse decisions he has rendered on the TVA and other projects of the New Deal. Belcher defended his position with the counter-charge that the whole recovery act was unconstitutional. He named four grounds in support of his claim. The judge lost little time in sustaining these grounds and dismissing the indictment.

These are the grounds upon which Mr. Belcher bases his claims:

1. It is not within the power of congress to regulate interstate and foreign commerce.
2. The NRA delegates to the President legislative power exclusively granted to congress.
3. The NRA encroaches upon the powers of the states expressly

is the heart of the object of attack. The recent oil decision involved only a special phase of NRA, and although the court outlined procedure to be adhered to by congress in clothing the President with more and more power, it did not decide whether or not the NRA was constitutional.

The government's defense in the Belcher case will be carefully planned, for several reasons, although of course its detail will not be revealed until the argument begins.

Future of NRA.

What is to become of the NRA will most likely be left to the end of the present session of congress. It may even be passed to the next by deciding upon a continuation of the recovery act if, of course, it is

has been news frequently during the last few months in connection with adverse decisions he has rendered on the TVA and other projects of the New Deal. Belcher defended his position with the counter-charge that the whole recovery act was unconstitutional. He named four grounds in support of his claim. The judge lost little time in sustaining these grounds and dismissing the indictment.

These are the grounds upon which Mr. Belcher bases his claims:

1. It is not within the power of congress to regulate interstate and foreign commerce.

is the heart of the object of attack. The recent oil decision involved only a special phase of NRA, and although the court outlined procedure to be adhered to by congress in clothing the President with more and more power, it did not decide whether or not the NRA was constitutional.

The government's defense in the Belcher case will be carefully planned, for several reasons, although of course its detail will not be revealed until the argument begins.

Future of NRA.

What is to become of the NRA will most likely be left to the end of the present session of congress. It may even be passed to the next by deciding upon a continuation of the recovery act if, of course, it is

Why So Many People

Feel That Their Stomachs

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"

Are "Liquid"